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THE REPUBLIC OF UGANDA

**MINISTRY OF NATURAL RESOURCES**  
**DIRECTORATE OF WATER DEVELOPMENT**



**SMALL TOWNS WATER AND  
SANITATION PROJECT**

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**IMPLEMENTATION MANUAL**

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**SMALL TOWNS WATER AND SANITATION PROJECT  
IMPLEMENTATION MANUAL  
ABBREVIATIONS AND ACRONYMS**

ADF	African Development Fund
AfDB	African Development Fund
CC	Comunity Contributions
CTB	Central Tender Board
DANIDA	Danish International Development Agency
DCA	Development Credit Agreement
DUIWD	Department of Urban and Institutional Development (in DWD)
DWD	Directorate of Water Development (formerly the Water Development Department, WDD)
EEC	European Economic Commission
FY	Fiscal Year of the World Bank Group, July 1 - June 30
GDP	Gross Domestic Product
GNP	Gross National Product
GOU	Government of Uganda
GTZ	Gesellschaft fuer Technische Zusammenarbeit
HRD	Human Resource Developement
IBRD	International Bank for Reconstruction and Development
ICB	International Competitive Bidding
IDA	International Development Association
IMF	International Monetary Fund
KfW	Kreditanstalt fuer Wiederaufbau
LCB	Local Competitive Bidding
MOH	Ministry of Health
MNR	Ministry of Natural Resources (formerly the Ministry of Water, Energy, Minerals and Environment Protection, MWEMEP)
MFEP	Ministry of Finance and Economic Planning
NGO	Non-Governmental Organisation
NURP	Northern Uganda Reconstruction Project
NWSC	National Water and Sewerage Corporation
OMR	Operation, Maintenance, and Replacement
O & M	Operations and Maintenance
PIU-NWSC	Project Implementation Unit in NWSC
PPF	Project Preparation Facility
RC	Resistance Council
RTWSP	Rural Towns Water and Sanitation Programme
RUWASA	Rural Water and Sanitation Project- East Uganda
STWSP	Small Towns Water and Sanitation Project
SWIP	South Western Intergrated Project
TOR	Terms of Reference
TTWSP	Ten Towns Water and Sanitation Project
TWST	Town Water and Sanitation Team
UIWD	Urban and Institutional Water Development Department
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNICEF	United Nations children's fund
VIP	Vent Improved Latrine
WAP	Water Action Plan
WATSAN	Water and Sanitation project funded by UNICEF
WSC	Water and Sanitation Committee
WTWSP	Western Towns Water and sanitation Project
WUA	Water User Association
WUG	Water User Group

# SMALL TOWNS WATER AND SANITATION PROJECT

## IMPLEMENTATION MANUAL

### CONTENTS AND STRUCTURE

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A. Background and Introduction	History and Scope of the Rural Towns Water and Sanitation Programme and the Small Towns Water and Sanitation Project; Economic Background; and the Existing Water Supply and Sanitation in the Project Towns.	A1.1
B. Project Outline	Overall Project Objectives; the Eleven Towns Component; the Institutional Strengthening Component; and the Benefits and Risks Associated with the Project.	B1.1
C. Actors and Roles	Who is involved in the Project and the roles they play.	C1.1
D. Procedures and Regulations	Management Structures; the Process for Development in the Centres; Procurement; Financial Arrangements; and Monitoring and Evaluation.	D1.1
E. Project Timing	Workplans	E1.1
F. Bibliography	Listing of both those involved in the project at all levels and the circulation list for the manual and future updates.	F1.1

**NOTE:** Each major Section i.e. A, B, C, etc., is preceded by a more detailed index of section contents, with a listing of Annexures associated with and located at the end of the Section concerned. It is hoped that this structure will assist users of the manual in utilising it with relative ease.

Tables and Figures list of contents are indicated under respective sections

## 1 THE FUNCTION OF THE MANUAL

1.1 This document sets out the details of the implementation activities of the Eleven Towns and Institutional Strengthening Components of the Small Towns Water and Sanitation Project (STWSP). This is the World Bank IDA funded component of the Rural Towns Water and Sanitation Programme (RTWSP) of the Government of the Republic of Uganda, implemented through the Directorate of Water Development (DWD) of the Ministry of Natural Resources (MNR). The Programme embodies the Government strategy for the provision of water and sanitation services to small towns and rural growth centres. A third component of the STWSP is the rehabilitation and expansion of services in Jinja-Njeru under the National Water and Sewerage Corporation (NWSC), which is a parastatal body under MNR. This third component is the subject of a separate Implementation Manual under NWSC.

1.2 The policies and guidelines on which this approach is based, attached as Annexure A.1 to Section A of the Manual, represent a major shift in government strategy towards a decentralized approach to the operations and maintenance of services currently provided by Government, to ensure sustainability of the investment. Many elements contained in these Policies and Guidelines have been applied with success in the rural areas under the SWIP and WATSAN projects financed with assistance from UNICEF and the RUWASA programme financed by DANIDA.

1.3 Whilst this manual is specific to the STWSP, it is anticipated that it will form the foundation for implementation manuals for other projects under the programme, tailored to the different requirements of the funding sources concerned.

## 2 HOW THIS MANUAL IS STRUCTURED, AND HOW TO USE IT

2.1 The manual is structured into sections A to F inclusive, as indicated in the overall contents page. Each section has a more detailed list of contents in the front.

2.2 Since the manual is perceived as a dynamic, evolving and iterative document being continuously refined with added experiences, the structure permits changes with the least impact on page numbering. Consequently, page numbering and annexures are specific to each section, and in the large sections which are subdivided into subsections, specific to the subsections concerned. The page numbering system in the main body is set centrally at the bottom of the page typically as follows:

D2.6

where :

D represents the section, in this case "Procedures and Regulations"

2 represents the subsection, in this case "The Process for Development in the Centres" and

6 represents the "Page number within the subsection".

2.3 This numbering system has two advantages in that the reader can quickly identify the section and subsection he/she wants by flicking through the page numbers (speed of location); and future changes will have the least impact on other sections and subsections, resulting in less pages of updates needing to be distributed to the manual users.

2.4 Annexures are contained within each section and are identified by a header on the right hand side, typically as follows :

Annexure D2.6

The page numbering for Annexures is also located at bottom centre, but in this case is typically given as follows:

Page 2 of 4

2.5 As previously mentioned, this is an evolving document and consequently updates will be distributed as and when they occur. To assist the reader in identifying the updates and date of update for insertion into their file, every part of the document is identified by a computer file reference in the bottom left hand corner, the last part of which gives the version number which will change with every update. In addition, the date of the version is given in the bottom right hand corner. In this way, the reader can keep track of past versions and also ensure that he/she has the latest updates. Although the systems described above may seem complex, they are designed to enable the reader to use and update the manual with least difficulty. The use of the four ring binder should also assist in this regard.

### 3 CLOSING REMARKS

3.1 The programme and approach is founded on the principle of negotiation based development. This should also apply to the manual and any constructive comments and suggestions from users and other readers will be most welcome. Please send them to:

The Director of Water Development  
Attention: Small Towns Water and Sanitation Project  
P O Box 20026, Luzira, Kampala  
Fax: + 256 41 220397

3.2 Finally, I thank all those who are participating in and supporting this new and inovative initiative, and wish every success to the Project and the Programme in its contribution to the development of the nation.

Eng. S. M. Bomukama  
Commissioner for Urban and Institutional Water Development  
Directorate of Water Development  
Ministry of Natural Resources

## **SECTION A**

### **BACKGROUND AND INTRODUCTION**

**SECTION A**  
**BACKGROUND AND INTRODUCTION**

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- Annexure A.1 - Policies and Guidelines for the Rural towns Water and Sanitation Programme
- Annexure A.2 - Location Map

## 1 HISTORY AND SCOPE OF THE RURAL TOWNS WATER AND SANITATION PROGRAMME

1.1 The Rural Towns Water and Sanitation Programme originated from a short term study of the Organisation and Management of the then Water Development Department (WDD), undertaken in 1989, which concluded that WDD should be restructured into a streamlined executive body which should not be responsible for the operations and maintenance of water and sanitation facilities in the urban centres. Institutional strengthening of WDD to prepare for its new role was recommended, and operations and maintenance activities in the rural towns should be decentralised to district level or below, preferably to user beneficiary level.

1.2 Preparation for the Small Towns Water and Sanitation Project (STWSP), proposed for funding by IDA credit, then commenced with a selection by WDD of some 56 small towns to be studied to provide the basic criteria for the programme preparation, and from these centres to select those for IDA financing under the STWSP. The selection of the 56 towns was based on the criteria of population level; urban status; presence and operating status of WDD facilities; availability of previous study data; presence of health, educational and other institutions; presence and potential for industry; other infrastructure availability (e.g. electricity); other development projects in the vicinity; and an assessment of potential financial sustainability. These were later increased to a total of 60 towns.

1.3 In 1991, the WDD was strengthened by technical assistance provided by Danida and the World Bank. The position funded from World Bank financing under a Project Preparation Facility (PPF) was specific to developing the RTWSP and STWSP. A Programme Preparation consultancy was undertaken in the first half of 1992 and reviewed by a World Bank Pre-Appraisal Mission in July 1992. At this time the initial selection of the centres to be included in the first project under the programme, the STWSP, were agreed, based upon broad criteria including probable community willingness to pay, population, institutional arrangements, and variety of technology options available to the communities.

1.4 At the same time, the first Policies and Guidelines for RTWSP were produced and a consultancy was awarded in October 1992 to further develop the RTWSP strategy, and to prepare the STWSP project to include for the selected towns, two towns proposed for ADF finance and for the National Water and Sewerage Corporation (NWSC) services in Jinja. This consultancy was completed in March 1993, and was appraised by the World Bank in April/May 1993. In July 1993, the WDD was upgraded to a Directorate, the Directorate for Water Development (DWD).

1.5 The appraisal by the World Bank resulted in agreement on the towns to be funded with assistance from an IDA credit, revised Policies and Guidelines on the RTWSP approach (Annexure 1), and agreement that pre-construction implementation would be commenced in one town prior to credit effectiveness, utilising other available funds, in order to test, refine and further develop the methodologies in a real life setting. This was later revised to the two centres of Lugazi and Wobulenzi.



1.6 The anticipated scope of the overall programme covers an estimated 250 to 270 centres ranging in size from 500 to over 50,000 population, on the basis of demand-driven community-based planning, design, execution and maintenance. Of these, 60 have been the subject of programme preparation, and many are in the process of the identification of funding. It is a principle adopted under the RTWSP that centres not included in the original 60, which are identified as being eligible for inclusion in the RTWSP, will be included in funding proposals where appropriate, or if identified in the course of project implementation, will be listed and prepared for a future funding arrangement. In this way, it is intended to cover all the centres of the RTWSP nationwide, based upon the Policies and Guidelines and this model of Implementation Manual. As the project and programme progresses, it is envisaged that lessons learnt will assist in the further refinement and review of both the above key documents, whilst capacity for execution is improved in Uganda from local resources.

## 2 SCOPE OF THE SMALL TOWNS WATER AND SANITATION PROJECT

2.1 The eleven centres identified for the RTWSP approach, included in the World Bank IDA credit, represent approximately 16.5% of the 1,197,500 estimated 2010 population to be covered under the initial scope of the 60 towns which were subject of programme preparation under RTWSP, and are shown on the location map (Annexure A.2). Base data is tabulated below:

TABLE A.1 STWSP LIST OF TOWNS

TOWN NAME	DISTRICT	URBAN STATUS	EST. 2010 POPULATION	
Busia	Tororo	Town Council	49,040	JVA
Kalisizo	Rakai	Town Board	4,214	MM
Kyotera	Rakai	Town Board	6,175	MM
Lugazi	Mukono	Town Council	33,015	JVA
Luwero	Luwero	Town council	23,411	JVA
Lyantonde	Rakai	Town Board	13,949	MM
Malaba	Tororo	Trad. Ctr.	21,654	JVA
Ntungamo	Ntungamo	Town Board	11,268	MM
Rakai	Rakai	Town Council	1,985	MM
Rukungiri	Rukungiri	Town Council	21,676	MM
Wobulenzi	Luwero	Trad. Ctr.	11,358	JVA
TOTAL POPULATION IN ALL THE TOWNS			197,745	

2.2 Regardless of urban status, most towns show similar land use patterns. The towns can be divided into two distinct types of areas: the central core area, and the fringe area. The core area is the "actual town" typically comprising relatively dense housing centred around the commercial areas, and also frequently centred around large institutions, such as a hospital, government offices or large schools. Population densities in the core area typically are around 30-40 persons/ha. The fringe areas have a lower population density (typically 2-20 persons/ha), have an almost rural character, and can be considered as urban agricultural or "shamba" areas. Along the main access

roads leading to the town core area, the population densities normally are higher than in the hinterland of the access roads.

2.3 The small towns under STWSP show similar typical characteristics as all the small towns of Uganda. The towns have either emerged as a result of cash crop agriculture and food processing or as important nodes on the transport network. The continued development of the towns is, however, linked to a range of other factors, such as availability of electricity and other infrastructure services eg water, political/administrative aspects and industrial establishments. Rukungiri is an example of a town that has a direct link to the agricultural potential of its district. Wobulenzi, Luwero, Lyantonde, Kyotera and Lugazi are significant commercial centres located along the road network. Busia and Malaba have developed at a faster pace due to the border trade, both formal and informal. The agricultural potential in the areas surrounding these towns also contribute to their development. Rakai and Ntungamo are expected to develop as a result of the creation of district headquarters. The few industries in the towns are mainly agro-based employing only a few people. Due to the inadequate employment opportunities and poor remuneration, many people find employment in the informal sector, ie. petty trade, hawking and road side selling, in order to supplement their incomes. One clear implication of this is that the ability and willingness to pay for water and sanitation is likely to vary from town to town and within the different social groups in a town.

2.4 As mentioned in the Foreword, the other component covered under this Implementation Manual is the Institutional Strengthening related to the project activities under DWD.

2.5 The project would provide the eleven towns with improved water supply and sanitation facilities, consisting of:

- (i) rehabilitation and/or expansion of existing water supply and sanitation facilities;
- (ii) construction of new water and sanitation facilities;
- (iii) hygiene education related to water supply and sanitation;
- (iv) community participation in planning, implementation, operation and maintenance of water supply and sanitation facilities; and
- (v) institutional strengthening, technical assistance and training for the organizations in the sector.

### 3 ECONOMIC BACKGROUND

3.1 Uganda historically enjoyed a fairly high standard of living with one of the strongest and most promising economies in sub-saharan Africa. An agriculturally dominated economy favoured with good climate and soil was however, punctuated for a period of 15 years by political turmoil that ruined the economy hence inflicting a severe impact on the living standards on the vast majority of the population. This meant that the economic and social progress previously attained declined tremendously to the extent of heavy loss of life and displacement of persons from individual (owner) farm lands.

3.2 Following the establishment of a broad based government under the NRM in 1986 and improvements in the security, efforts are clearly geared towards the achievement of an independent, integrated and self-sustaining economy. This is being achieved through the expansion of productive capacity in the context of adoption of a mixed economy, where public and private enterprises co-exist. The economy has also improved drastically since the Government of Uganda (GOU) presented its Rehabilitation and Development Plan and signed the first Structural Adjustment Facility (SAF) with the IMF in May and June 1987. Since then the GOU has co-operated with the IMF, the World Bank and an increasing number of bilateral donors supporting a vigorous economic recovery programme and a medium term economic programme has been agreed with the World Bank and the IMF.

3.3 Per capita economic growth has exceeded 3% p.a. since 1987. The agricultural sector has responded vigorously to improved incentives as the currency and trade regimes were gradually liberalized. The establishment of the Uganda Investment Authority as a "one stop shop" to local and foreign investors simplifying internal investment procedures has resulted in an increased industrial production index (194.7 - 205.0) over the period December, 1991 to March, 1992. Much of the registered growth accrues from the manufacturing sub-sector as a response to the current extensive rehabilitation programme countrywide.

3.4 The economy still exhibits structural weaknesses, notably the heavy reliance on coffee for export earnings and problems in reducing the size of the public sector and the army. The number of public employees is large, and their wages much smaller than what is required for a living. However, a recent public service review has resulted in continued strengthening of government institutions and there has already been a substantial reduction in the military sector. In addition, there has been considerably activity in developing a policy of decentralisation culminating in the enactment of Statute No. 15, The Local Governments (Resistance Councils) Statute, 1993, which is also of particular relevance to the RTWSP/STWSP.

3.5 The outlook for the medium term is continued economic growth of 4% to 5% per annum, implying a per capita growth of approximately 2 percent.

3.6 In all these urban areas most economic activity takes place in the informal sector and earnings are largely undocumented. The earnings are highly sensitive to seasonal and annual fluctuations making them difficult to accurately predict. The distribution of the employed

(economically active) persons varies from town to town. However, generally, sales services take the lead percentage (approximately 30%), industrial and sales workers (25%), professionals (15%), agriculture (10%) and the remainder are in other occupations. In the sales service more women than men are engaged both in own small (petty) businesses or employed by middle progressive proprietors. Percentage distribution of household monthly expenditure, which may be used as a proxy for incomes, is skewed as expected of the varying levels of economic activities. For all these towns a number of categories for income levels can be identified together with their respective percentages. The modal range is the shs 25,000 - 50,000/= range (35% of population). Others are; less than shs 25,000/= (20% of population), shs 50,000 - 100,000/= (25% of population) and above shs 100,000/= (20% of population). The distribution continues to be varied within these income classes with the presence of some richer households. In the above shs 100,000/= category further sub-classes may be identified to include shs 200,000/= and so on with sizeable percentages of the population.

#### 4 EXISTING WATER SUPPLY AND SANITATION IN THE PROJECT TOWNS

4.1 In only two of the project towns can be found any form of piped water supply, and in none of them a waterborne sanitation system. In the remainder of the towns, there has never existed such systems, and in all of the towns considerable reliance is placed upon point source supply of water, and the use of pit latrines for sanitation needs. Wobulenzi has an operational but old single powered borehole serving a multiple tap standpost and five private connections. It is managed by a locally elected water committee. Kalisizo has an untreated piped supply from an unprotected spring source serving several house connections and yardtaps. This is managed by DWD. Point source usage varies considerably from both protected and unprotected springs, boreholes with handpumps, and very few hand dug wells. there is little use of rainwater harvesting.

4.2 The existing water supply situation in all the towns must generally be described as poor. For each of the project towns the available water sources are listed with estimated coverage;

(a) **Busia**

Busia town is supplied water by 5 handpumps, 2 protected springs and about 100 hand dug wells. The water quality from the traditional sources has not been tested but due to the proximity of most of the wells to toilets it is very likely that the water is polluted. The coverage is estimated at about 45%.

There is a high coverage of traditional pit latrines in fringe areas and a high coverage of improved conventional latrines in core areas.

(b) **Kalisizo**

The town is supplied water from the existing DWD piped scheme, 4 hand pumps and 2 springs. The water quality from 2 hand pumps and springs have a high iron content and water from the piped scheme does not meet the normal standards of drinking water. The coverage of the water supply sources is about 40% of the population.

There is a high coverage of the town with traditional latrines.

(c) **Kyotera**

The water supply in Kyotera is based on 5 unprotected open wells, some of them resembling valley tanks. The water quality meet the WHO guidelines with the exemptions of two wells which have high iron content and bacterial contamination.

There is a high coverage of traditional pit latrines and improved conventional latrines are estimated to cover about 10%.

(d) **Lugazi**

The town is supplied with water from 8 protected springs, several unprotected springs, 2 handpumps, 2 private /individual schemes abstracting water from river Musamya, 3 private /individual schemes abstracting water from boreholes with motorized pumps. The water quality meet the WHO guidelines with the exemptions of two springs which have low pH(6.2), one spring showed increased turbidity and the unprotected springs have bacterial contaminations.

There is a high coverage of traditional pit latrines in both the core and fringe areas and improved conventional latrines are only common in core areas.

(e) **Luwero**

Luwero town is supplied water by 23 handpumps, 8 unprotected springs and four unprotected shallow wells. The water quality meet the WHO guidelines with the exemptions of water from 9 handpumps which have high iron content, one hand pump has too low pH and water from one hand pump has faecal coliform.

There is a high coverage of traditional pit latrines in fringe areas and a high coverage of improved conventional latrines in core areas.

(f) **Lyatonde**

Lyatonde town is supplied water by 4 handpumps, several unprotected shallow wells, seasonal ponds and valley tanks. The water quality meets the WHO guidelines with the exemptions of water from 3 handpumps that have high iron content and water from one hand pump has faecal coliform.

There is a high coverage of traditional pit latrines in fringe areas and a high coverage of improved conventional latrines in core areas.

(g) **Malaba**

Malaba town is supplied water by a few handpumps, and 1 protected springs with a yield of about 100l/s. The water quality from the traditional sources has not been tested . The coverage is estimated at about 35%.

There is a high coverage of traditional pit latrines in fringe areas and a high coverage of improved conventional latrines in core areas.

(h) **Ntungamo**

Ntungamo town is supplied water by 4 handpumps, 1 protected springs and 2 protected springs. The water quality meet the WHO guidelines with the exemptions of water from 2 handpumps have high iron content, the water from 2 springs have high iron content.

The use of traditional pit latrines in Ntungamo is complicated because of a high water table. As a consequence the latrines are built with shallow pits and collapse of unlined pits is a common problem. This is however, the most common form of sanitation, and provides a high coverage. Some elevated conventional latrines have been built to overcome the problem but these are few.

(i) **Rakai**

Rakai town is supplied water by 2 handpumps, 1 pond and Lake Kijanebalola. Water from 2 handpumps have high iron content (70mg/l), and water from Lake Kijanebalola has pH of 9.5, high turbidity high iron content and has algae.

There is a high coverage of traditional pit latrines in the town (about 95%) and improved conventional latrines are only found in the district headquarters.

(j) **Rukungiri**

Rukungiri town is supplied water by 15 handpumps, 8 protected springs and two open wells and four individual/private supplies. The water quality meet the WHO guidelines with the exemptions of water from 6 handpumps which have high iron content, one hand pump contains about 14 mg/l of nitrate.

There is a high coverage of traditional pit latrines in fringe areas and a high coverage of improved conventional latrines in core areas.

(k) **Wobulenzi**

Wobulenzi town is supplied water by 6 handpumps, 1 unprotected springs, 3 protected springs and 4 unprotected shallow wells. The water quality meet the WHO guidelines with the exemptions of water from 2 handpumps and 2 springs which have bacteriological contamination, one of the springs is acidic, water from 5 handpumps have high iron content.

There is a high coverage of traditional pit latrines in fringe areas and a high coverage of improved conventional latrines in core areas.



## **POLICIES AND GUIDELINES**

for the

### **RURAL TOWNS WATER AND SANITATION PROGRAMME**

#### **ANNEXURE CONTENTS**

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## POLICIES AND GUIDELINES<sup>1</sup>

for the

### RURAL TOWNS WATER AND SANITATION PROGRAMME of the Directorate for Water Development, Ministry of Natural Resources

#### INTRODUCTION

1. This document sets out the policies and guidelines of the Government of the Republic of Uganda, through the Ministry of Natural Resources, related to the strategy for provision of water and sanitation services to small towns and rural growth centres. This has resulted from project preparation activities under the Rural Towns Water and Sanitation Programme (RTWSP). The policies and guidelines which follow represent a major shift in government strategy towards a decentralized approach to the operations and maintenance of services currently provided by Government, to ensure sustainability of the investment. Many policy elements contained in these Policy and Guidelines have been applied with success in rural water and sanitation projects.

#### PRINCIPLES

2. A *negotiations driven approach*, allowing the beneficiaries a choice in determining the key elements of the project at the planning stage, is essential to ensure that limited government funds are channeled to communities that will maintain their new or improved water supply and sanitation systems. It also expedites project implementation by encouraging beneficiaries to meet their commitments on schedule. This negotiations driven strategy is based on individual towns, or groups within those towns, first deciding whether or not they want to participate in the programme and then deciding the type of water supply and sanitation systems that they want. Decision making will be guided by government construction grant regulations and by technical consultants, an important consideration being the willingness of beneficiaries to contribute a portion of the capital cost and to pay for all of the operation and maintenance costs for their systems. The process will start in a given geographic area once the Directorate for Water Development (DWD) has secured financing for the group of towns located there, at which time each town will be invited to participate in the programme. Individual groups within the towns will then receive technical assistance through planning, construction and follow-up training phases, provided they meet agreed upon commitments on schedule. Those which do not will have to await the next construction phase.

3. *Starting small* is important because implementation strategies and training materials and methods need to be developed and key personnel trained before large-scale investments can be made. Consequently a *phased approach* will be adopted with implementation starting in a small number of towns and being scaled up as implementation capacity grows and additional financing becomes available. The Small Towns Water and Sanitation Project (STWSP), assisted by the World Bank, is the project in the national RTWSP.

<sup>1</sup> These Policies and Guidelines were initially drafted in July 1992 and have gone through several revisions to date reflecting operational experiences from project implementation. The Policies and Guidelines should be regarded in the context of an evolutionary and iterative document being continually refined with added experiences. For this reason it is important to keep track of the different versions by dating the document upon each revision.

4. User groups within each town, formed on the basis of *management units*, will determine the type of water and sanitation facilities they want and how to manage them, including operation, maintenance, repairs and revenue collection. They will also take responsibility for addressing related hygiene and sanitation issues. The roles and responsibilities of these and other bodies in the process is described in detail in Paras. 8-12.

## OBJECTIVES

5. The objectives of the RTWSP are:

- a) To assist all towns to obtain basic water and sanitation services, while encouraging the higher levels of service for those who can afford it;
- b) to increase the capacity of communities, the private sector and government to provide and maintain sustainable water supply and sanitation facilities in small towns whereby government facilitates private sector provision of goods and services to the communities;
- c) to promote better health, through improved personal hygiene, excreta disposal and environmental management practices; and
- d) to ensure that the gender issue is addressed in such a way that both sexes are involved as decision makers; women are empowered and enabled to determine their own development collectively with men; and women are involved as agents of change and not just beneficiaries.

6. *Basic service for water supply is defined here as a protected, year-round supply of 20 litres per capita per day, preferably within 250 to 500 meters of all households and serving 200 to 300 persons per outlet; and basic service for sanitation defined as an improved household latrine, preferably including the use of concrete slabs.* To encourage higher levels of service for piped water supply systems, the GOU will finance the source and distribution costs for individual connections under normal cost sharing arrangements (Para.13), and individual beneficiaries will be required to pay the cost of connecting to the system. Due attention will be paid to match service levels of sanitation and water supplies. Piped sanitation systems will only be encompassed within the RTWSP if:

- a) The nature of the community is such that on site sanitation would not be viable or would be environmentally damaging.
- b) If a piped sewerage system was an inherent result of a chosen higher service level for water, for which the community can demonstrate commitment to maintain in the same way as for their water supplies.

7. *Operation and maintenance costs will be fully borne by the beneficiaries (and institutions) including the replacement of components with useful life expectancies of up to about eight years.*

## INSTITUTIONAL RESPONSIBILITIES

8. *Institutional responsibilities* can be divided into two broad areas: (i) mobilization and long term support through district and town political and administrative mechanisms, and (ii) training and technical assistance through a consulting firm contracted by DWD to first assist towns to identify their management units and then to assist them to plan and manage their water and sanitation facilities.

9. Mobilization and long term support can only be provided by district and town political and administrative authorities, particularly in a decentralized system. For this reason actual planning and design of systems will begin only after a mobilization phase during which local authorities have a major lead responsibility.

10. Technical assistance and training in the towns would be provided by a combination of extension services through government personnel and consultant representatives at the local level. This combination takes advantage of the experience of local personnel regarding the composition and dynamics of the town and of consultant experience in the RTWSP policies and implementation procedures; ensures residents that someone is accountable and accessible, and provides for follow-up support. It also makes best use of a limited number of more highly trained personnel, allowing them to serve throughout the country.

11. Extension services at the local level, through the existing Resistance Committee (RC) system where appropriate, will include amongst others (i) community mobilization including identification and establishment of their management units, (ii) assistance to communities to assess their needs and to plan their water supply and sanitation systems, (iii) promotion of proper hygiene and excreta disposal practices, and (iv) coordination of the assistance programme for private mechanics and latrine artisans. Technical support services at the national level will include (i) training of local extension personnel, (ii) planning assistance to towns and to management units within towns to help them plan their water supply and sanitation systems and train them to manage them, (iii) preparation and review of beneficiaries plans, (iv) preparation of designs, specifications and bidding documents, and (v) supervision of construction. At the end of each project one or more national consulting firms should be able to manage implementation in new project areas, and local government and NGO personnel should be capable to provide follow-up support to town management units.

12. The responsibilities of each institution involved in project implementation are as follows:

- i) Communities will plan and manage their water and sanitation facilities and improve their health by putting lessons learned about improved hygiene and proper disposal of excreta and sullage water into practice.
- a) A Water User Group (WUG) is a set of individuals and or households that collectively plan a point source water supply system in their area, manage it and collect revenue to maintain it. For this purpose, and to look after sanitation and hygiene education, each Water User Group will be represented by a Water and Sanitation Committee (WSC), which, by their choice, may be established by one or more WUGs with common interests.

- b) In the case of piped systems serving more than one WUG, a Water User Association (WUA), made up of chosen representatives of the WUGs it encompasses, will be formed to manage the system including the setting of tariffs and collection of revenue to maintain it.
  - c) WSCs, or WUAs for piped systems, interface with DWD and technical/training consultants to plan community water supply and sanitation systems and determine how to manage them.
  - d) WSCs/WUAs will sign a *Beneficiaries Agreement* with DWD and the District Executive Secretary (DES), based on a *Beneficiaries Plan* for each WUG that (i) specifies the responsibilities of government and beneficiaries, (ii) describes the proposed water supply construction plans in sufficient detail to allow design drawings and specifications to be prepared and DWD to check for conformance to *Construction Grant Guidelines*, and (iii) provides a basis for legal ownership by the beneficiary WSCs, or WUAs in the case of piped systems, that serve more than one WUG.
  - e) WSCs, or WUAs for piped systems, manage the community's water supply and sanitation interests including operations, maintenance, revenue collection, accounts keeping, repairs and replacement of components. All WSCs, unless otherwise specified in their *Beneficiaries Plan*, will collect revenue from individual beneficiaries in their area and promote improved environmental sanitation and personal hygiene practices.
- ii) Local authorities will provide the organizational framework and political support needed to implement the programme and for monitoring and evaluation. The District and Town Administration and RCs will:
    - a) Facilitate initial mobilization activities.
    - b) Mobilize the town's population including the identification of WUGs and the establishment of WSCs.
    - c) Support WSCs and WUAs, including assistance in resolving appeals submitted to them by WUGs, WSCs and WUAs.
    - d) The DES will sign *Beneficiaries Agreements* on behalf of local government.
  - iii) Other ministries, particularly the Ministry of Local Government and the Ministry of Health, will participate in project implementation by identifying and assigning local staff as local extension personnel or to include related activities in their normal work schedule. These ministries will also provide follow-up support to better ensure sustainability.
  - iv) The Consultant, contracted by DWD, will have a multi-disciplinary team made up of community development, health and technical (water and sanitation) specialists to implement the project. The consultant will:
    - a) Establish project offices in appropriate regional centres and in participating towns, staffed by persons hired by the consultant and assigned by government and local NGOs.
    - b) Train local extension personnel to implement the town programme.
    - c) Assist local authorities to mobilize communities including identification of WUGs and establishment of WSCs.
    - d) Assist WSCs and WUAs to prepare their *Beneficiaries Plans*, providing information to them about technical and management options, including costs, technical constraints and construction grant regulations.

- e) Prepare construction designs, specifications and bidding documents.
  - f) Assist WSCs/WUAs to prepare a signed Beneficiaries Agreement with DWD and their district.
  - g) Train WSCs/WUAs to manage their water supply and sanitation interests.
  - h) Supervise construction and provide support to DWD in its monitoring and evaluation role.
- v) DWD will be the government agency accountable for the overall implementation of the project. DWD will:
- a) Set policies/guidelines and the regulatory framework for RTWSP implementation.
  - b) Mobilize national and international financial resources.
  - c) Engage the services of consultants and contractors and supervise them.
  - d) Procure materials and equipment as and when required.
  - e) Supervise programme implementation, monitor progress, and refine policies and guidelines.
  - f) Ensure interagency coordination.
  - g) Introduce the programme to local decision makers and community members.
  - h) Sign Beneficiaries Agreements with WSCs/WUAs when facilities plans, terms and conditions for a construction grant have been negotiated and agreed upon.
  - j) Provide technical support to programme towns through its local District offices.

### CONSTRUCTION GRANT GUIDELINES

13. Government has responsibility for assisting communities to obtain basic water and sanitation services and for ensuring that public funds are spent on cost effective facilities that will be maintained. In financial terms this means that communities should pay part of the capital cost and all operation and maintenance costs for improved water and sanitation facilities. For the basic service for sanitation of an improved household latrine, the beneficiary will bear all the capital cost as well as the operations and maintenance costs. With regard to water supplies and communal sanitation facilities in the form of public latrines or piped sanitation, (where acceptable as defined in Para. 6), a small contribution to the capital costs, paid in cash as indicated in para 14, has a number of advantages. First, community contributions, being proportional to the capital costs, serve as a guide to help communities choose systems that are within their financial means. Second, being about the same amount as a community would need to raise in the future to cover operations, maintenance and normal repair costs, they provide an indication to government as to whether or not beneficiaries will be willing and able to raise the funds required to maintain their systems. Third, they provide a basis for community ownership of the system.

14. Financing arrangements under the RTWSP will be as follows:

- a) The community will contribute the equivalent of one year's operation and maintenance costs as their contribution to the construction of their public water supply and sanitation systems. For private connections the cost of the connection will be borne in full by the beneficiaries.
- b) To better ensure sustainability, a national rehabilitation programme needs to be established to assist communities to pay for replacement of major equipment with a useful life expectancy of more than 8 years (Para. 7). Future rehabilitation and expansion of source works and mains will be financed on an appropriate cost sharing basis from

this future programme. All rehabilitation and expansion of secondary piping in a community and individual connections will be paid for by the beneficiary.

15. Communities are reticent to give cash in return for a promise of a new facility, while government is reticent to invest time and money to help a community obtain the facilities if it won't meet its commitments. To build confidence, community contributions will be collected in several installments during the planning process: a down payment on their community contribution to the capital cost, and the full balance to be deposited prior to the signing of construction contracts. The community contributions to the capital costs will be retained within dedicated bank accounts jointly controlled by WUGs and the Project prior to the preparation of construction contracts. Actual payment will be required only after the water source has been tested for capacity and quality.

16. Since the community contributions have to be made by the community into dedicated accounts prior to the signing of construction contracts, they have to be in the form of money. In addition, in kind contributions of labour or materials as a substitute for money are considered undesirable since they often lead to disputes with contractors regarding delays and associated costs; and reduce the accountability of contractors for quality. Finally, particularly in the case of piped services, future operations and maintenance will mostly rely upon the willingness of the community to raise monetary revenue, and therefore in kind contributions would not represent an assurance of future sustainability.

17. It is important that communities are able to *choose the technology* that will give them the highest service level that they want, can afford, and can maintain. Different priced water supply options for both point sources (springs, wells and boreholes) and piped systems will be identified, and information materials, easily understood by community groups, showing typical designs, costs (capital and operation and maintenance) and management options will be prepared. Through an iterative process involving the local extension personnel and first WSCs, and later WUAs for piped systems, with consultant assistance WSCs/WUAs will prepare a Beneficiaries Plan. Where appropriate (para.6), related sanitation/sewerage options will be included in the process.

18. Over design of pumps, piping and storage tanks should be avoided, and individual components should be locally available. Options will include manual, electric, diesel and solar pumps (both deep-well and surface mounted centrifugal pumps) as well as conventional and smaller, locally-made storage tanks. Handpump models suitable for corrosive groundwater conditions, i.e. with a PH value less than 6.8, are recommended. Groundwater sources including spring catchments, augered or dug wells and boreholes should be used whenever possible, as treatment of surface water is expensive and difficult to manage in rural towns.

19. Construction of public facilities will be done by qualified contractors and awarded through competitive bidding, following pre-qualification, where appropriate. Guidance and training will be provided to enable beneficiaries to build improved household latrines. The phasing of the selection of suppliers and contractors by DWD will be such that there will be a minimal delay between the finalisation of the chosen service level and commitments being met by a community group, and the commencement of supply and construction activities, thus ensuring minimal danger of loss of community enthusiasm and commitment resulting from possible periods of delay caused by procurement procedures of the agencies involved.

20. Of relevance to the RTWSP is the *local manufacture of small water storage tanks* used in intermediate technology piped systems. These can significantly reduce the cost of piped

alternatives and are affordable, making replacement within the means of most small communities. The capacity in different parts of the country to make small (2-10m<sup>3</sup>) storage tanks will be reviewed and if necessary technical support will be given to local manufacturers interested in fabricating them.

## OPERATION AND MAINTENANCE

21. *Operation and Maintenance* of point source water supply systems (handpumps, spring catchments, and stand pipes) will be the responsibility of individual WUGs with day-to-day management provided by their WSCs; and maintenance of all on-site sanitation systems will be the responsibility of individual households. The WSCs will appoint a care taker who will be trained in the proper use of the water point, simple repairs and maintenance, and sanitation and hygiene extension work. DWD will assist WSCs/WUAs to resolve technical problems through its District Engineers who can advise groups on the best course of action to take. Local government personnel will monitor the maintenance system and provide back-up support. Maintenance of piped water and sanitation systems will be the responsibility of WUAs who normally will contract operation, maintenance and repair functions to a private entity. Area meters should also be installed to act a check on meter accuracy and leaks in the system.

22. To be eligible to benefit from the proposed national rehabilitation programme described in Para. 14 (b), WSCs/WUAs will be required to show proof that annual inspections by an authorized mechanic have been made and that recommended preventative maintenance work was completed.

23. To maintain their water supply and sanitation systems communities must have access to spare parts and components that will need to be replaced within eight years i.e. covered under normal operations and maintenance costs. Until recently handpump spare parts were imported and distributed by external assistance agencies, and piped system components were imported by the Government and the National Water and Sewerage Corporation with donor assistance. The Programme will support the approach taken in the RUWASA Project by encouraging local hardware retailers or private mechanics in individual towns to arrange with local suppliers of spare parts.

## HUMAN RESOURCES DEVELOPMENT

24. Communities, programme personnel, private contractors and mechanics will require considerable *training* to undertake their responsibilities and to learn about programme policies and procedures. All project personnel will (i) learn communications skills that encourage dialogue and participation rather than rely on directives, (ii) master effective work planning skills including monitoring, evaluation, and problem resolution, (iii) gain a thorough knowledge of the policies and the technical details of the programme, and (iv) obtain specialized training and practical experience for their particular assignments. During project preparation general training (i-iii above) as well as specific training materials for each project specialist (iv above) will be prepared and tested, as will simple presentation materials needed to help local authorities and communities to plan their water supply and sanitation facilities. Orientation programs for decision makers will also be required in order to expose them to the new way of doing business in the water sector.



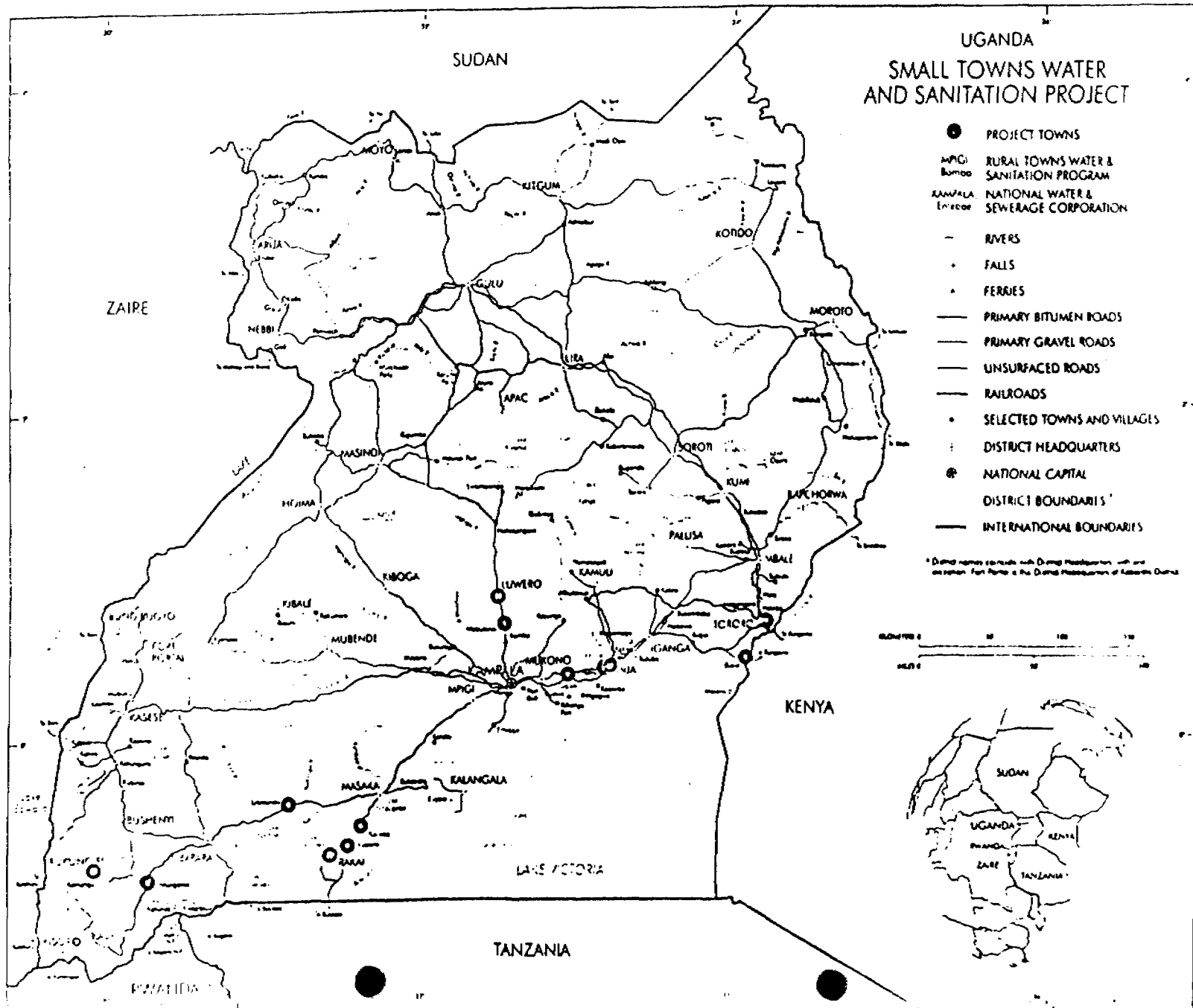
## TOWN IMPLEMENTATION PROCESS

25. DWD will prior to officially inviting a particular town to participate in the project, carry out a "low key" rapid resource survey in order to confirm the population size and geographic distribution; the need and willingness to participate and pay; and to identify technical options that are feasible. Thereafter the project will establish a formal contact with the district and town. A short description of the proposed steps in the RTWSP in a given town follows.

- a) *Promotion Phase:* A series of meetings will be held at the district and then town levels, so that a representative of DWD can discuss the programme with local authorities and others as requested. The outcome of this should be a decision by the relevant local authorities in the towns concerned as to whether or not they wish to participate in the RTWSP. If yes, DWD would then authorize a consultant to assist the town to mobilize for planning.
- b) *Mobilization Phase:* If a town chooses to participate in the programme it would open a "contact point" (simple office) and establish the local extension personnel to identify their preliminary management unit groupings and representation. Those parts of the community who form a WUG, sign a Memorandum of Understanding and make their deposit of community contribution within an agreed upon schedule, and to be utilised in an agreed manner, would continue on to the planning and design phase. Others would await a possible next project opportunity in the town.
- c) *Planning and Design Phase:* The local extension personnel would then work with the representatives of the management units to help them determine the final delineation of WUGs, WSCs and WUAs and the most appropriate service levels for each of them financially, organizationally, and technically. A mix of technologies is likely, where spring catchments, augered or dug wells, and boreholes fitted with handpumps would be more common in low-income peripheral areas, and piped schemes would be more common in the higher-income core area where commercial activities are centred. This process results in the Beneficiaries Plan for each system and its related signed Beneficiaries Agreement. Following this, design and detailed cost estimates will be finalised, the balance of community contribution deposited, and construction contracts then finalised and signed. It is important to note that the progress of each of the groupings will vary, such that whilst details of a WUA piped scheme are being completed, construction may have commenced or even been completed for one or several single source developments for WUGs/WSCs.
- d) *Construction Phase:* The construction phase starts with a finalisation of tenders for supply and construction by DWD, where the preliminary selection may have taken place before finalisation of the previous phases, with final details and award being agreed rapidly once the details have been finally ascertained (Para.19). The lowest evaluated bidder will be awarded the contract subject to no objection by the financing agency.

- e) *Operations and Maintenance phase:* The O & M phase follows the commissioning of the constructed works and hand over to the communities. Follow up management and O & M training with assistance with resolving problems that arise will be provided over a defined period.

This June 02, 1994 revision, Version 10, is based upon inputs from discussions during the commencement of Phase I implementation of the Small Towns Water and Sanitation Project between the Directorate for Water Development, the Consultants, and representatives from the World Bank supervision mission. Changes include a re-definition from Demand-Driven to Negotiation-Driven, to better reflect the process of implementation; changes in community contribution requirements agreed at the initialisation workshop held on May 17-19, 1994; and a change from "Facilities and Management Plans/Contracts" to "Beneficiaries Plans/Contracts" since these translate better into local languages at village level, removing possible misunderstanding and confusion (e.g. in Luganda they translate to: "Entegeka n'Okuganyulwa" and "Endagano n'Okuganyulwa" which is easily understood and relates well to traditional contracts and agreements).



LOCATION MAP

AMHC/UC A-2

## SECTION B

### PROJECT OUTLINE AND COSTS

SECTION B  
PROJECT OUTLINE AND COSTS

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1 OVERALL PROJECT OBJECTIVES

1.1 The objectives of the project are:

- a) To assist the project towns to obtain basic water and sanitation services, while encouraging the higher levels of service for those who can afford it;
- b) to increase the capacity of communities, the private sector and government to provide and maintain sustainable water supply and sanitation facilities in small towns whereby government facilitates private sector provision of goods and services to the communities;
- c) to promote better health, through improved personal hygiene, excreta disposal and environmental management practices; and
- d) to ensure that the gender issue is addressed in such a way that both sexes are involved as decision makers; women are empowered and enabled to determine their own development collectively with men; and women are involved as agents of change and not just beneficiaries.

1.2. In the context of these objectives, the following considerations and definitions apply:

- a) The Basic service for domestic water supply is defined here as a protected, year-round supply of 20 litres per capita per day, preferably within 250 to 500 meters of all households and serving 200 to 300 persons per outlet; and basic service for domestic sanitation defined as an improved household latrine, preferably including the use of concrete slabs.
- b) To encourage higher levels of service for piped water supply systems, source and distribution costs for individual connections will be funded by Government of Uganda under normal cost sharing arrangements, but individual beneficiaries will be required to pay the cost of connecting to the system.
- c) Service levels of sanitation and water supplies will be matched. However piped sanitation systems will only be encompassed if the nature of the community is such that on site sanitation would not be viable or would be environmentally damaging, or if a piped sewerage system was an inherent result of a chosen higher service level for water, for which the community demonstrates commitment to maintain in the same way as for their water supplies.

## 2 THE ELEVEN TOWNS COMPONENT

2.1 The water supply and sanitation facilities in the eleven centres of Busia, Kalisizo, Kyotera, Lugazi, Luwero, Lyantonde, Malaba, Ntungamo, Rakai, Rukungiri and Wobulenzi will be rehabilitated, expanded, or newly constructed, depending upon the existing infrastructure and the willingness of the communities in the centres to participate. For water supplies the technologies will typically consist of piped water systems of varying sizes, ranging from small distribution networks without water treatment to larger networks with treatment; boreholes or wells equipped with handpumps; and protected springs. Sanitation improvements will typically consist of the upgrading or construction pit latrines of various designs; rehabilitation or construction of septic tanks; rehabilitation or construction of sewers and sewage treatment facilities; and the construction of public latrine facilities. An outline of the centres covered under the project is given in Section A2.

2.2 Out of the total estimated 2010 population of 197,750 in the centres, two have populations between 1,000 and 5,000; three between 5,000 and 12,000; four between 12,000 and 25,000; and two between 25,000 and 50,000. The centres were selected by DWD in consultation with the districts and in attempting to coordinate national interests with donor criteria. The following selection criteria were used to arrive at these centres:

- a) Variety of institutional arrangements, i.e. municipalities, town councils, town boards, and trading centres;
- b) range of centre sizes, as mentioned above;
- c) variety of probable water and sanitation interventions;
- d) high probability of communities being willing to participate on the basis of community ownership and financial responsibility for sustainability;
- e) size and geographical spread of the project to allow effective implementation and monitoring of this first phase of RTWSP;
- f) the interest of the World Bank in funding in the East and the Luwero triangle to complement their existing agricultural and feeder roads activities; and
- g) exclusion of the northern towns to avoid conflict with water sector components of the Northern Uganda Reconstruction Project (NURP) funded by the World Bank and the Netherlands.

2.3 Preliminary designs for a mix of technologies in each town were prepared by DWD with the help of consultants as part of the preparations for the Project. The final mix of technologies will be determined through the participation of the community and will be based on the given physical conditions (such as the available water sources, topography, and housing density) and the users' willingness to pay. Also included in the scope of work are the design and supervision of the schemes once they have been completed, including training; provision of hygiene education; technical assistance; acquisition of vehicles, equipment, spare parts, chemicals, and rehabilitation of office buildings.

2.4 As a result of a separate study, the water sector legislation is currently being reviewed, and recommendations are being considered for significant amendments, including provisions allowing empowerment of communities to own, operate and maintain their water and sanitation facilities. In light of the revised sector policies, the method for establishing tariff levels in the communities will be reviewed periodically to determine the appropriateness of the tariffs and the progress made in collecting tariffs in the project centres.

2.5 The scope of work includes the construction of water supplies, such as boreholes equipped with handpumps, protected springs, and piped schemes varying in size from very small ones without water treatment and with a limited distribution network (e.g a spring catchment fitted with a small surface mounted pump that pumps water to a small overhead tank serving 40 or 50 families) to somewhat larger schemes serving those living in the central parts of towns where housing densities are higher (about 3,000 or 4,000 families). With respect to sanitation improvements the scope of the work will provide assistance to households desiring to upgrade their existing traditional latrines with the promotion of (i) the SanPlat (sanitation platform), a very basic hygienic concrete slab for latrines; (ii) the ventilated improved pit (VIP) latrine; (iii) the pour-flush latrine (minimal water use facility); (iv) the construction of public latrines; and (v) rationalisation through the urban and district health officers of septic tank and drainage field/pit design and construction. In exceptional cases sewerage schemes will be rehabilitated or newly built, subject to case by case permission from the Director of DWD. To ensure that adequate attention is paid to sanitation during implementation, specific targets are set and implementation will be monitored for the construction of latrines and other sanitation facilities. Three septic tank emptying sites are to be developed at US\$ 40,000 per site, at locations to be determined, to promote safe disposal of septage. Currently, no such facilities exist.

2.6 Through the existing structure of centre or district based health officials, the Project will promote better hygiene practices, including the proper use of household sanitation facilities; training of local artisans in improved latrine construction; and the establishment of private sector manufacture and/or supply of sanitation and water related construction and replacement components through local retail outlets. Two hygiene education campaigns will be carried out in each centre, one during the planning and design stage, and the other after construction and during the operations and maintenance support stage. Where household water supply connections are provided, the disposal of excreta and sullage water will be planned on a house by house basis jointly by user groups and health officials. DWD will coordinate promotion of hygiene education activities with Ministry of Health officials at District and Centre level.

### COSTS ESTIMATES

2.7 As designs will only be finalised as a result of community dialogue, and procurement delays would have a detrimental effect on community confidence and commitment, standard sizes and types of pipes, fittings and pumping equipment will be procured in advance and stocked by DWD. The civil works activities will be carried out by contracts, at district level where appropriate to develop localised capacity. DWD has the responsibility to develop the methodology for the estimation of equipment and materials needs; to develop systems for inventory and monitoring of stock; and systems for transfer to communities and contractors.



2.8 Under this component four 4-wd vehicles are to be purchased to assist with project administration, and two vacuum tankers will be purchased for the removal of septage in the project centres, as there is no existing reliable septic tank emptying service available. DWD will coordinate with the private sector to develop a lease-purchase arrangement for vacuum tanker operation services.

2.9 The component provides for the engagement of consultants for design and supervision; the hiring of an adviser for 24 staff months to assist with implementation management; and the engagement of consultants to assist in the preparation of another Programme financing package for marketing to other external assistance agencies. In addition there is provision for the necessary promotion and training activities required during the implementation of this component.

2.10 Administrative costs for DWD related to the implementation of the project are also covered under this component, and include O & M costs for vehicles; office operations; and local staff incentive allowances.

2.11 The base cost estimates are based upon the market prices of items or services inclusive of taxes and duties. Cost estimates including contingencies are detailed below:

TABLE B.1 BREAK DOWN OF PROJECT COSTS

ITEM	BASE COST (US\$ MILLION)		
	Foreign	Local	Total
<b>Civil Works</b>			
Source Development	2.622	0.757	3.378
Water Distribution	1.331	0.516	1.848
Wells/Springs	2.923	0.489	3.412
On-site Sanitation	0.000	0.371	0.371
Sub-Total	6.876	2.133	9.009
<b>Equipment and Materials</b>			
Piping, pumps, etc.	1.044	0.000	1.044
Training Materials	0.060	0.040	0.100
Vehicles	0.356	0.000	0.356
Sub-Total	1.460	0.040	1.500
<b>Consultants &amp; Training</b>			
Project Adviser	0.300	0.000	0.300
Design & Supervision Consultancy	2.055	1.215	3.270
Additional Towns Preparation	0.234	0.156	0.390
Training	0.096	0.224	0.320
Sub-Total	2.685	1.595	4.280

ITEM	BASE COST (US\$ MILLION)		
	Foreign	Local	Total
<b>Administrative Costs</b>			
O & M of Vehicles	0.050	0.210	0.260
Office operations	0.020	0.090	0.110
Staff Allowances	0.000	0.376	0.376
Sub-Total	0.070	0.676	0.746
<b>TOTAL BASE COST</b>	<b>11.091</b>	<b>4.444</b>	<b>15.535</b>
<b>Physical Contingencies</b>	<b>0.931</b>	<b>0.312</b>	<b>1.243</b>
<b>Price Contingencies</b>	<b>1.318</b>	<b>0.546</b>	<b>1.864</b>
<b>TOTAL FOR COMPONENT</b>	<b>13.340</b>	<b>5.302</b>	<b>18.642</b>

2.12 In addition to the financing arrangements above, a Phase I activity in the towns of Lugazi and Wobulenzi has been financed in advance of the credit from pre-credit financing available from other sources. These activities have been designed to test and refine the methodology up to the completion of design activities in these towns. It is the intention that the lessons learned will be replicated in the remainder of the towns, and in other projects under the Programme.

2.13 DWD has, prior to officially inviting a particular town to participate in the project, carried out a "low key" rapid resource survey in order to confirm the population size and geographic distribution; the need and willingness to participate and pay; and identified technical options that are feasible. Thereafter the project will establish a formal contact with the district and town. A short description of the proposed steps in a given town is as follows:

- a) *Promotion Phase:* A series of meetings will be held at the district and then town levels, so that a representative of DWD can discuss the programme with local authorities and others as requested. The outcome of this should be a decision by the relevant local authorities in the towns concerned as to whether or not they wish to participate in the project. If yes, DWD would then authorize a consultant to assist the town to mobilize for planning.
- b) *Mobilization Phase:* If a town chooses to participate in the programme it would open a "contact point" (simple office) and establish the local extension personnel to identify their preliminary management unit groupings and representation. Those parts of the community who form a WUG, sign a Memorandum of Understanding and make their deposit of community contribution within an agreed upon schedule, and to be utilised in an agreed manner, would continue on to the planning and design phase. Others would await a possible next project opportunity in the town.

- c) *Planning and Design Phase:* The local extension personnel would then work with the representatives of the management units to help them determine the final delineation of WUGs, WSCs and WUAs and the most appropriate service levels for each of them financially, organizationally, and technically. A mix of technologies is likely, where spring catchments, augered or dug wells, and boreholes fitted with handpumps would be more common in low-income peripheral areas, and piped schemes would be more common in the higher-income core area where commercial activities are centred. This process results in the Beneficiaries Plan for each system and its related signed Beneficiaries Agreement. Following this, design and detailed cost estimates will be finalised, the balance of community contribution deposited, and construction contracts then finalised and signed. It is important to note that the progress of each of the groupings will vary, such that whilst details of a WUA piped scheme are being completed, construction may have commenced or even been completed for one or several single source developments for WUGs/WSCs. The community contribution is designed to assist in ensuring that the community recognises its ownership of the facilities; assists the community to choose a service level appropriate to their needs; and indicates ability and willingness to raise the necessary revenues for sustaining the facilities after construction.
- d) *Construction Phase:* The construction phase starts with a finalisation of tenders for supply and construction by DWD, where the preliminary selection may have taken place before finalisation of the previous phases, with final details and award being agreed rapidly once the details have been finally ascertained. The lowest evaluated bidder will be awarded the contract subject to no objection by the financing agency.
- e) *Operations and Maintenance phase:* The O & M phase follows the commissioning of the constructed works and hand over to the communities. Follow up management and O & M training with assistance with resolving problems that arise will be provided over a defined period.

Detailed information on these activities, and the parallel related activities in training, private sector and institutional capacity building, etc. are covered in Section D "Procedures and Regulations".

### 3 THE INSTITUTIONAL STRENGTHENING COMPONENT

3.1 This capacity building component aims at: (i) strengthening DWD to ensure its continued leadership role in the sector; and (ii) improving the planning and implementation capacity of local governments and communities to introduce negotiation-driven, community-managed water supply and sanitation services. The financial and management capacity of the main institutions involved in the Rural Towns Water and Sanitation Programme (the Programme) will be strengthened to facilitate the implementation and operation of the water supply and sanitation improvements in the small towns. The two main factors which call for this institutional strengthening are (i) the changing role of DWD as planner and regulator of the sector rather than an implementor and to provide the needed backup to the community organisations that would be responsible for the operation and maintenance of the schemes, and (ii) the involvement of the communities in all stages of the project, starting with planning. The involved institutions are (i) the organisations to be formed, (ii) the district and urban governments, and (iii) DWD. This includes the provision of training, technical assistance, studies, workshops, preparation of training materials, vehicles, office furniture and equipment, training equipment, and rehabilitation of office buildings. An in-depth assessment and strategic planning study would be carried out in one district and a participatory organisation assessment and strategic planning study to help strengthen the restructured DWD. The Programme's approach in the context of decentralization involves fundamental institutional transformations. Training that is directly related to project implementation is included in the cost estimates for the eleven towns component described in B2, while all other training, related to capacity building beyond the Project and for operation and maintenance of the works that will be constructed under the Project is included here.

#### DESCRIPTION AND COST ESTIMATES

##### STRENGTHENING OF DWD

3.2 DWD will supervise consultants and contractors and provide guidance to district and local authorities on the implementation of the Programme and more specifically, the Project. It will undertake capacity building at headquarters and district levels to carry out this new mandate and perform its scope of work for the Programme, which will entail at the Headquarters:

##### • At Headquarters

- a) Establishment of a Human Resources Development (HRD) Unit. The Unit will be directed by an experienced HRD specialist skilled in performing a wide range of training management responsibilities, from initial assessment of training needs to impact evaluation. The HRD specialist will be responsible for facilitating and managing the training and development programmes with the assistance of a management and organisation specialist to be called upon when necessary. As an initial step, a training needs assessment will be conducted. Funds will be provided through the Project to develop training materials and a training presence in the towns targeted for assistance. Thus, the HRD Unit will take an active management role to ensure that materials and resources developed are used in other towns. It will also ensure coordination of other training initiatives.
- b) Participatory Organisation Assessment and Strategic Planning Study. The study (programmed for completion by September 30 1995, will support DWD in its restructuring process and preparations for operations under a changed mandate. It will assist DWD to appraise options to meet these on-going project implementation and management responsibilities and in defining appropriate courses of action. This study will be undertaken by a small team of local consultants assisted in the first instance by external expertise.

- c) **Management and Professional Training.** Activities will be budgeted according to the HRD Plan to be developed and managed by the new HRD Unit following the training needs assessment. The training funds would be utilised for local training, e.g., technical training given by NWSC. In addition, regional programmes that are congruent with DWD's development needs would be considered. The training should be particularly relevant to the Ugandan context.
- d) **Executive Development.** Senior management officials in DWD will be encouraged to participate in programmes helping them prepare for changes that are imminent in DWD and its work environment. These programmes, conducted over a 4-6 week period, typically involve top executives from a wide range of private and public organisations. Their main objective is to improve individual and organisational performance.
- e) **Selective Technical Assistance.** Short term expertise is planned to assist DWD managers and professional staff to assume new responsibilities. It includes monitoring and evaluation, legal and financial expertise; and one long-term technical assistance staff member (financed under the eleven towns component) who will assist DWD in the transitional period.
- f) **Refurbishing of DWD Offices.** DWD will prepare space to accommodate the expanded training unit and provide conference and workshop facilities by refurbishing presently unutilised space in the DWD complex.

TABLE B.2 Base Cost Estimates for Headquarters

Infrastructure and Equipment	Seminar Room and related office equipment	\$290,000
Training/Studies	Strategic Planning and Training Needs Assessment	\$ 50,000
	Management/Professional Training	\$ 90,000
	Executive Development	\$ 60,000
Technical Assistance	Organisation Development (6mm)	\$120,000
	Monitoring/Evaluation (3mm)	\$ 60,000
	Legal Advisor-Local (3mm)	\$ 9,000
	Financial Advisor (2mm)	\$ 40,000
Total		\$719,000

### 3.3 The capacity building at district level will entail:

- a) **Participatory Assessment and Strategic Planning Study.** This study will be carried out in one district targeted for the Project and for decentralization, and is programmed to be completed by March 31 1995. It aims at providing information and insights about future typical district organisation and operation, particularly in respect to water and sanitation responsibilities. The assessment and subsequent planning activities will take into account decentralization, DWD restructuring and community management strategies. This exercise will involve a small team of local consultants assisted in the first instance by external expertise.
- b) **Management and Professional Training.** This training targets knowledge and skills acquisition required by District Water Officers and staff to operate in the new policy and programme environment. It will include management and technical instruction; regional workshops and conferences; specialised courses for identified competency need such as advice to water user groups on infrastructure alternatives; and executive briefings for elected and appointed leaders on developments in water and sanitation policies and programmes.
- c) **Physical Improvements.** Renovation of district water offices, provision of furniture and office equipment will help to ensure efficiency of operation.

TABLE B.3 BASE COST ESTIMATES FOR THE DISTRICT LEVEL

Infrastructure and Equipment	Rehabilitation of offices and related equipment	\$402,500
Training/Studies	Strategic Planning Study	\$ 50,000
	Management/Professional Training	\$ 40,000
<b>Total</b>		<b>\$492,500</b>

### • CAPACITY BUILDING AT LOCAL GOVERNMENT AND COMMUNITY ORGANIZATIONS

3.4 Helping water users get organised to manage affordable and sustainable systems that would meet their needs in the foreseeable future will require training and development inputs at local government and community levels. Eventually, the water users in the Project target towns should have the capacity to finance, manage, operate and maintain water systems, based on their choice of technology. Therefore, training interventions will be addressed from two perspectives: (i) planning for community-managed water and sanitation facilities and services; and (ii) managing, operating and maintaining these systems.

3.5 **Planning for Demand-Driven Water and Sanitation Services** - Local government elected officials and their staff specialists have some responsibilities in the water and sanitation sector. They will, though properly designed and delivered training, be equipped to assist in the planning and implementation of the Project. In order to do so, they need to understand their roles and contributions in the Project's approach. Information sessions and workshops with elected officials and appointed officers at the RC-5 (district), RC-3 and 4 (sub-county and town) levels will be led by DWD officials and staff. Once these meetings have been held, the project team will work with community development officers, health assistants and others already working as community mobilizers to plan the promotion and mobilisation phase of the project. Users will become more understanding of realistic alternatives available to them and financial and social obligations associated with each option through an orientation process in relation to community managed projects. In the beginning of this process, the community will be involved in gathering information; using it for decision-making; mobilizing other actors; understanding and communicating on operation and maintenance of the systems; and determining how collective decisions will be made and further responsibilities will be carried out as the user community moves from planning to implementation. Knowledge and skills to perform these tasks will be imparted through training at the town level. One possible scenario to address these training needs follows. However, as the project methodology is evolutionary, other scenarios may be more appropriate and this table should be considered primarily as a basis for budget provision.

**TABLE B.4 PROJECT PLANNING WORKSHOPS WITH ASSOCIATED COSTS**

	<u>Participants</u>	<u>Events</u>	
Orientation and National Launch Seminar	200	1	\$ 80,000
Team Building Workshops	30	3	\$ 36,000
District Orientation Workshops	250	5	\$ 6,000
Communication/Mobilization Skills Workshops	60	5	\$ 10,000
Training Needs Assessment Workshops	90	9	\$ 2,000
Monitoring and Evaluation Workshops	20	1	\$ 6,000
Community Management Workshops	270	9	\$ 29,000
<b>TOTAL</b>			<b>\$169,000</b>

3.6 **Managing Community-Owned Facilities and Services** - Assistance to the communities to undertake certain technical functions and to establish simple management, operating procedures and systems will include training in: organising and operating water and sanitation committees and water user associations; establishing and staffing an organisation to manage, operate and maintain the water supply and sanitation facilities; developing financial regulations and procedures to ensure that the services and programmes are sustained; preparing staff to assume full responsibility for the management, operation and maintenance of the facilities, and conducting sanitation and health education campaigns. A possible scenario for budgetary purposes follows:

**TABLE B.5 COMMUNITY MANAGEMENT WORKSHOPS WITH ASSOCIATED COSTS**

	<u>Participant</u> \$	<u>Events</u> 1	\$
Financial Management Workshop	27	1	\$ 5,000
Maintenance Skills Workshops	30	2	\$ 15,000
Environmental Health Campaigns Workshops	270	2	\$ 15,000
Health Education Campaign Workshops	540	1	\$ 15,000
Regional Conference/Workshops	45	45	\$ 56,000
In-Country Specialised Training	55	55	\$ 40,000
Materials			\$100,000
<b>TOTAL</b>			<b>\$249,000</b>

3.7 The following is a cost summary for civil works, equipment and materials, and consulting services related to the institutional strengthening component of the Project as detailed above. Under the equipment and materials category 7 nos. 4X4 pickups will be procured for DWD district offices (\$150,000). For DWD headquarters 4 nos 4X4 pickups, 1 nos bus, and 1 nos. station wagon will be procured.



TABLE B.6 SUMMARY OF COSTS FOR INSTITUTIONAL STRENGTHENING

DESCRIPTION	BASE COSTS(US \$ MILLION)		
	FOREIGN	LOCAL	TOTAL
<b>C.1 <u>Civil Works</u></b>			
Office Rehabilitation			
- Headquarters	0.060	0.230	0.290
- District	0.080	0.320	0.400
Sub-Total C.1	0.140	0.550	0.690
<b>C.2 <u>Equipment and Materials</u></b>			
Vehicles	0.322	0.000	0.352
Training Materials	0.050	0.050	0.100
Sub-Total C.2	0.402	0.050	0.452
<b>C.3 <u>Consulting Services</u></b>			
Headquarters			
- Training/Studies	0.120	0.080	0.200
- Technical Assistance	0.140	0.890	0.229
District DWD			
- Training/Studies	0.070	0.020	0.090
Local Government			
- Planning for Demand Driven Services (Workshops)	0.020	0.149	0.169
- Managing Community Services	0.010	0.139	0.149
Sub-Total C.3	0.360	0.477	0.837

#### 4 THE BENEFITS AND RISKS ASSOCIATED WITH THE PROJECT

4.1 The main benefits of the project will be (i) better health through improved personal hygiene, excreta disposal and waste management; and (ii) time and effort saved in fetching water and in the routine of personal hygiene through better toilet and latrine facilities. The target population in the eleven towns component primarily consists of people to be newly served with water supply and/or sanitation facilities in the centres, and some people whose systems may be rehabilitated. The total project, including the Jinja/Njeru component under the National Water and Sewerage Corporation, will increase the coverage of adequate water supply service in the project area from the present 15% to 69% by the end of the project.

4.2 Apart from providing increased coverage of services by the time the project is completed, specific measures are included to greatly improve the probability of sustaining these better services after project completion. One of them is the active participation of the different beneficiary groups in the centres in the planning, implementation, ownership and operations and maintenance of their facilities. This approach is community-based and negotiation-driven, increasing the role of the beneficiaries and facilitating participation of the private sector. In addition, the institutional strengthening of DWD at headquarters and district levels will enable it to improve performance in its role of planner, facilitator and regulator of the sector, rather than implementor. Similarly, the institutional capacity of district, urban and community organisations involved in the sector will be strengthened. The refinement of the negotiation-driven approach and capacity building will provide a model for future projects, under the RTWSP and others both within and outside the sector.

4.3 The project accommodates the entire population in the project centres irrespective of income, and seeks suitable solutions for different income groups through the participatory approach. Beneficiary groupings based upon neighbourhoods also provide opportunities for the low income households to find their own solutions rather than depend upon the spill over effects of solutions based upon the needs of upper income groups. Since the service levels and associated cost recovery mechanisms will be localised and specific to the individual beneficiary groups, such groups may choose to institute internal cross subsidies to benefit those community members who are recognised as being disadvantaged (e.g. AIDS orphans, the elderly and infirm, etc.). Consequently, the project will have a major impact in poverty alleviation as well as in coverage of services.

4.4 Improvements in water supply and sanitation will have a beneficial impact on women since they will have more time to devote other activities, including those for income generation. Improved sanitation coupled with hygiene improvements will lead to better family health, a key role for women. The project will ensure that the gender issue is addressed in such a way that both sexes are involved as decision makers; women are empowered and enabled to determine their own development collectively with men; and women are involved as agents of change and not just beneficiaries.

4.5 The eleven towns component incorporates special attention in the design and implementation of the water and sanitation improvements to mitigate negative environmental effects. Additional water abstractions are minimal, with the predominant use of groundwater wherever there is sufficient yield. The negotiation-driven interactive community-based process is also more likely to result in better and more affordable solutions to community needs. Urban environment improvements will result from improved sanitation facilities, septage removal and hygiene education in the centres.

4.6 The anticipated risks with this relatively new negotiation-driven approach in communities are primarily associated with the definition of roles, the functioning of the community based organisations to be created, and the impact of decentralisation on the future administrative functions of Government. The following are considered to be the main risks:

- a) The implementation of the Government's administrative decentralisation policy, approved in July 1992, has not yet progressed to the point of clear definition of the new relationship between national, district and town level administrations. There is a risk of institutional conflict which needs to be monitored. DWD will periodically monitor the performance of beneficiary user groups.
- b) The newly established beneficiary groups will require project implementation experience to remove the risk of management conflicts due to overlapping responsibilities and functions.
- c) The technical and managerial capability of some of the administrative structures in the centres may be insufficient for effective implementation. Although this is partially addressed by appropriate training provisions, DWD need to provide back up arrangements.
- d) Lower level resistance councils, particularly RC1s at village level, vary with regard to efficiency and accountability. RCs play a major role in mobilisation and education but may unduly interfere with the management of beneficiary committees and associations. It may be necessary to monitor and support community involvement beyond the period of project implementation.
- e) Beneficiary committees and associations will receive technical and managerial training and support to be able to fulfil their mandates. Maintenance will be carried out with the involvement of the private sector in the provision of technical services (e.g. mechanics), and in the provision of spare parts through local retail outlets at reasonable unsubsidised market cost. Such provision for private sector spare parts distribution needs to be established under the project.
- f) As the negotiation-driven approach involves the project and the community groups working jointly to agree the technology and service levels to be provided, it is vital that both parties are able to meet their obligations timeously. A critical aspect is advance procurement procedures which must be established to avoid excessive delays between completion of the planning and design phase and the commencement of construction. The procurement procedures of both the Government and the World Bank are lengthy. Consequently, if the classic approach of commencing procurement procedures on completion and review of design were adopted, there is a serious risk that the consequent delay would result in loss of community commitment and failure of the project. The starting point of the approach in the project is one where communities are reticent to give cash in return for a promise of a new facility, while government is reticent to invest time and money to help a community obtain the facilities if it won't meet its commitments. The project has an important aspect of developing mutual respect, confidence and trust between the parties which will affect not only the success of the project but the viability of the programme for which it is the model. This could be seriously jeopardised by procurement delays.

4.7 Perhaps the greatest risk to the project and the programme exists during the Phase I activities under pre-credit finance, is that Government may be unable to meet the conditions for credit effectiveness in time. The critical conditions are:

- a) Government must settle all overdue debts to the National water and Sewerage Corporation; and
- b) Government must submit to the World Bank evidence that it has established a legal and regulatory framework for the functioning of Water and Sanitation Committees (WSCs) and Water User Associations (WUAs).

Whilst both these issues are being addressed by rationalisation of accounts and by the processing of the draft new water legislation, there is a serious risk that they may not be sufficiently resolved in time to avoid serious consequences to the viability of the Project and Programme. Failure to meet the conditions in time would result (i) in a serious delay and disruption of continuity of implementation (including the disbanding of the implementation team) in the Phase I towns of Lugazi and Wobulenzi, which would discredit the Government and programme approach and jeopardise the trust being developed in the communities; (ii) procurement delays on completion of planning and design activities in the Phase I towns with similar effect; and (iii) a delay in commencement in the remaining nine centres. Since the Phase I activities are programmed to end in January 1995, and advance procurement has to be arranged to accommodate activities from February 1995, it is vital that these conditions are met and approved, along with World Bank acceptance of this manual (the other condition of effectiveness), by October 1994. As will be seen by analysis of the data in Section E "Workplans", the critical activities for which credit effectiveness is required by this date are those related to continuity and procurement as itemised above.

SECTION C

ACTORS AND ROLES

SECTION C  
ACTORS AND ROLES

SECTION CONTENTS

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Annexure C2.1	-	Beneficiaries' Rights and Roles
Annexure C3.1	-	Ministry of Natural Resources Organisation Chart
Annexure C3.2	-	Department of Urban and Institutional Water Development Organisation Chart
Annexure C3.3	-	Project Management Unit Organisation Chart
Annexure C3.4	-	Typical District Administration Organisation Chart
Annexure C3.5	-	District Water Office Organisation Chart

## 1. ACTORS

1.1 The nature of the Small Towns Water and Sanitation Project calls for partnership between a number of actors during implementation in order to realise the intended objectives. Any partnership works best if the role of each partner is clearly defined and understood from the outset.

1.2 The actors that are to be involved in the implementation of the Small Towns Water and Sanitation Project are:

- (i) The beneficiaries
- (ii) Local Political authorities
- (iii) Local Administrative authorities
- (iv) Directorate of Water Development
- (v) Ministry of Natural Resources
- (vi) Other Ministries, active and Consultative
- (vii) Consultants
- (viii) Contractors/Suppliers

1.3 An overall Matrix of Actors and Roles is given as Annexure C1.

## 2. ROLES

2.1 The **beneficiaries** are households, institutions, commercial users, and others, who form common interest groups to solve their water and sanitation problems. Past experiences shows that water supply and sanitation facilities provided institutions without the active participation of the beneficiary communities are often not properly operated and maintained and hence unsustainable. More often, ownership of the facilities is neither perceived to be, nor in fact legally, vested in the user communities. This, compounded by technological inappropriateness, lack of social acceptability and lack of affordability lead to lack of commitment to operation and maintenance of the facilities by their Users. It is a recognized fact that most communities have both the willingness and capability to contribute substantially to the planning, financing, implementation, operation and maintenance of improved water supply and sanitation facilities. The STWSP aims to incorporate these resources which have been so long ignored in the past, under a policy of community ownership, Control and Management of water and sanitation services, including community responsibility for long term repair and maintenance. Annexure C2.2 details the beneficiaries rights and benefits.

The roles of the beneficiaries communities will be:

- (i) The establishment of the organization structure (The Water User Groups, Water and Sanitation Committees and the Water User Associations) representative of all social groups of Users (Particularly women) accountable to the community and responsible for all aspects of management of services;
- (ii) Selection of the service levels that correspond with what they want, can afford and can sustain with the human financial resources at their disposal;
- (iii) Sitting of the water points within technically feasible limits;
- (iv) Raising Cash Contribution equivalent to the one year of Operation and Maintenance Costs of the water supply system that best meets their needs towards the construction costs;
- (v) Complete responsibility for operation and maintenance of water systems, including the collection, management and safekeeping of funds and the purchase of those goods and services required for the system to continue to function;
- (vi) Designation of caretakers who will be fully responsible for all preventive and simple corrective maintenance of the facilities, with training and tools provided by the project agency;
- (vii) Community self-help action to assist with the repairs and maintenance, and to clean and maintain the areas around water sources; and
- (viii) Ownership and Control of facilities.

2.2 The **local political authorities** consist of the Resistance Councils and Committees at various levels of RC 1, RC 2, RC 3, RC 4 and RC 5. Their role is to mobilize and sensitize communities and facilitate identification of Water User Groups (WUGs) and the provision of the necessary political support. They will also support the organisation framework needed to plan and implement the project and for monitoring and evaluation. During the initial mobilization, they will play an advisory role, through the formation of working groups, to the consultant regarding community involvement in management, sanitation, health education and environmental health activities. They will enact Bye-Laws which are necessary to facilitate the implementation and operation of the system and will resolve conflicts and appeals.



2.3. The local administrative authorities will provide the organization frame work and political support needed to implement the project and for monitoring and evaluation. Under the decentralization policy of the Government, service delivery will be coordinated through local Administration. The District Executive Secretary will sign the Beneficiaries Agreement on behalf of Local government.

2.4. The Directorate of Water Development will be the Government agency accountable for the overall implementation of the project. The Directorate will

- . Set policies/guidelines and the regulatory frame work for RTWSP implementation.
- . Mobilize national and international financial resources.
- . Carry out strategic planning.
- . Engage the services of consultants and contractors and supervise them.
- . Procure materials and equipment as and when required.
- . Supervise project implementation, monitor progress, and refine policies and guidelines.
- . Ensure interagency coordinating.
- . Introduce the project to Local decision makers and community members.
- . Establish procedures for and conducting monitoring and evaluation of project implementation as well as training activities.
- . Sign the Beneficiaries Agreement with WSCs and WUAs when facilities plans, terms and conditions for a construction grant have been negotiated and agreed upon.
- . Facilitate support and ensure effective support at District level.

2.5 The Ministry of Natural Resources will formulate policy, ensure compliance with the Government's aims, review budget and workplans, coordinate the release of project counter part funds from the Treasury and enter into contracts with the Consultants and Contractors to be engaged on the project.

## 2.6 Other Ministries

2.6.1 The Ministry of Local Government is responsible generally for local government functions and specifically in relation to Government's decentralization policy. It is also responsible in community mobilization aspects - through the Community Development Department. The role of this Ministry will be to assist in identifying and assigning local extension staff to undertake a number of activities in the project towns. This Ministry will also provide follow-up support to better ensure sustainability.

2.6.2 The Ministry of Health is responsible for community health, sanitation, hygiene, health education and springs. Guidance is given through the Public Health Inspectorate (PHI) to Health officers working with Local governments. The Health Education Division (HED) is responsible for developing, producing and disseminating health education and information.

2.6.3 The **Ministry of Finance and Economic Planning** is involved in all sectors of development and is responsible for disbursement of Government contribution, investment planning and Aid Coordination. It is the borrower of the IDA funds and therefore is responsible for overseeing the utilization of the funds.

2.6.4 Under the **Ministry of Women in Development, Youth and Culture** the Department of Women in Development will provide orientation and training for women on gender issues and women's role in the development of water and sanitation facilities.

2.6.5 The **Ministry of Justice** will review and clear all legal documents pertaining to the project.

2.7 The **Consultant**, contracted by DWD, will have a multi-disciplinary team made up of international and local community development, health and technical (water and sanitation) specialists to implement the project. The role of the consultant will be to:

- Establish project offices in appropriate regional centres and in participating towns, staffed by persons hired by the consultant and assigned by Government and Local NGOs.
- Train local extension personnel to implement the town program.
- Assist local authorities to mobilize communities including identification of WUGs and establishment of WSCs.
- Assist WSCs and WUAs to prepare the Beneficiaries Plan, providing information to them about technical and management options, including costs, technical constraints and construction grant regulations.
- Prepare construction designs, specifications and bills of quantities.
- Assist WSCs and WUAs to prepare a signed Beneficiaries Agreement with DWD and their district.
- Train WSCs and WUAs to manage their water supply and sanitation facilities.
- Supervise construction and provide support to DWD in its monitoring and evaluation role.

2.8 **Contractors, Suppliers and Private Sector Development.** In line with the Government move to privatisation and in view of the restructuring and reorganisation process taking place within the Directorate of Water Development which calls for its diminishing role in the direct execution and operation and maintenance of the water and sanitation facilities, contractors suppliers and the private sector will play an important role in providing the necessary goods and services required under the project. At the national level, the Directorate of Water Development will be responsible for engaging and supervising the services of the contractors, suppliers and other private operators in accordance with the established regulations and procedures. At the local levels, the water management authorities will have the responsibility to hire services they require for the management, operation and maintenance.

### 3. MANAGEMENT STRUCTURES

3.1 The Ministry of Natural Resources has the overall responsibility of the Small Towns Water and Sanitation Project. The organisation structure at the national level is illustrated in Annexure C3.1. The Permanent Secretary in the ministry provides the overall policy guidance and is the Accounting Officer of the project funds from both the World Bank (IDA) and Government of Uganda.

3.2 The Directorate of Water Development is responsible for the implementation of the project through the Department of Urban Institutional Water Development (UIWD) which is also managing the entire Rural Towns Water and Sanitation Programme. The Department organisation structure is illustrated in Annexure C3.2.

3.3 A Project Management Unit has been set up in the Department of Urban and Institutional Water Development with the Project Coordinator as the head. This Unit is responsible for coordinating and implementing project activities. The unit is also supported by the Procurement Officer, Socio-economist, the Accountant, the Technical Advisor and the support staff, as illustrated in Annexure C3.3.

3.4 The duties and responsibilities of the key people involved in the project activities at the Directorate level are given in the following paragraphs:

3.5 The Commissioner (UIWD) - Programme Coordinator shall, for purposes of policy formulation and government representation, be the Senior government officer. He shall represent the Directorate on matters pertaining to the project and shall be responsible for the coordination of the project activities at the policy level. He shall:

- a) Coordinate all the Rural Towns Water and Sanitation Programme project packages, i.e. STWSP(IDA), WTWSP(KFW), TTWSP(ADB) and any other packages that may come up.
- b) Liaise with the Director in advising the Project Coordinators and the Technical Adviser on government policies.
- c) Ensure that government acceptable design standards are adhered to. Follows closely all project processes and carries out on-spot checks of the various project towns.
- d) Carry out activities on the project that may necessitate his direct intervention by virtue of his office as Commissioner (UIWD).
- e) Chair all the RTWSP regular meetings.
- f) Coordinate all budget preparations for counterpart funding, including negotiations with Ministry of Finance and Economic Planning and follows the budget through parliament.

- g) Undertake a key role in the selection and supervision of consultants.

3.6 The Project Coordinator (STWSP) shall be responsible for the following tasks.

- a) The overall coordination of the STWSP (IDA) activities in collaboration with the Technical Adviser and reporting through Assistant Commissioner (UIWD) to the Director of the DWD.
- b) Liaison with other government departments, e.g. Ministry of Finance & Economic Planning, and the financier (IDA) in the collaboration with the Technical Adviser in matters related to selection of consultants, procurement of goods & works, submission of disbursement claims and supervise and review all aspects of the project implementation.
- c) Initiating and maintaining the day-to-day functions of the PIU and overseeing technical matters related to the provision of water and sanitation in the project towns with emphasis on low-cost facilities, and sustainability of the schemes.
- d) All procurement issues of the project and attendance of Ministry procurement committee meetings.
- e) Approval of payments for Consultants/Contractors payments. Ensuring that all payments/allowances for the project personnel are effected in time.
- f) Shall be the accounting officer of the Project and oversees the running of the special Account
- g) Preparing TOR and other documentation for consultants, evaluation of proposals/ bids from consultants/contractors/suppliers.
- h) Supervision of consultants and contractors including contract management.

3.7 The Programme Economist shall:

- (a) Liaise with the consultants to ensure that the work in the planning and design phase is in compliance with the socio-economic aspects of the policies and guidelines for management for plans.
- (b) Provide a central programme base for all the projects, so that any project can refer to this base for guidance on techniques and methodologies and can provide input from experience for the benefit of other projects.
- (c) To assist the Programme Coordinator in any activities related to the programme administration, particularly with regard to setting up work-

shops, seminars and other training activities in the Socio-economic and Planning aspects of the programme.

- (d) Assist the Programme Coordinator in any activities related to the preparation of project proposals for various funding agencies including liaison with the Ministry of Finance and Economic Planning.
- (e) Any other duties as may be assigned to him/her by the Project Coordinator.

3.8 The Deputy Project Coordinator/Procurement Officer is responsible for:

- (a) Deputising for and assisting the Project Coordinator as necessary;
- (b) detailed planning and execution of all forward planning and procurement activities under the supervision of the Project Coordinator; and
- (c) detailed supervision of accounts under the supervision of the Project Coordinator.

3.9 The Accountant reports to the Project Coordinator and is responsible for:

- (a) Preparation and follow up of all project disbursements/expenditures including replenishment of special account.
- (b) Proper keeping of all financial records and accounts books in sound accounting practice, and in accordance with World Bank and Government of Uganda financial management regulations.
- (c) Preparation of monthly and annual financial reports and estimates.
- (d) Following up and liaising with the relevant Government Ministries and other institutions on all matters related to the various financing agreements. The Ministries and institutions include Ministry of Finance and Economic Planning, Prime Minister's office, Ministry of Justice, World Bank and Ministry of Natural Resources.

3.10 The Project Management Unit is currently being reassessed with a view to strengthening, particularly in the areas of procurement and accounts. These aspects will be covered in a future revision of this section.

3.11 The District organisations are currently being redefined as part of the ongoing policy of decentralisation. Consequently, to date, it has not been clear where within the structure the water function falls, and a typical a District Administration Chart is given as Annexure C3.4. However, following a National Seminar on the Water Action Plan (WAP) on August 19, 1994,

it was agreed that the role of the District Water Officer should be given greater prominence, and therefore this chart will be subject to revision. The District Water Office organisation structure is given in Annexure C3.5.

3.12 The management structures and roles of other bodies below district level, relative to the programme and project, are being defined in the course of the implementation process covered in section D2. This is therefore not duplicated here.

**SMALL TOWNS WATER AND SANITATION PROJECT**  
**MATRIX OF ACTORS AND ROLES**

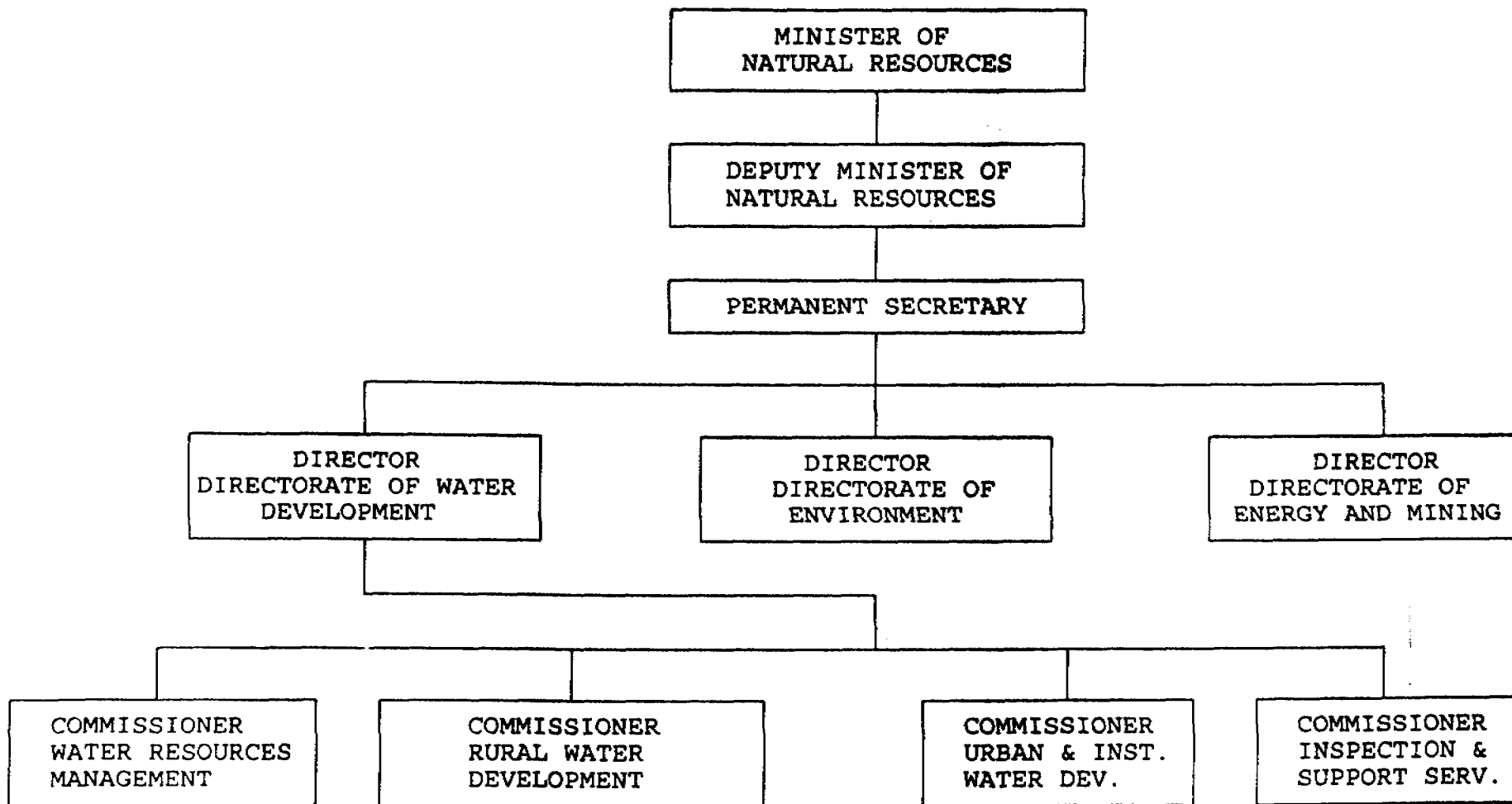
ACTORS	RESPONSIBILITY										
	POLICY FORMULATION	PLANNING	PROMOTION/ MOBILIZATION	PROCUREMENT	OPERATION AND MAINTENANCE	TECHNICAL SUPPORT/ SERVICES	RESOURCE MOBILIZATION	CONSTRUCTION/ GOODS SUPPLY	TRAINING/ HYGIENE EDUCATION	SUPERVISION	EVALUATION AND MONITORING
BENEFICIARIES		*			*		*			*	
RESISTANCE COUNCILS/ TOWN COUNCILS	*	*	*				*		*	*	*
DISTRICT ADMINISTRATION	*	*	*		*	*	*	*	*	*	*
MINISTRY OF NATURAL RESOURCES	*						*				*
DIRECTORATE OF WATER DEVELOPMENT	*	*	*	*		*	*			*	*
MINISTRY OF HEALTH			*			*			*		
MINISTRY OF FINANCE AND ECONOMIC PLANNING							*				*
MINISTRY OF LOCAL GOVERNMENT			*						*		
MINISTRY OF WOMEN IN DEVELOPMENT YOUTH AND CULTURE			*						*		
CONSULTANTS		*	*			*			*	*	*
CONTRACTORS AND SUPPLIERS					*			*			

**BENEFICIARIES' RIGHTS AND BENEFITS**

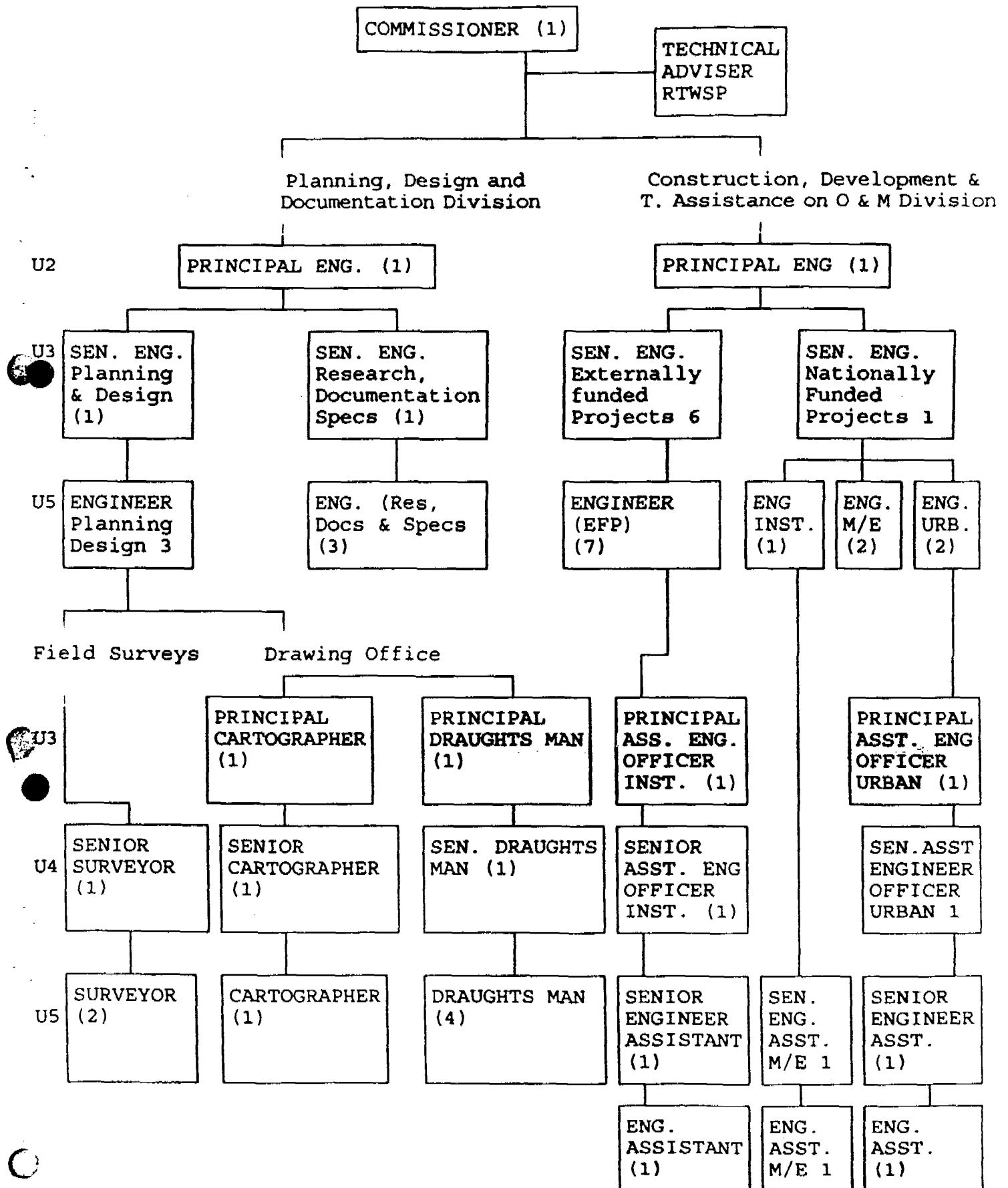
1. Achievements of better health through improved personal hygiene, excreta disposal and waste management.
2. Savings in time and effort required in fetching water and in the daily routine of personal hygiene through a more convenient location of Latrines and toilets.
3. Easy access to affordable sanitation facilities
4. Easy access to a reliable potable water supply
5. Reduction in water related diseases
6. Participation in all aspects of the project planning, designing, implementation and operation and maintenance.
7. Legal ownership of the facilities which are tailored to their demands and affordability.
8. Increased awareness in the sustainable and environmentally sensitive use of water resources.
9. Creation of enabling environment within which communities can meet their own demands.
10. Attitude, behaviour and practice changes.
11. Easy access to spare parts
12. Capacity building in organizational, management financial aspects.
13. Development of sense of ownership through participation in planning and investing in the facilities.
14. Advisory and support services from the Directorate of Water development, District Administration and local authorities.



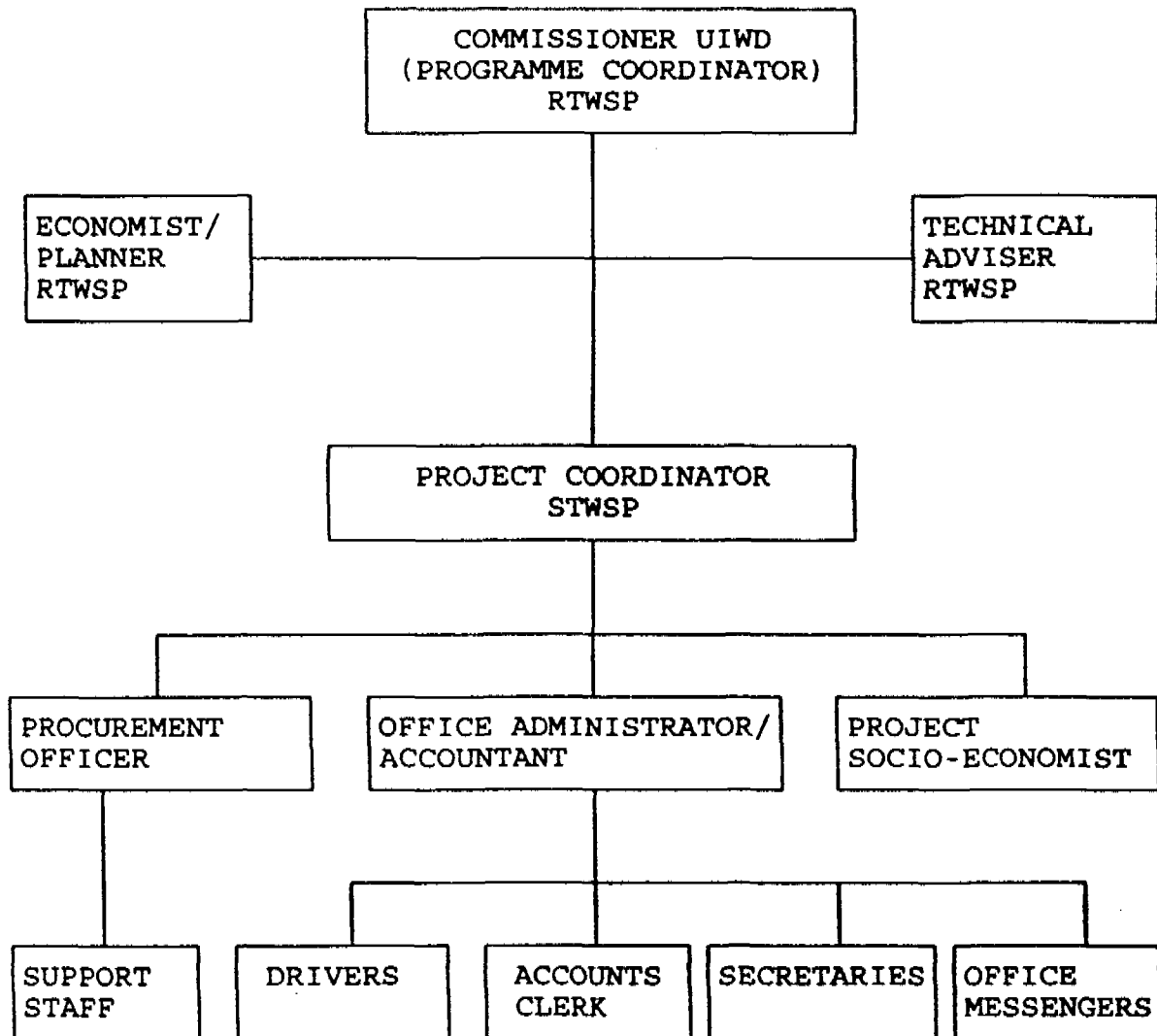
**MINISTRY OF NATURAL RESOURCES  
ORGANISATION STRUCTURE FOR TOP MANAGEMENT**



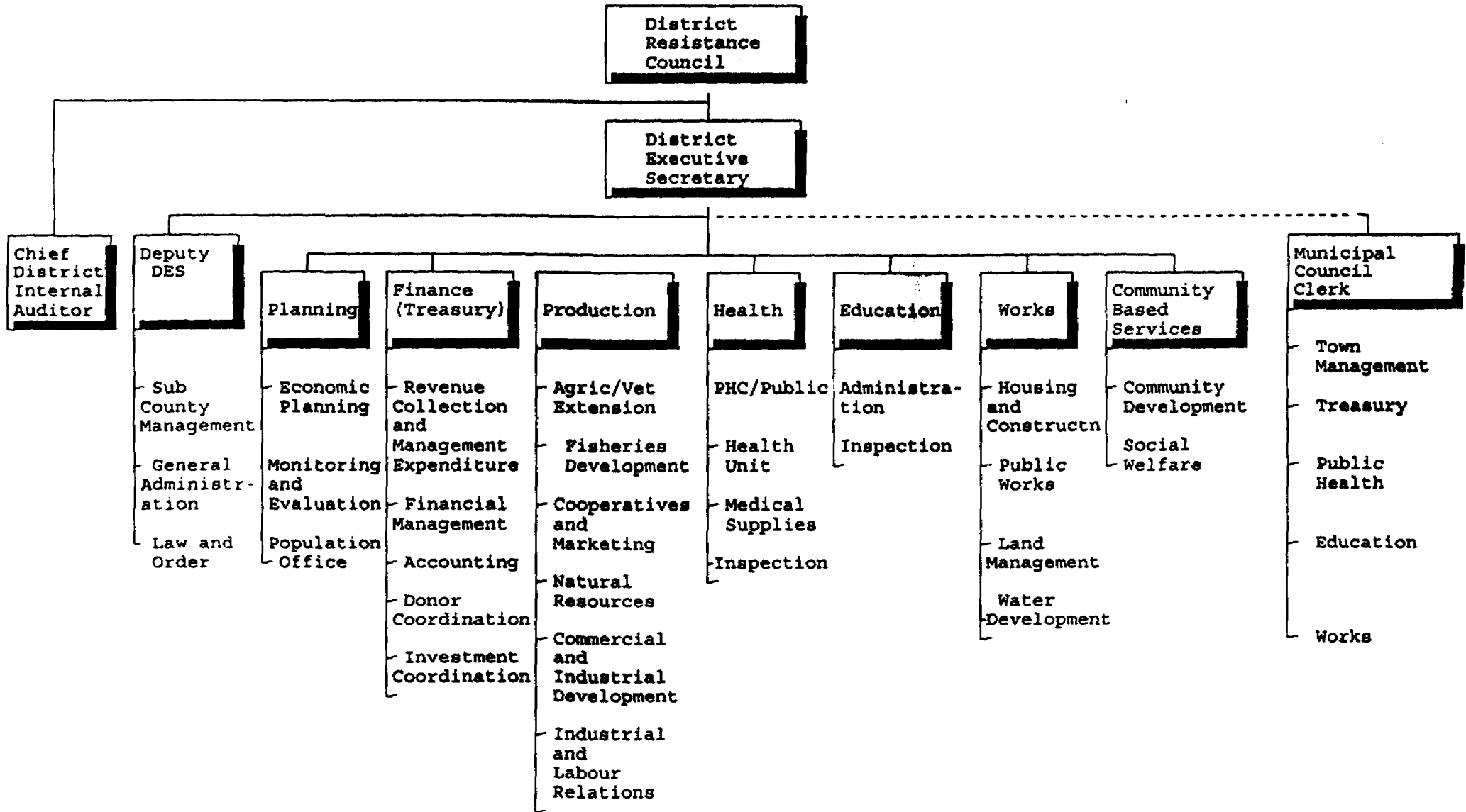
URBAN AND INSTITUTIONAL WATER DEVELOPMENT  
ORGANISATION CHART



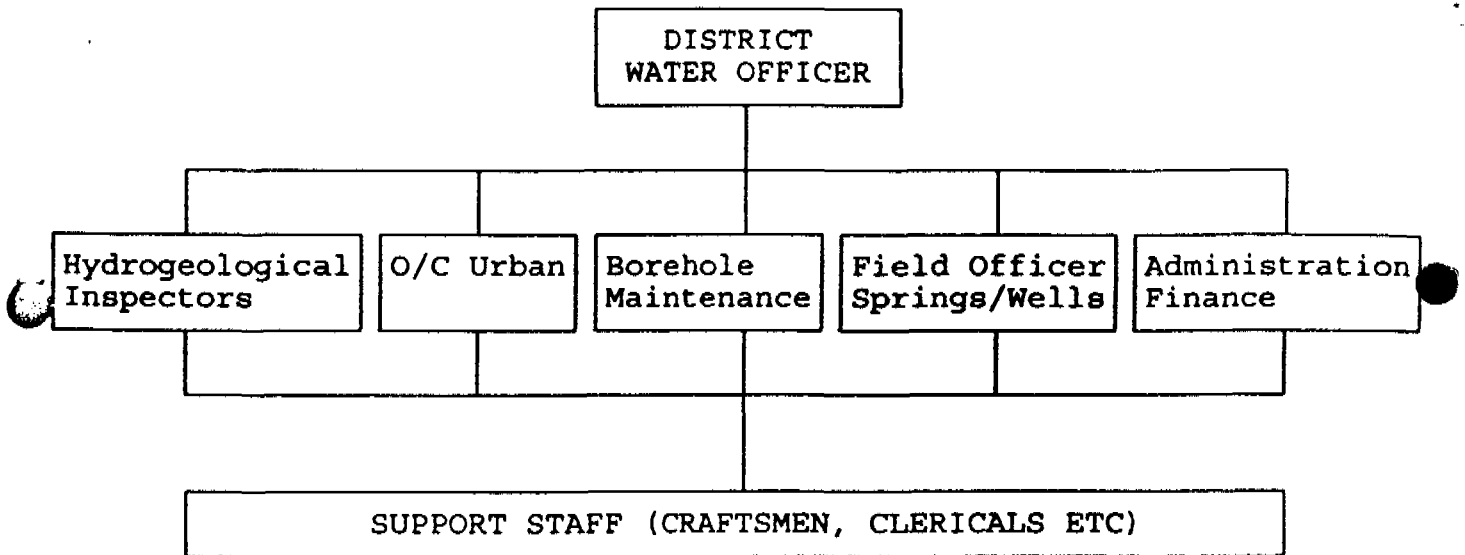
SMALL TOWNS WATER AND SANITATION PROJECT  
ORGANISATION STRUCTURE AT DIRECTORATE LEVEL



## DISTRICT ADMINISTRATION ORGANISATION CHART



### DISTRICT WATER OFFICE ORGANISATION STRUCTURE



**SECTION D**

**PROCEDURES AND REGULATIONS**

## SECTION D

### PROCEDURES AND REGULATIONS

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**ANNEXURES:**

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- Annexure D1.2 - RTWSP Guidelines for Community Contributions for Water Supplies**
- Annexure D1.3 - Lugazi Leaflet on Community Contributions for Water Supplies**
- Annexure D1.4 - Lugazi Leaflet on Community Contributions for Water Supplies for Institutions, Industries and Small Businesses**
- Annexure D1.5 - Lugazi Leaflet on Guidelines for the Collection and Management of Community Contributions**
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- Annexure D3.4 - STWSP Financial Summary Sheet**
- Annexure D3.5 - Sample Special account recociliation statement**
- Annexure D3.6 - STWSP External Audit TOR**
- Annexure D4.1 - Urban Water Performance Indicators**



## 1 THE PROCESS FOR DEVELOPMENT IN THE CENTRES

### 1.1 Project Promotional Activities

1.1.1 The DWD project team and their consultants will visit the Centre and the Headquarters of the District within which it is located, promote the principles of the approach, and identify the key participants anticipated to be instrumental to the successful adoption of the project approach by the communities within the centre. These participants are expected to be from the District Administration, Town or Municipal Administrations, RC1, 2 and 3 committees, religious groupings, NGOs and other community development initiatives within the centres, industry and other interest groups. The outcome of this should be a clear confirmation that the anticipated beneficiaries will wish to participate.

1.1.2 following this confirmation, DWD and their consultants will then organise an **initialisation workshop** in which all these interest groups are represented, to further promote the approach, and to enable the participants to fully address the issues concerned, identify their respective roles and responsibilities, and prepare for the mobilisation phase. This will be followed by further **public meetings at the various RC levels**. The meetings at the RC 2 levels will focus on liaison. The meetings at the RC 4, 3 and 2 levels will be largely promotional. Through the combination of these larger public meetings with the preliminary water resources and engineering data being obtained in parallel, logical combinations of community groupings will be identified with the community to identify possible or probable preliminary Water User Groups (WUGs). The residents at all levels will be encouraged to discuss one or at most two of their priority needs and future plans, in addition to water and sanitation issues, and why they have difficulty in accessing the resources to achieve these needs and how, according to them, they themselves would address these difficulties.

1.1.3 **Promotional Materials** will be developed and refined by the consultant to rapidly attract and inform the communities at large, including the private sector and industry, about the Project. The concepts to be promoted will be of a general nature. A typical text of a **Basic Information Leaflet**, as applied under Phase I in Lugazi, is given in Annexure D1.1. The development of promotional materials, and the use of the media (T.V., radio and press) will continue throughout the Project and will become more specific, as decisions are made at the community level. The materials developed will be replicable in different communities by adapting them to varying customs, language and dress.

1.1.4 The **output** from these activities should be a clear indication and acceptance by the participants of the relative roles of the groupings and how they interface, the sources of extension workers at different levels, and the recognition of the principle of the following stages being based at user beneficiary level, and the establishment of preliminary alignments of Water User Groups.

### 1.2 Project Mobilisation Activities

1.2.1 The existing RC and administrative structures in the centre, as an output of the promotional activities will represent the communities of Lugazi in their various agreed roles with respect to the Project, and will be instrumental in facilitating the formation of the WUG's and WSC's.

## 2.0 PROCUREMENT

2.1 Procurement is the process of buying goods and services for implementation of the project. There are various players involved in any procurement process as follows:

- (a) **Project Staff, DWD.** These are government employees directly involved in the implementation of the project under the supervision of Commissioner, Urban and Institutional Water Development Department. They initiate the procurement process by defining the Goods, Works, or Services to be undertaken, prepare the bidding documents, prequalify suppliers and contractors, evaluate bids, recommend awards, and prepare contracts.
- (b) **Central Tender Board (CTB).** The Central Tender Board is a government authority established under Ministry of Finance and Economic Planning to ensure transparency and efficiency in the Government financed activities procurement. CTB reviews and approves all procurement in excess of one million Uganda shillings. CTB is therefore a key player in implementation of the project.
- (c) **World Bank (IDA).** The World Bank has to ensure that any proceeds of the Credit are used only for the purposes for which the credit was granted. It is a requirement that procurement of all goods, works, materials or services should be made only in accordance with the provisions agreed in the Development Credit Agreement (DCA). The World Bank therefore reviews the documents etc at various stages of the procurement process.
- (d) **Project Procurement Committee.** The Project Procurement Committee was established to prepare appropriate documentation for clearance by CTB. This in effect reduces the time CTB needs to clear contracts etc. Detailed Terms of reference for the Committee are in Annexure D2.1.
- (e) **Community/Beneficiaries.** The Communities are the final users and owners of the facilities to be established under the project. In all the district procurement the communities will be responsible in the signing of completion certificates and will be part of the procurement committee. The communities will also recommend local artisans to be trained to undertake Small Contracts and Maintenance.
- (f) **Consultants.** The majority of community mobilization is to be undertaken by the Consultants. The Consultants avail the technical Specifications, Bills of quantities and drawings to DWD for preparing the Bidding documents.

2.2 [REDACTED] order to ensure efficiency, transparency and economy, various methods of competitive bidding will be used in implementing the project. The selection of a particular method of procurement will be based on Schedule 3 of the Development Credit Agreement and on the following principles:-

- (a) The funds are used to buy only those goods and works needed to carry out the project and that they are procured in the most economical and efficient way;
- (b) to give all qualified bidders from Bank Member countries equal opportunity to compete for Bank financed contracts; and
- (c) to encourage the development of local contractors and manufactures in the country.

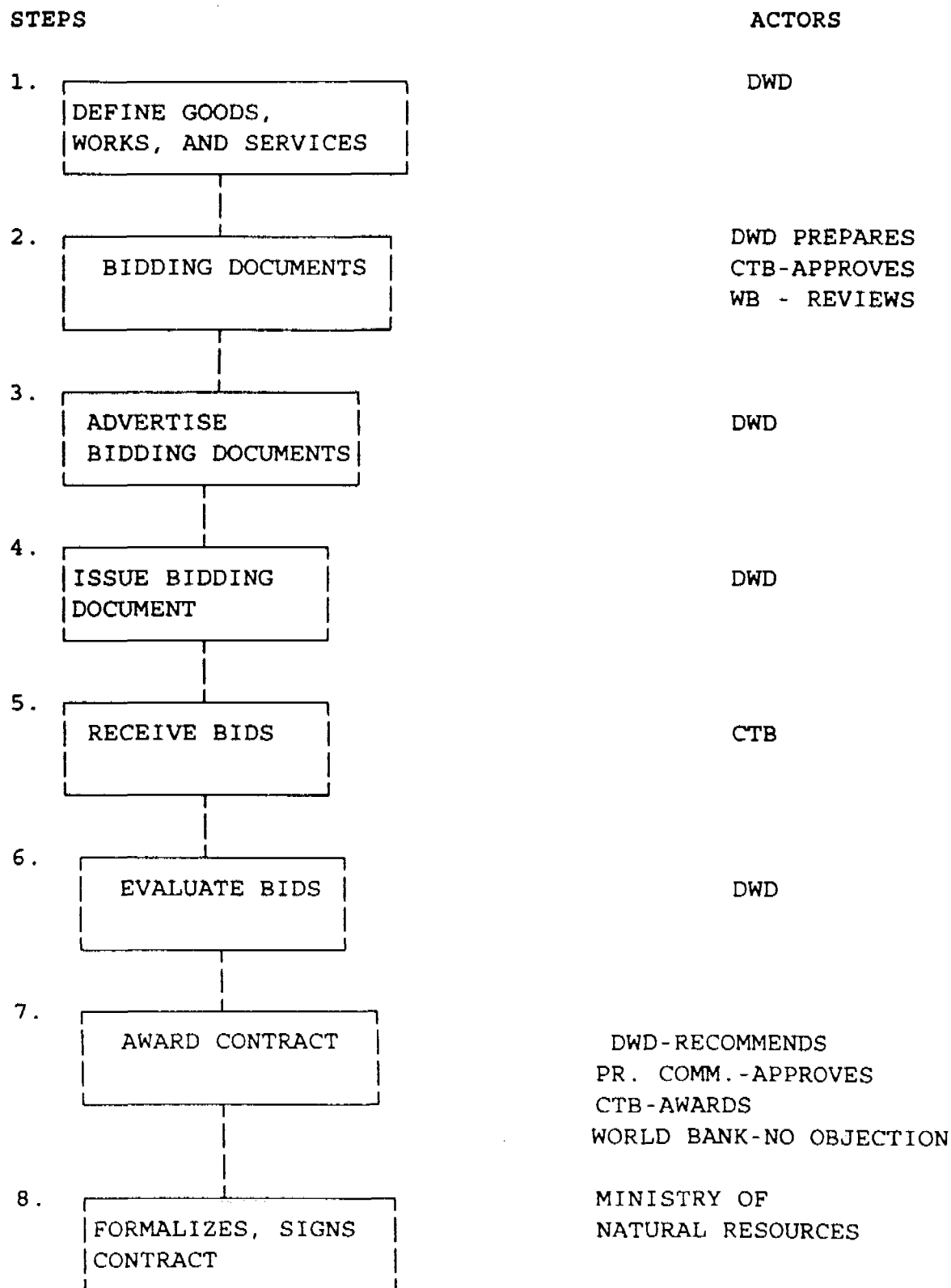
The Small Town Water and Sewerage [REDACTED] will use three main modes of procurement for [REDACTED] for shortlisting for consultancy services. Detailed below are steps involved in the various modes of procurement:-

2.2.1 International Competitive Bidding (ICB) will be utilized for about 45% of all procurement. In this method of procurement the communities will have little or no role to play in the process due to the size and complexity of such contracts. There are a number of steps necessary for procuring goods through ICB as listed below:

- (a) **Advertising/Notification.** All goods or works procured by ICB must be advertised Internationally by placing a General Procurement Notice (GPN) in the UN publication "Development Business". The first GPN for STWSP was published in December, 1993. A specific procurement Notice (invitation to bid) sample is given in Annexure D2.2. This is published in at least one local newspaper with wide distribution within Uganda. The Notice is prepared by DWD and reviewed by CTB and the World Bank.
- (b) **Bidding Documents** are prepared by DWD based on the standard Bidding documents of the World Bank May 1993, reviewed by CTB and the Bank. DWD then issues the documents to all bidders who wish to provide the goods or works on payment of non-refundable amount of money to cover cost of producing the document.
- (c) **Bid submission and opening of bids.** The time allowed for submission of the bids will range from 45 days to 60 days. All bids will be submitted to Central Tender Board offices in Kampala. A public bid opening will take place any time after submission of bid closing date. As each bid is opened, the name of the bidder and amount of the bid is read out and recorded.

- (d) Evaluation of Bids by DWD will be based on the criteria in the bidding documents. DWD will then recommend a firm to be awarded the contract and prepare evaluation report. A sample format of evaluation report is given as Annexure D2.3). The report will then be submitted to the Project Procurement Committee for approval, and to CTB to approve award of the contract. After CTB has approved award of the contract, all the documents including the evaluation report are sent to the World Bank for review and "No Objection". Once the no objection is received, the contract is awarded. On the next page is a chart summarising the steps in ICB:

FIGURE D.1 STEPS IN INTERNATIONAL COMPETITIVE BIDDING



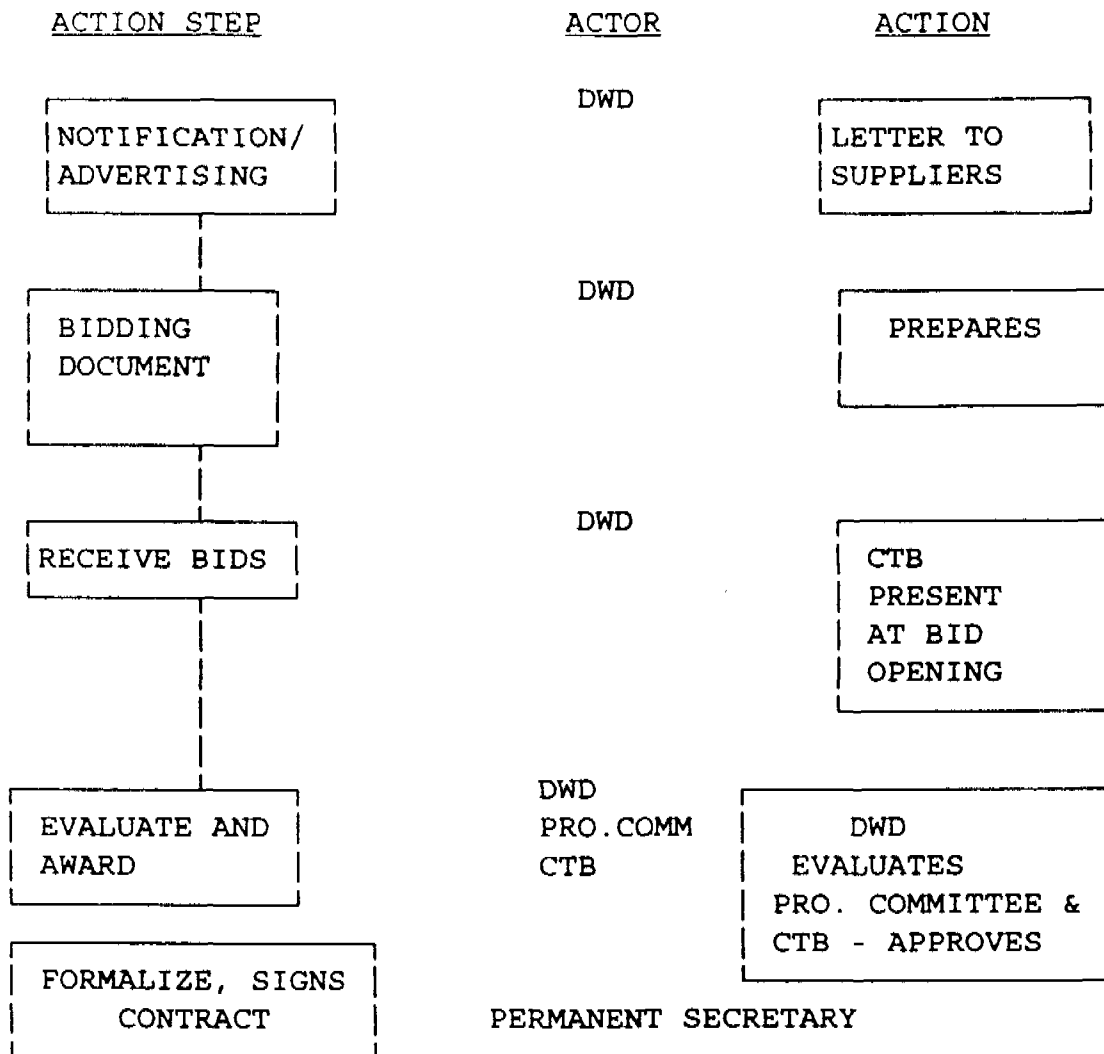
2.2.2 **Local Competitive Bidding (LCB)** will be used for Civil Contracts of US\$ 200,000 or less up to an aggregate of US \$ 5.5 million; and for Office Furniture, supplies, teaching materials, other minor equipment and spare parts for individual contracts not to exceed US\$ 100,000 in aggregate not to exceed US \$ 0.2 million. The steps in LCB are similar to those in ICB except that in LCB:-

- (a) There is no requirement for international notification;
- (b) local language can be used;
- (c) foreign bidders are allowed to bid; and
- (d) there is no domestic preference.

2.2.3 **Shopping** involves the soliciting of at least three quotations from suppliers. This method will be used for procuring minor equipment, office furniture, teaching materials for individual contracts not to exceed US\$ 20,000, and in aggregate not to exceed US \$ 0.2 million. The steps involved are listed below:

- (a) **Advertising Notification.** In Shopping no formal publication in the local newspapers is required. The project having identified the items to be procured, writes a letter to all prospective suppliers. The letter should be accompanied with detailed specifications.
- (b) **Bidding Documents** for shopping range from a letter and specification to the supplier to simple versions of bidding documents. A sample form of bidding document to be used is attached as Annexure D2.4. DWD issues the bidding documents and receives sealed quotations. For simple/small supplies there is no public bid opening. For larger supplies a representative from CTB attends a public bid opening in DWD offices. All bidders who are present register and the bid price together with the bidders name are read out at the bid opening. DWD evaluates the bids and recommend award. The procurement committee approves the award. The Permanent Secretary, Ministry of Natural Resources requests for authority to purchase from CTB. Once CTB has approved the award the Permanent Secretary then writes a formal letter of award to the supplier, and DWD implements the contracts. The chart on the following page summarises the steps in the shopping process.

FIGURE D.2 STEPS IN THE SHOPPING PROCESS

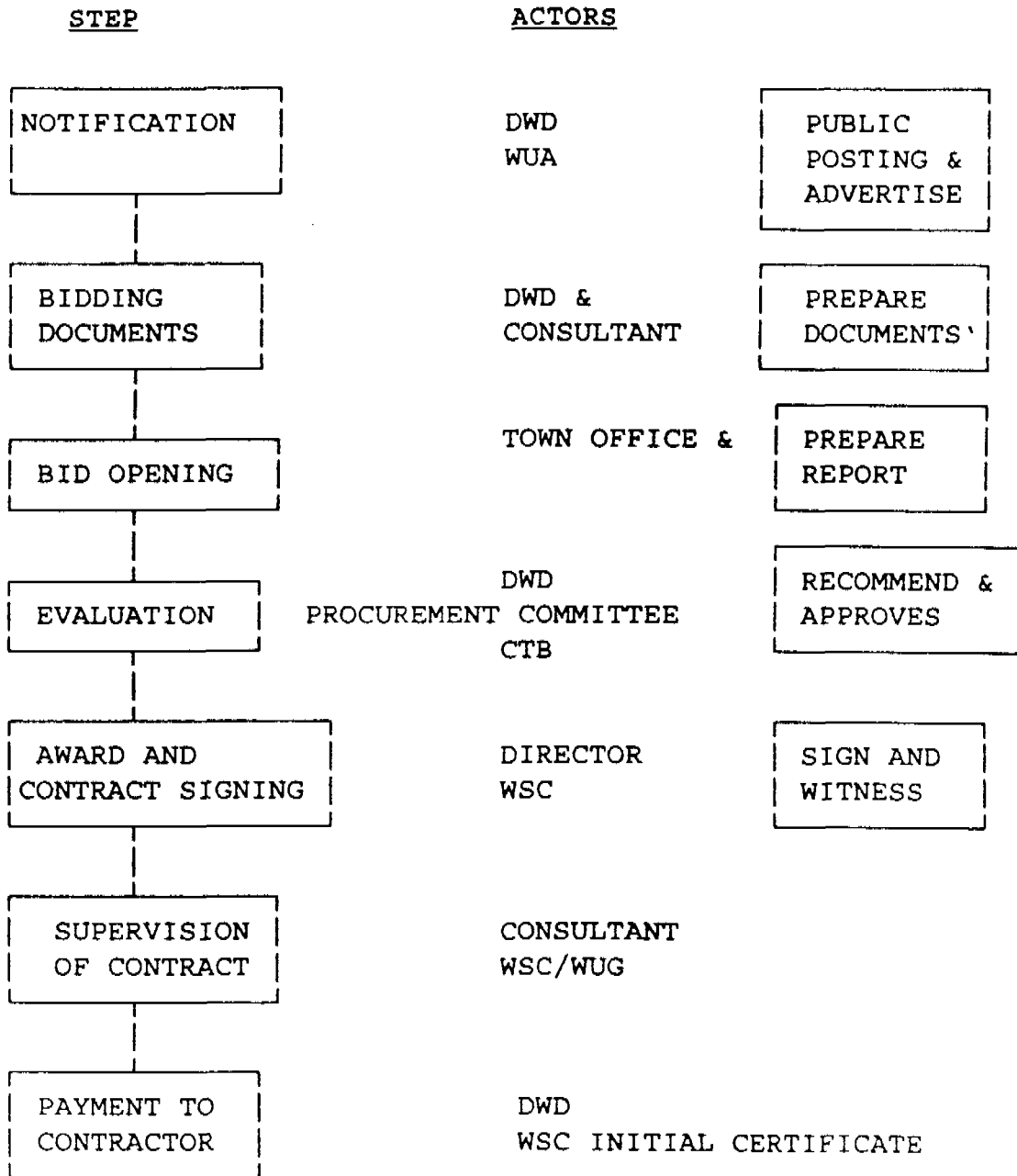


2.2.4 **District Tendering** will be used for the construction of civil works for spring protection, hand dug wells, latrines and other minor works for individual contracts of up to US\$20,000 or less. Below are the steps to be followed:

- (a) **Notification/Advertisement:** Notices will be pinned within the district Headquarters, the town and posted to all prospective bidders in the district.
- (b) **Bidding Documents:** The Consultant will produce a design for a specific purpose together with the estimate cost and bills of quantities. Standard bidding documents have been prepared by DWD (Annexure D2.5) for the simple works. This would be sold to the bidders at the town project offices.
- (c) **Bid Opening and Evaluation:** Bids will be submitted to the town office accompanied with a letter of submission (sample attached as Annexure D2.6) and opened in public at the presence of representatives of the WUA. The bids will be evaluated by staff of DWD and recommend award. A procurement committee with the presence of a representative of WUA will then award the contract. The award will then be approved by CTB.
- (d) **Signing of Contract:** The Director will sign the contract on behalf of the Ministry of Natural Resources with the local contractor. (A sample form of contract is attached as Annexure D2.7) The chart on the following page summarises the steps of district tendering.



FIGURE D.3 STEPS IN DISTRICT TENDERING



2.2.5 Procurement from UN Agencies will only be used for urgently required equipment and vehicles. Handpumps of a standard design will also be purchased from UNICEF until the private sector can meet demand.

2.2.6 Construction by Force Account using government personnel and equipment may be used in drilling of boreholes in the case that the cost of private drilling is in excess of US \$ 10,000 per completed borehole.

2.2.7 The Short Listing method of procurement will be used for Consultancy Services. As a result of the General Procurement Notice a number of firms have written to the DWD for possible inclusion on the list to provide consultancy Services. Currently DWD has a list of well over 40 firms which have shown interest in providing Consultancy Services. Below are the steps in procuring consultancy services:

- (a) Terms of Reference (TOR) etc. DWD identifies areas where consultancy services are needed. TOR and related documents will then be prepared by DWD to achieve the objective. The documents will then be approved by the Procurement Committee, CTB and the World Bank.
- (b) Short listing of consulting firms. From the list with DWD, a short list of four to six firms with the relevant qualification and experience in the work to be undertaken will be shortlisted. The criteria for selection among others include:-
  - Firms should be from member countries.
  - No more than one firm from one nationality.
  - Association with local firms.
  - Experience in the field.
  - Regional presence.
  - Experience in the developing World.

The short list will then be approved by the procurement committee, CTB and the World Bank.

- (c) Technical and Financial Proposals. The Ministry of Natural Resources sends out the documents to all the shortlisted firms requesting for both financial and technical proposals within 6-8 weeks. The consultants prepare their proposals and submit to CTB.
- (d) The Bid Opening will be done in two stages. First the technical proposals only will be opened at the CTB offices by the CTB Chairman. The technical proposals will then be given to DWD for evaluation.

- (e) A **Evaluation Committee** of four to six people will be formed by DWD, with a member from CTB. The technical proposals will then be evaluated independently by the evaluators and their reports will be submitted in standard form (developed from World Bank sample form) in sealed envelopes to the Chairman of the Committee. The evaluation reports will then be opened in the office of the Commissioner in the presence of all the evaluators. The results of the evaluation will then be summarised and averaged.

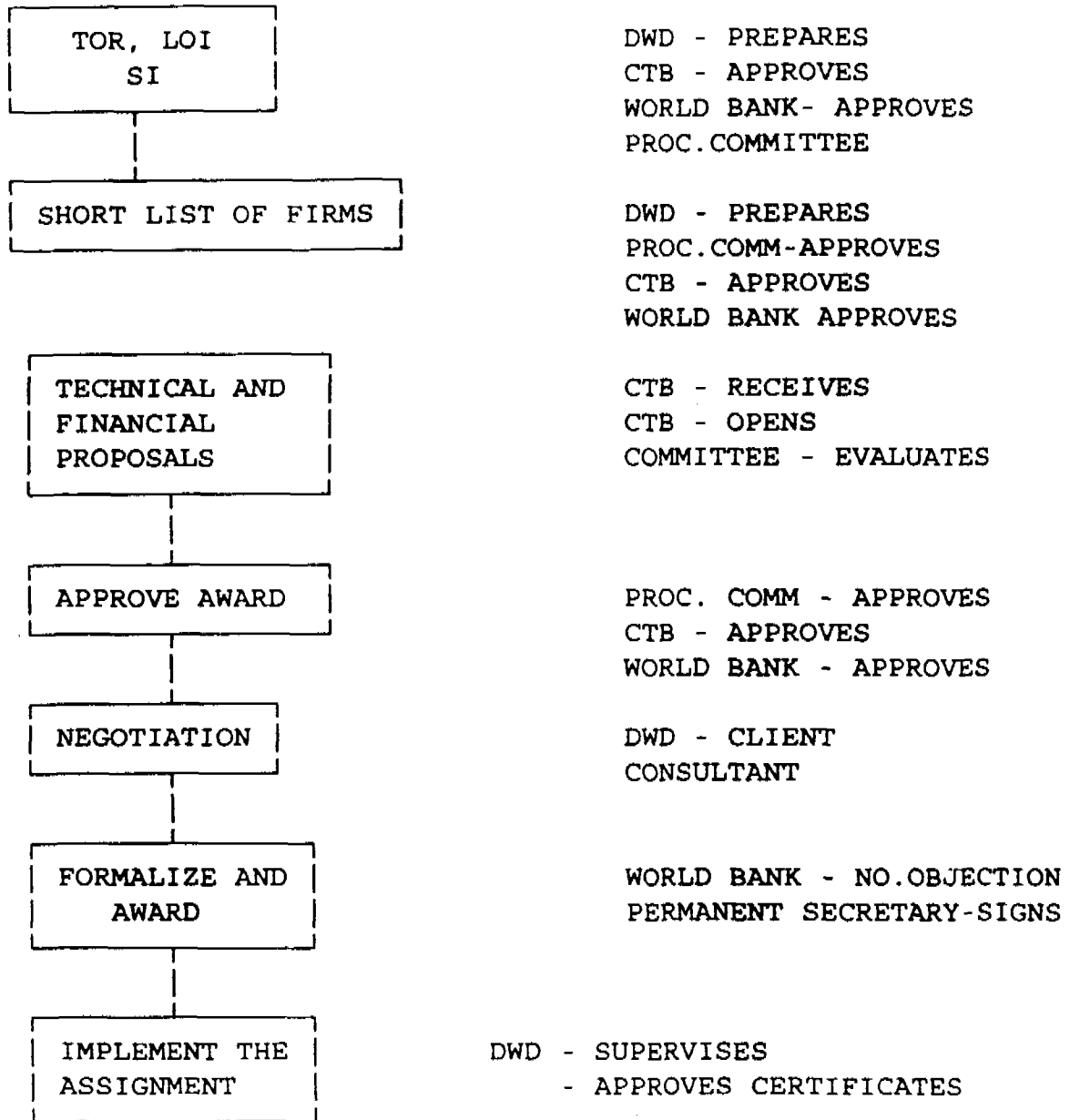
The result of the evaluation committee will then be submitted to CTB and the financial proposals of the firms who score above an agreed mark will then be opened. The financial proposals will then be evaluated by a team from DWD to check:

- arithmetical errors;
- consistency with the technical proposals; and
- response to the TOR.

The technical and financial evaluation results will then be combined based on the criteria in the LOI and the best proposal determined. The outcome will enable the best evaluated proposal to be established and award to be recommended. The award is then approved by the procurement committee, CTB and the World Bank.

- (f) **Negotiation and award.** DWD then selects a committee of 3 - 5 people to negotiate with the consultant on both the technical and financial proposals. The outcome of the negotiations results in an agreed scope of work and draft contract. The draft contract will then be approved by the World Bank before signature.
- (g) **Mobilization and commencement of services.** The consultant will then take not more than one month to mobilise and commence services. The consultant will be supervised by DWD. The steps are summarised below.

FIGURE D.4 STEPS IN PROCUREMENT OF CONSULTANCY SERVICES



2.2.8 The following gives an overview of procurement of goods and works. For these the general rule is the use of ICB. However, the table below summarises the various other methods of procurement to be used with the ceiling limits for each contract and the aggregate amount for the items.

**TABLE D.1 OTHER METHODS OF PROCUREMENT WITH CEILING LIMITS**

METHOD	GOODS OR WORKS	CONTRACT LIMIT IN US \$	AGGREGATE CEILING IN US \$
LCB	Civil works in small towns	200,000	500,000
	Furniture, equipment, spare parts etc	100,000	400,000
	Latrine slabs	20,000	100,000
SHOPPING	Minor civil works like Latrines, septic tanks etc	20,000	600,000
	Office furniture and supplies, teaching materials etc	20,000	100,000
UNDP	Computers, software, urgently needed vehicles		650,000
UNICEF	Handpumps		350,000

## 3 FINANCIAL ARRANGEMENTS

3.1 The Ministry of Natural Resources, through the Directorate of Water Development has the overall responsibility for implementing STWSP. DWD will receive and channel all funds from IDA and Government of Uganda and is therefore the overall accounting office for the project.

3.2. The Government of the Republic of Uganda is receiving a Credit (CR 2583-UG) from the International Development Association (IDA) for an amount of SDR 30.4 million to finance Small Towns Water and Sanitation Project (STWSP). STWSP has three components, namely Part A - 11 Small Towns component under DWD, Part B - the Jinja/Njeru Component under NWSC (not covered in this manual), and Part C - the Institutional Strengthening of DWD component under DWD. Further, a Project Preparation Facility (PPF) which was advanced by IDA, has been included in the total project cost, and part of this PPF has been allocated for implementation in advance of the Credit effectiveness. The budget allocations for Parts A and C, the components covered by this manual, are given in Section B - Project Outline. The overall budgets for the project as a whole are:

TABLE D.2 OVERALL BUDGET FOR STWSP

COMPONENTS		ESTIMATED COSTS (US \$ MILLION)
A:	Small towns	19.40
B:	Jinja-Njeru	24.80
C:	Institutional Strengthening	2.30
	PPF-refund	1.50
TOTAL		48.00

3.3 Funding Arrangements are as follows:

TABLE D.2 FUNDING ARRANGEMENTS FOR STWSP

SOURCE OF FUNDING	ESTIMATED COSTS (US \$ MILLION)
IDA CREDIT 2583 - UG	42.30
Government of Uganda	2.50
NWSC	3.20
TOTAL	48.00

3.4 In accordance with the Development Credit Agreement with the IDA, finance will be restricted to different categories of expenditure in Parts A and C as follows:-

A.	Civil Works	100% of foreign expenditure 25% of local expenditure
B.	Equipment and Materials	100% of all expenditure
C.	Consultancy Services, Technical Assistance & Training	100% of all expenditure
D.	Operation costs	100% of foreign expenditure 80% of local expenditure

3.5 The portion of expenditure under different categories which do not qualify for reimbursement by IDA will be met by GOU as part of its contribution to the project. To facilitate the receipt and disbursement of the funds the project will maintain accounts as detailed later in this Section.

3.6 The disbursement of funds under the IDA assisted components are divided under two categories namely:-

**Category A:** Payments to contractors, suppliers and Consultants whose services are procured through the STWSP procurement committee. The payment may be in foreign currency and/or in local currency.

**Category B:** Payments to meet the local operating costs. This will be handled through a revolving imprest.

3.7 Under the financial structure for the project, the Permanent Secretary, Ministry of Natural Resources is the Accounting Officer for the project. The Permanent Secretary therefore is a signatory to all the project accounts. The Project Coordinator and the Financial Manager are the other two alternate signatories to the account. So for any payments to be made through any of the project accounts, the Permanent Secretary signs with either the Project Coordinator or the Accountant.

3.8 The Project Managed Accounts are as follows:

- (a) The Special Account will be used for making payments under different categories of expenditure as per the DCA, for the specified components. As per requirements of the DCA, the Government will maintain a dollar dominated account in a commercial bank in Kampala. The initial deposit will be US dollars 1.5 million and will be replenished by IDA on the basis of satisfactory documentary evidence. All payments of US \$ 250,000 or less will be channelled through this account.

Vouchers have been designed for all payments through either the special account or the project account (voucher format as Annexure D3.1). These are prepared by the accountant and verified by the Project Coordinator. A special form (format attached as Annexure D3.2) is then filled and this is signed by the Project Coordinator. All the orders, contracts, invoices and delivery notes are verified by external auditors from the Auditor Generals office before the form is signed by the Permanent Secretary.

For transfer of funds from special account to the local project account to meet the IDA share of local cost, a requisition form in the format of Annexure D3.3 will be prepared. This will be supported by copies of invoices, orders and/or certificates.

To arrange replenishment from IDA into the Special Account, two copies of the withdrawal application on form 1903 will be submitted to IDA with the following supporting documents:

- (i) A separate summary sheet for each category of expenditure indicating the actual amount of invoiced currency and equivalent amount of the US Dollars. (See format in Annexure D3.4).
- (ii) A confirmed copy of all contracts (in case of first related application).
- (iii) A copy of Commercial Bank's bank Statement, reflecting the transaction to the account.
- (iv) Bank reconciliation statement ( see format Annexure D3.5).

The reimbursement application will be signed by an authorised signatory in Treasury, MOFEP, before being submitted to IDA for further processing.

(b) **Project Account**

The Government of Uganda holds this account with a commercial bank to receive counterpart funds. The funds are released by the Ministry of Finance and Economic Planning into this account, which is used for payments of the Government of Uganda contribution for the Project expenses. The account is jointly managed by the Permanent Secretary and DWD.

The vouchers described in 4.8 (a) are used for all payments through the Project Account (format attached as Annexure D3.1). These are prepared by the accountant and verified by the Project Coordinator. A cheque is then prepared and signed by the Project Coordinator. All orders, contracts, invoices and delivery notes are verified by the Auditor Generals office before the form is signed by the Permanent Secretary, MNR.



Following new budget controls introduced by Government, counterpart project funds are automatically released on monthly basis for core projects such as STWSP and other projects under the RTWSP.

To expedite this process however, MOFEP request for monthly work plans, procurement schedules and quarterly accountability reports.

(c) **Town Accounts**

These accounts are opened for WSCs and WUAs in the project towns for the purpose of depositing the community contributions to the Project. This is in the form of a commercial bank collection, savings or current account to suit the needs of the beneficiary body concerned, and will be jointly managed by a Project Team Representative and a representative of the WUA/WSC concerned, selected by them. On fulfilment by the community of their contribution, the money deposited will then be used, as detailed in the Beneficiaries Agreement with the WSC/WUA, as part of the funds used for construction in payment to the suppliers/ contractors carrying the work in the centre.

All payments from the town account are either transfer of monies to construction costs or refund to the community, if they decide not to continue to the stage of Beneficiaries Agreement.

(d) **Direct payment from Credit 2583-UG**

All withdrawals from the credit are effected using the World bank withdrawal application forms 1903, available from the World Bank Resident Mission in Kampala. These forms are prepared by the Project and signed by the authorized signatory from Ministry of Finance and Economic Planning. In order to speed up the process the forms are forwarded through the Resident Mission in Kampala for onward transmission to World Bank Headquarters in Washington DC, USA. The payments are effected by telegraphic transfer directly to the supplier or contractor, or to the Special Account in the case of replenishment of that account.

3.9 **Audit and Internal Control** is provided as follows:

- (a) The Accounts of the STWSP will be subjected to **Annual Audit** by the Auditor General or any other auditors appointed by the Auditor General and acceptable to IDA. *Terms of reference for external audit are attached as Annexure D3.6.*
- (b) As part of the Government **Internal Audit**, the Auditor General has staff attached to various Ministries to carry out day to day audit activities. All payments processed by the Project are therefore verified by the internal Auditors before the Permanent Secretary countersigns them.

- 3.10 **Counterpart Funding** is planned for annually, initiated by a Treasury Circular issued around January/February to all Accounting officers, inviting budget requirements for inclusion in the annual estimates. The budget estimates are prepared by the Directorate of Water Development and submitted to the Ministry of Natural Resources for onward transmission to MOFEP. The estimates cover all expected expenditures for the project for the coming financial year under the Government contribution. The process for handling these funds is described above in 4.8 (b).

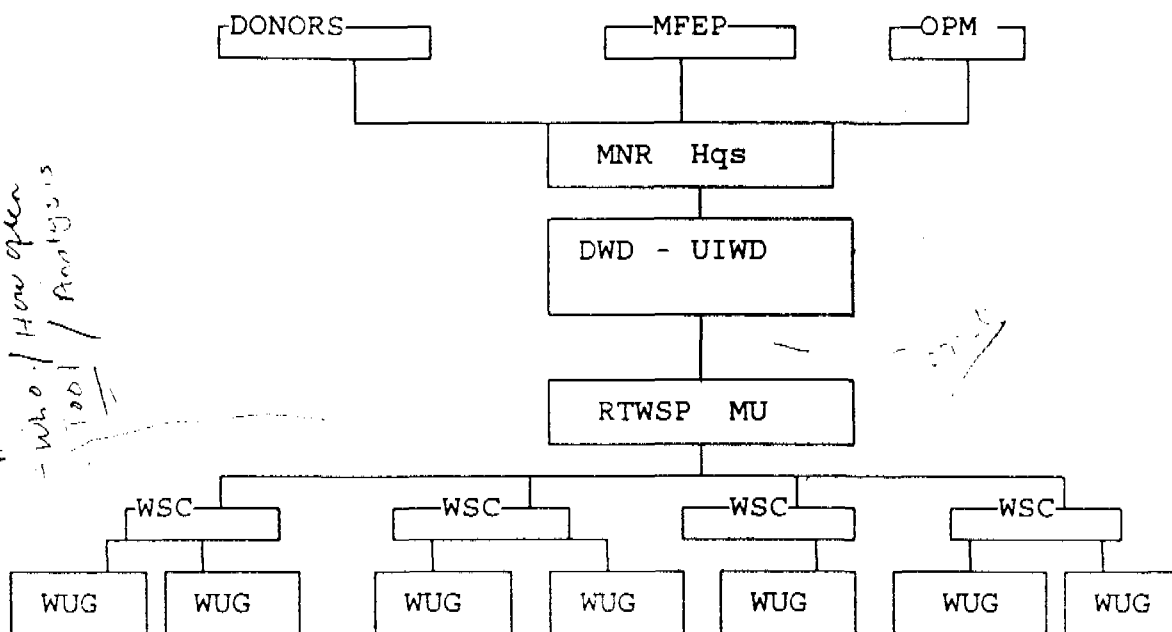
4 MONITORING AND EVALUATION

4.1 Monitoring is defined as a continuous review of all levels of project activities to ensure that inputs, activities, outputs and other aspects are occurring in accordance with the implementation plan. Monitoring is undertaken for management purposes to ensure timely collective actions and step-by-step identification and solving of the problems as they occur. Monitoring assists effective project performance, and provides timely feedback on all the constraints and shortfalls arising from the detailed operational plans. It is therefore a key project activity and an integral part of the management information system for the Project.

4.2 Monitoring provides an essential information service to project management. It is an activity through which critical project activities, processes, inputs, outputs and impacts are reported upon. Effective monitoring is based upon a full understanding of the objectives of the Project, in relation to the aspirations of the beneficiaries.

4.3 The structure of the system is as shown below:

FIGURE D.5 STRUCTURE OF RTWSP MONITORING INFORMATION SYSTEM



*Handwritten notes:*  
 - Who / How open  
 - Tool / Analysis  
 - WUG - Who / How open  
 - WUG - Tool / Analysis

4.4 The RTWSP adopts Performance Monitoring Indicators encompassing technical, financial and operational monitoring in order to gauge achievements against the overall project targets. Over time, the indicators reveal how the project is performing in the direction of achievement of each of the stated goals. These indicators will lead to the application of corrective as well as preventive measures in the management of the project. The indicators are derived from periodic reports prepared in the centres and and Districts, passed on the RTWSP Monitoring Unit. This information is analysed and compiled into summarised forms to assist planning and policy making in the Directorate of Water Development. The data forms to be used in the centres will seek to collect all useful information for management in the centre, monitoring at District and National level, and will be updated in successive periods in order to

refine evaluation of general/cumulative performance of the project. All sources and outlets are to be monitored throughout the reporting period, in order to determine their operational status and hence the actual success of the methodology in providing sustainable services to the user communities. Ideally attainment of over 75% operational time of all sources and water outlets should be achieved.

4.5 The monitoring indicators are in two categories as follows:

- (a) **Category A: Project Monitoring Indicators for Centres** comprise indicators for the monitoring of the phased implementation activities in a centre mainly aimed at gauging the rate at which activities chronologically follow each other. The indicators are to be obtained per centre and eventually aggregated for the entire project for the period prior to handover of the sources. This category includes water supply facilities as well as health education/sanitation.
- (b) **Category B: Scheme Performance Indicators** aim at revealing the extent to which the project facilities are rendering services to the beneficiary communities, i.e coverage. The number of water facilities alone is not sufficient in defining coverage to the people. It is the actual time these sources are available for use by the intending users which is crucial for any impact is to be realised. It is therefore the intention of the RTWSP to closely monitor the operational status of the sources as shown on the forms below. These will also be prepared per centre and eventually aggregated for the entire project/programme.

4.6 The monitoring systems will be strengthened at all levels in order to report on the changes of the project achievements over time in each of the pre-handover phases as well as the operational status of the facilities during the operation and maintenance phase of the project.

4.7 Tables covering both Category A and Category B indicators are given on the following pages.

*Handwritten notes:*  
 • Water supply  
 • Sanitation  
 • Health education  
 • Water supply  
 • Sanitation  
 • Health education  
 • Water supply  
 • Sanitation  
 • Health education

**CATEGORY A:****TABLE D.4 PROJECT MONITORING INDICATORS FOR TOWN:**

Activity	Phase	Indicator/Unit	Type
<b><u>WATER SUPPLY</u></b>			
1. Communities advised about Programme/Project	Promotion	Y/N Time	Project
2. Initial WUGs organised for dialogue and aware of CC requirements	Mobilisation	.	.
3. Deposits of CCs confirmed as representing commitment	.	.	Financial
4. No of WUAs/WSCs/WUAs formed, deposit paid	.	Quantity	Project
5. No of WUAs/WSCs/WUAs formed, finalised CSL, balance of CC paid	.	Quantity/Time	Proj./Fin'l
6. Method of collection of CC confirmed as representative of willingness to sustain O & M of CSL	.	Y/N Time	Financial
7. Percentage of population of Centre represented by WUGs/WSCs/WUAs who have finalised CSL and CC	.	% Time	Proj./Fin'l
8. No of Point sources under construction: Springs Boreholes Wells	Design	Quantity/Time	Technical
9. Piped Supply construction commenced	Construction	Time	.
10. Outlets completed: Standposts Yardtaps House connections Industrial connections Institutional connections Springs Boreholes Wells	.	Quantity/Time	Tech./Proj
11. Technical training completed for: Boreholes Wells Piped supplies	.	Y/N Time	Tech./Proj /Welfare
12. Management training of WSCs/WUAs completed	.	Y/N Time	Project
13. Outlets handed over: Standposts Yardtaps House connections Industrial connections Institutional connections Springs Boreholes Wells	.	Quantity/Time	Tech./Proj Welfare

CATEGORY A:

TABLE D.4 PROJECT MONITORING INDICATORS FOR TOWN CONTINUED:

Activity	Phase	Indicator/Unit	Type
<b><u>HEALTH EDUCATION AND SANITATION</u></b>			
1. Health education campaigns conducted in Centre as a whole	Mobilisation	Y/N Time	Project
	"	% Time	"
2. Follow up training of WSC members by Project	"	Quantity/Time	"
3. No of WSCs/WUAs for whom improved pit latrines are not appropriate	Construction	Time	"
4. Availability of sanplat and other sanitation components to the communities defined and set in place	"	Quantity/Time	Proj/Tech
5. No of Demonstration Latrines constructed	"	Quantity/Time	Financial
6. No of sanplats purchased by beneficiaries	"	% Time	Welfare
7. Percentage of population of Centre who have improved their latrine facilities	"	Quantity/Time	"
8. No of sanitation interventions under construction: Sanplat Latrines VIP Latrines Pour Flush Latrines Public Latrines Septic Tanks	"	Time	"
9. Waterborne Sewerage and Treatment construction commenced	"	Quantity/Time	"
10. No of sanitation interventions completed: Sanplat Latrines VIP Latrines Pour Flush Latrines Public Latrines Septic Tanks Piped Sewerage/Treatment	"	Y/N Time	"
11. Technical training completed	"	Y/N Time	"
12. Management training completed	"	Quantity/Time	"
13. Percentage of Centre Population represented by those using improved sanitation facilities			

**CATEGORY B:****TABLE D.5 SCHEME PERFORMANCE INDICATORS**

General Indicators	
Water production	Unit m <sup>3</sup>
Water sold	m <sup>3</sup>
Un-accounted for water	m <sup>3</sup>
Total pipe length	Km
No. of Standposts	Nos
No. of Yardtaps	Nos
No. of Houseconnection.	Nos
No. of Industrial	Nos
No. of Springs	Nos
No. of Boreholes	Nos
No. of Wells	Nos
Financial Indicators	
<b><u>MULTIPLE-POINT WATER SUPPLY</u></b>	
Projected Revenue	Currency
Total Revenue	Currency
Total Operating Cost of which	
- Wages	%
- Maintenance	%
- Operations	%
Balance	Currency
<b><u>POINT SOURCE WATER SUPPLY</u></b>	
Highest borehole operating cost	Currency
Lowest borehole operating cost	Currency
Mean borehole operating cost	Currency
Operational indicators	
<b><u>MULTIPLE-POINT WATER SUPPLY</u></b>	
No of standpipes with no breakdown	Quantity
No of standpipe days lost in breakdown	Quantity
No of standpipe days lost in disconnection	Quantity
No of Yardtap days lost in disconnection	Quantity
No of Yardtap days lost in breakdown	Quantity
No of industrial/institution/House connection days lost in disconnection	Quantity
No of Industrial/institutional/house connection days lost in breakdown	Quantity
<b><u>POINT SOURCE WATER SUPPLY</u></b>	
No of handpump days lost in breakdown	BH days
No of handpumps with recorded breakdown	Quantity
No of handpumps with less than 25% downtime	Quantity
No of handpumps with no downtime	Quantity
No of springs with average filling time of 2-3 minutes per 20 litre container	Quantity
No of springs with filling time of more than 5 minutes per 20 litre container	Quantity

## THE LUGAZI WATER AND SANITATION PROJECT

### BASIC INFORMATION

#### \* WHAT IS THE LUGAZI PROJECT?

The Lugazi Project is part of the Small Towns Water and Sanitation Project, under the Rural Towns Water and Sanitation Programme. The Programme is designed to assist about 250 centres nationwide in their water and sanitation needs. The Lugazi project will help Lugazi communities to plan, design and own facilities that they want, if they can demonstrate commitment and ability to operate and maintain them. Lugazi is the first centre for this Negotiation-Driven approach.

#### \* WHO IS INVOLVED IN THE LUGAZI PROJECT?

**THE BENEFICIARIES** are households, institutions, commercial users, and others, who form common interest groups to solve their water and sanitation problems.

**THE RC SYSTEM AND TOWN COUNCIL** will mobilize the communities and provide the necessary political support.

**THE MUKONO DISTRICT ADMINISTRATION** will provide support through their Water, Health and Community Development Departments during and after the Project.

**THE DIRECTORATE OF WATER DEVELOPMENT**, as part of the Ministry of Natural Resources, provides overall implementation and technical support to the Programme and Project, and long term monitoring and evaluation strategy.

**THE CONSULTANTS** are implementing the Lugazi Project under the supervision and guidance of the Directorate.

#### \* HOW CAN THE LUGAZI PROJECT ASSIST BENEFICIARIES?

**FOR WATER SUPPLIES**, potential Water User Groups for feasible water supply systems will be assisted to organise Water and Sanitation Committees to negotiate the systems most appropriate to their needs. In the case of piped systems, these groups may combine to form a Water Users Association. Subject to the financial conditions below, any group will go through the following stages:



- The group will raise about one tenth of the estimated annual operations and maintenance cost associated with their anticipated system, as the first payment of their community contribution towards the cost of construction. A Memorandum of Understanding which enables the project to proceed to planning and design will be signed.
- The group, with the project team, will then plan and design the system that matches their needs with technical feasibility and their willingness and ability to operate and maintain it. This is the development of a **Beneficiaries Plan**. The group may increase it's deposit to the community contribution during this period.
- Once the plan is completed, the group deposits the rest of the community contribution, such that the total is the same as one year of operations and maintenance costs of the final system. The **Water and Sanitation Committee** or **Water Users Association** then signs a **Beneficiaries Agreement**.
- When the preceding steps have been completed, construction activities will be mobilised.
- On completion, the system will be handed over to the group, who will receive follow up support and training, and who will be subject to monitoring and evaluation.

**FOR SANITATION FACILITIES**, specific initiatives will be developed with input from the Lugazi communities. Initially, assistance is envisaged as follows:

- Individual households or institutions will be eligible to receive free technical assistance but will retain responsibility for all construction and maintenance costs.
- Public sewer systems will be considered if environmental factors render on-site sanitation (latrines and septic tanks) damaging, or if they are required as a result of a chosen higher service level for water by a **Water User Group** or **Water Users Association**. In this case, the process and the community contribution arrangements will be the same as for water systems.
- The project will encourage the establishment of public latrine facilities, preferably under privatised management.

**\* WHO PAYS FOR WHAT IN THE LUGAZI PROJECT?**

The Government will finance almost all construction costs for public systems serving households, small commercial users and institutions. Beneficiaries who want piped services to their premises will pay the full cost of connection. Community contributions are always the property of the user groups, deposited into accounts they jointly control, and ensure that they plan and design systems that they can afford and are willing to maintain. If a group decides not to proceed, their deposit is returned: Beneficiaries will be fully responsible for all operations and maintenance. Industries who decide to join the project will pay the full cost of development and construction for the increased capacity requirements.

**\* HOW LONG WILL THE LUGAZI PROJECT TAKE?**

The project started in May 1994 with a workshop including forty one Lugazi participants. This is being followed by mobilisation activities to provide information and help user groups to form. The method previously described means that some groups will proceed faster than others, and the timing will depend on their efforts. However, construction depends on the availability of the rest of the project funds, planned for later in 1994.

**\* WHERE CAN YOU GET MORE INFORMATION ON THE LUGAZI PROJECT?**

The Project has established an office at Lugazi Town Council Offices. You will be welcome there. Alternatively, call at the consultants Kampala office at Bauman House, Room 123, Parliament Avenue, P.O. Box 11790, Kampala.

## RURAL TOWNS WATER AND SANITATION PROGRAMME

### GUIDELINES FOR COMMUNITY CONTRIBUTIONS FOR WATER SUPPLIES

#### 1. THE NEED FOR COMMUNITY CONTRIBUTIONS

Firstly, community contributions, being related to the capital and recurrent costs, serve as a guide to help communities choose systems that are within financial means. Secondly, being about the same amount as community would need to raise annually in the future to cover operations, maintenance and normal repair costs, they provide an indication to government as to whether or not beneficiaries will be willing and able to raise the funds required to maintain their systems. Thirdly, they provide a basis for legal community ownership of the system.

#### 2. COMMUNITY CONTRIBUTIONS FOR DOMESTIC SUPPLIES

The following table gives the anticipated ranges of community contributions towards the construction costs for various water supply technologies to supply a basic service level to a Water User Group (WUG). It should only be used under the guidelines of the notes that follow the table:

LEVEL OF TECHNOLOGY (SEE NOTE 2.1)	DEPOSIT REQUIRED RELATED TO EACH BENEFICIARY (SEE NOTES 2.3, 4 & 5)  (U Shs)	ANTICIPATED RANGE OF FULL COMMUNITY CONTRIBUTION RELATED TO EACH BENEFICIARY (SEE NOTES 2.2,3,4,5, & 6)  (U Shs)
Protected Spring	10	100 - 150
Hand Dug or Hand Augured Well with Handpump	150	1400 - 1600
Borehole with Handpump	200	2000 - 2200
Piped gravity system	200	2000 - 2500
Small pumped piped scheme from spring, well or borehole	850	8400 - 9000
Larger piped supply system	350	2500 - 9000

- 2.1 The technology options available to a particular group will be limited by the local water resources available for development. In addition, the involvement of a WUG in a larger piped scheme will be dependent upon the interest of other WUGs in the project area.
- 2.2 Each of the ranges given should not be seen as "limits of range" but anticipated ranges depending upon the level of difficulty in developing the water resource, or economies of scale in the case of piped systems. Consequently, the final contribution required could be less or more than the range given.
- 2.3 The deposit is a fixed figure designed to ensure sufficient indication of community commitment to enable the project to mobilise design and planning resources for the WUG.
- 2.4 The figures given are related to a level of payment per person, not per household. This therefore includes for all beneficiaries including children, old people etc. However, provided that a WUG can show that its method of collection indicates ability and willingness to operate and maintain the system after completion, it is up to the WUG to serve 400 people from a borehole would have to raise the following sums, in any way to suit their concerns, but to also satisfactory for project concerns:

Deposit:	400 X Shs 200	-	Shs 80,000
Total CC anticipated range (But see note 2):			
	400 X Shs 2000	-	Shs 800,000
	to 400 X Shs 2200	-	Shs 880,000

- 2.5 The Deposit will be paid into a dedicated bank account with two signatories, one chosen by the WUG, the other being a project representative. No money may be removed without both signatures. If the WUG decides not to proceed at any future stage, the money will be returned. If the process results in a Beneficiaries Agreement, then the money will be used as incorporated in that agreement. The WUG will be free to continue to deposit money into account after the deposit has been made, to ease the burden by not requiring the balance to be paid in one sum.
- 2.6 Any households who want piped services to their premises will pay the full cost of connection to the public system.

### 3 COMMUNITY CONTRIBUTIONS FOR INSTITUTIONS AND SMALL COMMERCIAL ENTERPRISES

- 3.1 The amount of contribution for an institution will be equivalent of the annual operations, maintenance and normal repair costs for the anticipated maximum water demand of the institution concerned. These are calculated on guidelines under the project. For example, a hospital with 100 beds and 50 residents living in staff houses would be expected to result in the following maximum daily water demand:

100 beds X 200 l/bed/day	= 20,000 l/day
50 people X 20 l/person/day	= <u>1,000 l/day</u>
<b>TOTAL DAILY CONSUMPTION</b>	<b>= 21,000</b>

l/day

If the required tariff per 20 litres to cover operations, maintenance and normal repair costs is UShs 7/= per 20l for the system concerned, then the total contribution required from the hospital would be calculated as follows:

$$\begin{aligned} \text{Total contribution} &= 21,000 \text{ l/day} \times (7 \text{ Shs}/20\text{L}) \times 365 \text{ days} \\ &= 2,862,750/\text{=}, \text{ Say Shs } 2,700,000/\text{=} \end{aligned}$$

- 3.2 The deposit required to enable planning and design to commence would be 10% of the estimated full contribution. In above case, approximately Shs 270,000/=.
- 3.3 For government institutions, if the above conditions are met, the project will provide point source basic service level (e.g. standposts) on their premises. Any connections to buildings etc. will be paid for entirely by the institution concerned.
- 3.4 Small commercial enterprises are defined as commercial businesses who will consume less than the equivalent of 10% of domestic demand on a piped system. These will be treated in the same way as institutions except that standposts may not be on their property. They will not be eligible for private point source development.
- ### 4. COMMUNITY CONTRIBUTIONS FOR INDUSTRIES
- 4.1 Industries are defined as commercial enterprises whose consumption is estimated at 10% or more than the domestic demand on a piped system. They will not be eligible for private point source developments.

- 4.2 The contribution required from industry is the full cost of the development of the additional capacity required to accommodate its needs. For example, if the inclusion of a particular industry required additional capacity of 25% over that required to accommodate domestic demand, and the increased cost was 10%, then the industry would have to contribute this additional 10%. Consequently, industry benefits from economies of scale, whilst the public funds under the project are not being contributed to private enterprises.
- 4.3 The deposit required to enable planning and design to commence would be 10% of the estimated full contribution.
- 4.4 Under the above arrangements, the project would provide for a metered connection to the public system. The cost of the connection would be fully paid by the industry.

## LUGAZI WATER AND SANITATION PROJECT

### COMMUNITY CONTRIBUTIONS FOR DOMESTIC WATER SUPPLIES

#### WHY ARE COMMUNITY CONTRIBUTIONS NECESSARY?

Firstly, community contributions serve as a guide to help communities choose systems that they can afford to maintain. Secondly, they provide an indication to government that the beneficiary community is willing and able to raise the funds required to maintain their system, as they are about the same amount as they need to raise in the course of each year to keep their system fully operational. Thirdly, they provide a basis for legal community ownership.

#### HOW ARE COMMUNITY CONTRIBUTIONS PAID?

Community contributions will be paid in two stages. The first one is the initial deposit that enables planning and design to start. For each WUG there will be a time limit within which the WUG must establish its Water and Sanitation Committee (WSC), the WSC must sign the Memorandum of Understanding and raise the Deposit. Failure to meet the time limits without an acceptable explanation will result in that WUG not being further assisted by the project under this funding arrangement.

The second one is the balance of the community contribution which enables construction to start, but again, there will be a time limit for the WUG to complete its commitments.

#### WHAT SHOULD WE KNOW ABOUT COMMUNITY CONTRIBUTIONS?

Community contributions will be used for part of the construction cost of the chosen systems.

The figures given in the table represent typical anticipated ranges of community contributions for feasible water technology options for basic services in Lugazi. The ranges given are based upon an average household size of four, including children, and an average size of water user group of fifty households. As the costs of maintaining the system will be dependent upon the number of actual users, differences in size of household and water user group may change the ranges significantly. An example is given after the table.

The ranges may also vary according to the difficulty in developing the water resource or other technical reasons. The final amounts for the community contributions will be calculated by the project engineers during the detail design stage.

The WUG will collect the contributions in such a way that indicates ability and willingness of the community to operate and maintain the system after completion.

Any households who want piped services brought to their premises in the form of either house connections or yard taps will pay the full costs of connection to the public system.

Deposits form a part of community contributions, and are collected in the same way as the rest of the contributions. As they are paid before full information is available, they are fixed figures (see the table).

The deposit and rest of the contribution will be paid into a dedicated bank account with two signatories. One will be chosen by the WUG and the other will be a project representative.

No money may be removed from the account without both signatures. If the WUG decides not to proceed at any time prior to agreement to construct, the money will be returned. If the WUG concludes agreement to construct, the money will be released for use in construction.

#### WHAT ARE TYPICAL COMMUNITY CONTRIBUTIONS?

The following table gives typical anticipated ranges of community contributions and deposits towards the construction costs various water supply technologies for basic services.

TECHNOLOGY OPTIONS	TYPICAL ANTICIPATED RANGE OF FULL COMMUNITY CONTRIBUTION			DEPOSIT	
	Per Person	Per Household of four persons	Per WUG of fifty Households	Fixed per Household	Per WUG of fifty Households
Protected Springs	100-150	4,000-6,000	20,000-30,000	40	2,000
Standpost on a small pumped scheme from spring or borehole	8,400-9,000	33,600-36,000	1,680,000-1,800,000	3,400	170,000
Standpost on a larger piped scheme	2,500-9,000	10,000-36,000	500,000-1,800,000	1,400	70,000

The technology options available to a particular group will be limited by the local water resources available for development. In addition, the involvement of a WUG in a larger piped scheme will be dependant upon the interest of other WUGs in the project area.

#### WHAT HAPPENS WHEN THE HOUSEHOLD AND WUG SIZE IS DIFFERENT TO THAT IN THE TABLE?

For example, what would be the anticipated community contribution and deposit for a WUG of 80 households, with an average of six persons per household, choosing to be served by a standpost on a larger piped scheme?

##### Community Contributions:

From (low) : 6 persons X Shs 2,500 X 80 households = Shs 1,200,000  
to (high) : 6 persons X Shs 9,000 X 80 households = Shs 4,320,000

Deposit : 80 households X Shs 1,400 = Shs 112,000



## LUGAZI WATER AND SANITATION PROJECT

### COMMUNITY CONTRIBUTIONS FOR WATER SUPPLIES FOR GOVERNMENT INSTITUTIONS, INDUSTRIES, AND SMALL BUSINESSES

#### HOW MUCH ARE COMMUNITY CONTRIBUTIONS FOR GOVERNMENT INSTITUTIONS?

Community contributions for Government institutions which want to be connected to the Lugazi public water system will be calculated by the project engineers with the assistance of the institutions concerned. The contributions will be based on the estimated daily water consumption of the institution and the water cost.

An example would be a hospital with 100 beds and 50 residents living in staff houses:

First, the anticipated average daily water consumption will be as follows:

100 beds x 200 litres per bed per day	= 20,000 litres per day
50 persons x 20 litres per per. per day	= 1,000 litres per day
<b>AVERAGE DAILY CONSUMPTION</b>	<b>= 21,000 LITRES PER DAY</b>

Second, the project engineers will calculate the cost of water which the users will have to pay in order to cover operations and maintenance expenses of the anticipated system. If, for example, the cost is Ush 0.35 per litre, which is equivalent to Ush 7 per jerry can, the total community contribution for the hospital would be calculated as follows:

<b>COMMUNITY CONTRIBUTION</b>	= 21,000 litres per day x 365 days
	x Ush 0.35
	= Ush 2,682,750

#### HOW MAY GOVERNMENT INSTITUTIONS BENEFIT FROM THE PROJECT?

The project may provide either point source supplies, or standposts on a piped scheme if available, on the property of any government institution which has paid its total community contribution. Any connections to buildings and etc. will be constructed and paid for entirely by the institution concerned.

#### HOW MUCH ARE CONTRIBUTIONS FOR SMALL BUSINESSES?

Small businesses are defined as commercial enterprises, including non government institutions such as private schools, each of which will consume less than the equivalent of 10% of domestic water demand on a piped system. They include lodging houses, restaurants, shops and any other small commercial enterprises, etc.

Community contributions for small businesses will be the same as for households. For further information see the Community Contributions for Domestic Water Supplies Leaflet.

#### HOW MAY SMALL BUSINESSES BENEFIT FROM THE PROJECT?

These businesses will be treated in the same way as households. As such, they may benefit from either public point source supplies (e.g. standposts or handpumps), or if a piped scheme is installed, from a metered connection to the scheme. In this case the business pays the total cost of connection.

### **HOW MUCH ARE COMMUNITY CONTRIBUTIONS FOR INDUSTRIES?**

Industries are defined any commercial enterprises whose water consumption is estimated at 10% or more than the domestic demand on a piped system, and can only benefit from the project if a piped scheme is developed.

The community contribution required from an industry will be the full cost of the development of the additional capacity required in the piped scheme to accommodate the needs of the industry. For example, if the joining of a particular industry requires additional capacity of 25% over that required to accommodate domestic demand, and the increased cost would be 10%, then the industry would have to contribute this additional 10%. In addition, like household connections, the full cost of connection will be paid by the industry.

### **HOW MAY INDUSTRIES BENEFIT FROM THE PROJECT?**

The advantage to an industry in participating in the project are generally associated with economies of scale. For example, both the capital costs of development and the operations and maintenance costs for a private supply scheme of 100,000 litres per day, are almost certainly greater than the equivalent costs of being a party to a scheme for 500,000 litres per day, and consuming 20%. By virtue of being a major stakeholder in the scheme, the industry will have considerable influence on reliability of supply, to the benefit of all.

### **HOW WILL THE COMMUNITY CONTRIBUTIONS BE PAID?**

Community contributions for institutions, industries, and small businesses will be paid in two stages.

The first one is the initial deposit that enables planning and design to start. The deposit is equivalent to 10% of the estimated total community contribution. In the case of the hospital example above, the deposit would be roughly Ush 270,000. For each beneficiary there will be a time limit within which it must raise the Deposit. Failure to meet the time limits without an acceptable explanation will result in that beneficiary not being further assisted by the project under this funding arrangement.

The second stage of the community contribution is the balance of the contribution which enables construction to start, but again, there will be a time limit for the beneficiary to complete its commitments.

**NOTE:** For detailed information regarding the objectives of the project and community contributions see the following leaflets prepared by the Lugazi Project:

- \* Basic Information
- \* Community Contributions for Domestic Water Supplies
- \* Guidelines for Collection and Management of Community Contributions

## LUGAZI WATER AND SANITATION PROJECT

### **GUIDELINES FOR COLLECTION AND MANAGEMENT OF COMMUNITY CONTRIBUTIONS:**

#### **HOW MAY THE COMMUNITY CONTRIBUTIONS BE COLLECTED?**

Each Water User Group (WUG) will elect a Water and Sanitation Committee to suit their needs, typically covering the following positions:

- \* chairperson
- \* secretary
- \* treasurer
- \* mobiliser/health education
- \* general committee members

The committee is the link between the WUG and the project, and also takes responsibility for the collection of the deposits and the balance of the community contributions. Details regarding these contributions are outlined in the project's information leaflets.

Every group member who pays the full or partial amount of the community contribution should be given a receipt by the Committee. The receipt will bear his/her name. The project requires that a register be kept, containing the names of persons and the number and size of households that have contributed.

The Committee will open the Water User Group's account at UCB, Lugazi Branch. All contributions will be deposited into this account.

The account will have at least two signatories:

- \* Representative chosen by the Water User Group
- \* Representative of the Project

The project representative will cease to be a signatory to the account at the start of the construction and may be substituted by a chosen member of the committee, if necessary.

#### **HOW MAY THE BANK ACCOUNT BE OPENED?**

In order to open an appropriate account, each Water User Group is required to fulfil the following as requested by the bank:

- \* present an introduction letter from the project
- \* submit three (3) passport size photographs of each of the signatories.
- \* pay an initial deposit of Ush 20,000 (twenty thousand only).
- \* pay pass-book charges of Ush 1,500 (one thousand and five hundred only).

#### **HOW MAY COMMUNITY CONTRIBUTION BE COLLECTED AND USED?**

The total amount of community contributions will go toward the construction of the water supply system chosen by the Water User Group.

For the Project to proceed, there are two stages of community contribution, both of which have time limits:

Planning and design will only commence once the committee has been formed, a Memorandum of Understanding has been signed between the Committee and the Project, and the amount of the full deposit has been banked within the time limit for this stage.

Construction activities will only commence once the Beneficiaries Agreement has been signed between the Committee and the Project, and the full balance of the community contribution has been banked within the time limit for this stage.

**FOR MORE INFORMATION REGARDING COMMUNITY CONTRIBUTIONS  
PLEASE SEE THE PROJECT'S FOLLOWING LEAFLETS ISSUED BY THE PROJECT  
OFFICE AT THE LUGAZI TOWN COUNCIL OFFICES:**

- \* **BASIC INFORMATION**
- \* **COMMUNITY CONTRIBUTIONS FOR DOMESTIC WATER SUPPLIES**
- \* **COMMUNITY CONTRIBUTIONS FOR WATER SUPPLIES TO  
GOVERNMENT INSTITUTIONS, INDUSTRIES AND SMALL  
BUSINESSES**

## LUGAZI WATER AND SANITATION PROJECT

### INFORMATION ON SANITATION

#### \* WHAT IS THE SANITATION COMPONENT OF THE LUGAZI PROJECT?

This leaflet supplements the Basic Information Leaflet on the Lugazi Project and specifically addresses Sanitation issues. The Sanitation Component will help interested Lugazi communities to improve their sanitation situation. This help will focus primarily on the safe disposal of excreta.

#### \* WHO IS INVOLVED IN THE SANITATION ACTIVITIES?

**THE BENEFICIARIES** are individual households, groups of households, institutions, commercial enterprises, and others, who wish to improve their sanitation facilities.

**THE RC SYSTEM AND TOWN COUNCIL** will mobilize the communities and provide the necessary political support, as well as assisting in hygiene education activities.

**THE MUKONO DISTRICT ADMINISTRATION** will provide support through their Water, Health and Community Development Departments during and after the Project.

**THE DIRECTORATE OF WATER DEVELOPMENT**, as part of the Ministry of Natural Resources, liaises with the Ministry of Health at the various levels and provides overall implementation and technical support to the Programme and Project, and long term monitoring and evaluation strategy.

**THE CONSULTANTS** are implementing the Lugazi Project under the supervision and guidance of the Directorate.

#### \* HOW CAN THE LUGAZI PROJECT ASSIST BENEFICIARIES TO IMPROVE THEIR SANITATION SITUATION?

**Hygiene Education and Training:** In general, people prefer individual or shared household latrines. Consequently, most improvements to sanitation are made at household rather than at community group level. Therefore, with few exceptions, the Water and Sanitation Committees (WSCs) of Water User Groups (WUGs) are expected to take on the role of addressing the sanitation needs of their members. Through assistance with the support of the administrative and RC structures, the Project will provide Hygiene Education and other materials to the WSCs during the project implementation, and will train members of WSCs in hygiene promotion

activities.

**Private Sector Development:** The Project will encourage and promote private sector enterprises to provide services in the construction, operation and maintenance of sanitation facilities, including private sector provision of spare parts, septic tank emptying services, etc.. The assistance may include the necessary training of technicians, artisans and attendants.

**Technical Assistance:** The Project will provide technical assistance to individual households or groups of households regarding individual or shared private sanitation facilities, with all necessary details for the beneficiaries to arrange for construction by contractors or by purchasing materials and engaging artisans. Such technical assistance will be available for various types and sizes of sanitation solutions, including septic tanks for households who opt for house connection to an available public piped water supply.

**Technical Advice:** Advice will also be available to institutions, small businesses and industries, by assisting them to assess and suggesting possible solutions to improve their provisions for sanitation.

**Provision of Public Latrines/Washing Facilities:** The Project will finance the majority of the cost for the provision of such amenities, provided that the facilities, the community contribution towards their construction, and the management systems proposed for sustaining them after construction are within the Project guidelines. Typically they would be owned by a relevant community group similar to a WUG, accessible to the general public at an acceptable public location, and would be managed commercially by arrangement with the private sector.

**Provision of Piped Sewerage:** The Project will only consider this if (a) environmental factors render on-site sanitation (latrines and septic tanks) damaging, or (b) sewerage is required as a result of an agreed higher service level for water chosen by a Water User Group or Water Users Association. Beneficiaries of such systems will bear the full cost of connection in addition to their community contribution.

**Assistance with Public Drainage, Sullage Disposal and Solid Waste Disposal:** The project will assist and advise any WUG regarding how to address their specific problems in these areas at the specific request of the WUG. Consideration will be given to means of identifying financial assistance, based upon the specific merits of the case.

#### \* WHO PAYS FOR WHAT IN THE SANITATION COMPONENT?

Individual households, groups of households with shared private facilities, institutions and commercial enterprises will pay the full costs of the construction and operations and maintenance of their facilities, but will receive training, technical support and advice at the government expense. Beneficiaries of piped sewerage facilities will pay the full cost of connection, and their water charges will reflect the costs of provision of both the water supply and the sewerage O & M costs, resulting in water disconnection in the event of nonpayment.

The Government will finance almost all construction costs for public systems such as Public Latrine/Washing Facilities and Piped Sewerage where these are agreed interventions.

The process and the community contribution arrangements for the provision of public sanitation systems are the same as for water supply systems in that (a) for construction activities to commence the community must raise the equivalent of the estimated operation and maintenance cost for one year as their community contribution (CC) to the construction cost; and (b) for planning and design activities to commence, a deposit of 10% of the CC must be raised and banked. The method of collection must reflect community commitment to sustain the facilities after construction.

Community contributions to the construction costs are always the property of the user groups, deposited into accounts they jointly control, and ensure that they plan and design systems that they can afford and are willing to maintain. If a group decides not to proceed, their deposit is returned. Beneficiaries will be fully responsible for all operations and maintenance. Industries who decide they wish to connect to both a public piped water supply and a public piped sewerage system will pay the full cost of development and construction for the increased capacity requirements and the full cost of their connections.

**\* FOR MORE RELATED INFORMATION PLEASE SEE THE PROJECT'S FOLLOWING LEAFLETS ISSUED BY THE PROJECT OFFICE AT THE LUGAZI TOWN COUNCIL OFFICES:**

- \* BASIC INFORMATION**
- \* COMMUNITY CONTRIBUTIONS FOR DOMESTIC WATER SUPPLIES**
- \* COMMUNITY CONTRIBUTIONS FOR WATER SUPPLIES TO GOVERNMENT INSTITUTIONS, INDUSTRIES AND SMALL BUSINESSES**
- \* GUIDELINES FOR COLLECTION AND MANAGEMENT OF COMMUNITY CONTRIBUTIONS**

## DESIGN CRITERIA FOR WATER SUPPLIES

### INTRODUCTION

1. As Uganda is rich in its natural water resources, various sources can be exploited by communities including surface water, groundwater and rainwater. But however rich in water resources these communities may be, safe water from protected sources and distribution systems is scarce and most people must draw water from unprotected surface sources such as swamps, lakes and rivers. Over the past 20 years safe water coverage has decreased as many of the piped systems, built in the fifties and sixties, have completely or partially fallen into disrepair. More recently, protected springs and boreholes equipped with handpumps have been employed, particularly in rural areas. Solar, wind, and animal powered pumps are hardly used in Uganda for water pumping.
2. The towns covered under the Rural Towns Water and Sanitation Programme are small typically having between 10,000 and 20,000 residents and low population densities compared to large towns such as Jinja with about 60,000 people. A small town typically consists of a commercial centre comprising 10-15% of the total town area where about 30% of the population reside and where population densities are about 100 persons per hectare. In the outskirts, population densities of these towns drop to 10-20 persons per hectare. Hence many town residents live under conditions very similar to those found in the surrounding rural areas. As a result of the variable population density and affluence, mixed technologies will be offered in the Programme, so that everyone would have the opportunity of obtaining a protected water supply that they can afford and are willing to maintain.
3. Groundwater has a number of advantages over surface water for the provision of water supply and should be used as the source of supply whenever possible: it is available within the community, is more reliable throughout the year and in periods of drought, and generally does not require treatment. Springs and hand dug wells are preferred sources of water because they are relatively inexpensive and provide a good basic service. Machine drilled boreholes are more expensive and should be used only if springs or hand dug wells are not suitable or when a more conveniently located higher level of service is desired. Gravity-fed piped systems provide a relatively cheap high-level service when such a source is available. In all cases care must be taken that the source provides a year round supply of water. Where required, water treatment for small and medium sized communities should be based on slow sand filtration preceded by roughing filters and should make use of hydraulic rather than electro-mechanical processes. Infiltration galleries can provide even better and more reliable treatment at lower costs and should be used whenever technically feasible.
4. Different priced water supply options for both point sources and piped systems, with information materials, easily understood by community groups, showing typical designs and costs (capital and recurrent) should be available. For groundwater that needs lifting to the surface, they include dug wells with and without handpumps, boreholes with either direct-action or high-lift



handpumps, and small piped systems utilizing either groundwater or surface water with appropriate pumping and treatment units. Pumping options would include electric submersible pumps powered by the electric grid, photo voltaic cells or diesel generating units. Lower cost surface-mounted diesel/petrol-powered centrifugal pumps with locally made metal storage tanks would also be an option. Generally, hand dug wells would be the least cost option, regardless of the community size. Where hand dug wells are not feasible due to hydrogeological constraints or a community wants a piped system, the least cost technology would depend on the population size, well yield, and proximity of the water wells to the national electric grid. The following chart shows the typical ranking of systems in terms of capital cost.

**RELATIVE CAPITAL COSTS FOR WATER SUPPLY FROM GROUNDWATER**

Type of System	Community Population			
	< 500	500-1000	1000-2000	> 2000
Hand Dug Well <sup>2</sup>	1	1	1	1
Borehole + Handpump <sup>3</sup>	2	3	5	5
Borehole + Grid <sup>4</sup>	3	2 <sup>5</sup>	2	2
Borehole + Solar	4	4	3	4
Borehole + Diesel	5	5	4	3

- Notes:**
1. One denotes the least cost option and five the highest.
  2. Hand dug wells have capacity to serve up to 200 people.
  3. The dynamic pumping level is less than 45 meters.
  4. The water wells are in close proximity to the electric grid.
  5. A single well has sufficient capacity to serve community.

5. It is important that communities are able to choose the technology that will give them the highest service level that they want, can afford, and can maintain - where service level is determined by a number of factors, including the quantity and quality of the water, the amount of time needed to collect water, and the reliability of the system. In the Project the communities will be able to choose the type of system that they want, with their choice guided by their felt need for safe water and the level of services offered by the various alternatives in relation to the anticipated costs of operations and maintenance and the required community contributions. It is expected that households in lower density areas will generally opt for lower cost improved springs and dug wells, and that those living in the commercial areas will prefer piped systems.

6. Borehole drilling in Uganda dates back to the early part of this century. Nonetheless, groundwater has become widely used only in recent years, as a result of the ongoing rural water supply projects. During this period the Directorate of Water Development has gained considerable drilling experience. Despite their high cost and the potential for dug wells, boreholes have become the most common method of groundwater exploitation.

7. Piped systems, mostly supplied from surface water sources, require treatment and associated mechanized equipment and chemicals and are dependent on the intermittent electric service provided by the Uganda Electricity Board (UEB). As a result their performance is not very good, particularly in small towns. Where surface supplies and treatment are required, good results even without chemicals, are being achieved with roughing filters and slow sand filtration - such that the combination is generally considered to be the technology of choice for small systems.

8. Borehole and well siting techniques have improved substantially over the past years. Given the substantial cost savings that can be achieved through the use of low cost technologies, adequate attention must be given to siting procedures. In this respect the hydrogeological teams will use siting techniques varying from the hand auguring of test holes, where dug well potential is high, to geophysical methods for boreholes, particularly for piped supplies. Where hydrogeologic conditions are unfavourable, geophysical methods should be used both for dug wells and boreholes.

## DESCRIPTION OF WATER TECHNOLOGIES

9. Springs: Where the specific local hydrogeological conditions allow, protected springs can be the lowest cost and most reliable option, and, although they may not be located as conveniently as wells or piped systems, are very popular. In Uganda spring protection could play a more important role than they do now as only 35% of the 13,000 registered springs have so far been protected. A protected spring typically comprises:

- a protected intake from a natural spring: the existing spring is cleaned, a layer of gravel is placed in conjunction with a collector pipe for collection purpose over all spring eyes, a layer of clay covers the spring against contamination together with upstream drainage works; in some instances a spring box is constructed;

- a platform with the water outlet(s), occasionally with a short transmission main that allows better access by the consumers; depending on the yield and the demand one or more outlet pipes can be provided; where yields are low, storage can be provided; and

- related site works consists of cattle fences, access steps to the spring, spring retaining walls and the required drainage works both upstream and downstream of the spring.

**ESTIMATED CAPITAL AND RECURRENT COSTS OF PROTECTED SPRINGS**  
(Assumed Exchange Rate 1 US\$ = UShs 1,200)

Capital Costs (U Shs)	2,280,000
Annual Recurrent Cost (Ushs)	23,000
Corresponding tariff level in Ushs per Jerrican (20 litres)	0.3

10. Hand Dug Wells: If equipped with bucket and rope as lifting device, this technology offers the lowest investment per capital after spring catchments, and also the lowest recurrent cost. If constructed with a collar and raised platform that is grouted, an open dug well provides considerably better quality water than is provided by unprotected surface sources. If fitted with a reliable and easily maintainable direct action handpump, i.e. one without a lever, the danger of contaminating the well would be reduced. It is important that dug wells be constructed two to three metres below the water table to ensure good yields and a year round supply. With static water levels ranging from 1-30 metres below ground level (the majority less than 15 metres) and the considerable depth of unconsolidated overburden (4-40m) found in most places in Uganda, well digging and/or auguring are technologies that could provide a service to many communities and that would considerably reduce the cost of water supplies in rural and low density urban fringe areas.

Hand dug wells are constructed in weathered rock, overburden or sedimentary formations. The well is lined down to the aquifer with in situ cast concrete. The penetration in the water bearing zone is done with caisson rings. This allows further deepening of the well in case the water table falls. Construction may be done with community participation in digging down to the water table.

11. Handpumps: Handpumps provide a basic service level. These have the advantage over springs in that they can often be located closer to consumers. handpumps are relatively simple and inexpensive and relatively easy to maintain. However simple, the requirement for spare parts can be problematic and at times relatively expensive components must be replaced. This technology typically comprises:

A well (hand dug or hand augured), or a borehole; the choice of whether to use hand dug wells, augured wells or boreholes to abstract groundwater is determined by hydrogeological, technical and economic considerations; the choice is made by the consumer group in consultation with a hydrogeologist. For design depths up to 15 - 20 metres augured and dug wells are good options, for deeper design depths boreholes are usually the preferred option.

In view of DWD's policy of standardization, U2 or U3 handpumps with corrosion resistant stainless steel rising mains and rods are required. The concrete platform, with the spout of the handpump placed near the centre, provides a clean working area and protects against groundwater contamination. For pumping lifts of less than 15 metres a direct action is a corrosion free, easily repairable option that should be considered.

Related site works consist of fencing to keep animals away, drainage works such as a drainage channel and soak away pit. Cattle troughs and washing facilities are optional.

### HANDPUMPS

#### ESTIMATED CAPITAL, RECURRENT COSTS AND TARIFF LEVELS (UShs)

(Assumed Exchange Rate 1 US\$ = UShs 1,200)

	Hand Dug Well with Handpump	Hand Augured Well with Handpump	Borehole with Handpump
<u>Capital cost</u>			
Hand Dug well	10,370,000		
Hand Augured Well		5,570,000	
Borehole			12,770,000
Handpump with Rising Main	1,440,000	1,440,000	3,720,000
Reservoir	740,000	740,000	740,000
<b>Total Capital Costs</b>	<b>11,810,000</b>	<b>7,010,000</b>	<b>16,490,000</b>
<u>Annual Recurrent Costs:</u>			
Staffing	225,000	225,000	225,000
Maintenance	175,700	127,700	313,700
<b>Total Annual Recurrent Costs</b>	<b>382,700</b>	<b>352,700</b>	<b>538,700</b>
<b>Corresponding Tariff Level per Jerrican (20 Litres)</b>	<b>4.4</b>	<b>3.9</b>	<b>5.9</b>

12. **Piped Systems:** Small piped systems can provide a higher level of service than the point sources, where the pumps and appurtenant equipment can be maintained and the energy supply (electric or diesel) is dependable. Typically these comprise of a water source with or without a pump house, a pump and a reservoir, distribution mains and public standposts. Individual house connections are encouraged in the Programme so that more revenue can be obtained from the more affluent people in the community.

13. The minimum design capacity for piped systems will be 20 litres per capita per day based on current population. Additional production and distribution capacity for the following purposes will be encouraged and financed under normal cost sharing arrangements, if communities so choose:

Increasing population including 10 years for source works and 15 years for water mains, up to the town's average annual growth rate.

Twenty percent unaccounted-for water,

Twenty percent for future household and institutional connections,

Existing household and institutional connections:

-	House connections	100 litres/capita/day (lcd)
-	Yard Taps	40 lcd
-	Schools (day)	5 lcd
-	Schools (boarding)	50 lcd
-	Prisons	50 lcd
-	Hospitals	200 litres/bed/day

Peaking factor for pipes of 1.5 based on 10 hours per day pumping, and  
Storage capacity of 1/2 day's design demand.

14. The following restrictions apply:

The cost of water deliveries above those provided for above, including commercial and industrial uses, and the cost of connecting households and institutions to the distribution system will be paid in full by individual beneficiaries.

All government institutions will pay their share of the capital and recurrent costs. Prisons, military installations and other large government institutions, each one of which consumes more than 10 percent of the design capacity of a municipal system, will be provided separate facilities under normal cost sharing arrangements that they will manage themselves.

Sale of any system or components financed with Government funds is prohibited.

**SMALL PIPED SYSTEMS**  
**ESTIMATED CAPITAL, RECURRENT COSTS AND TARIFF LEVELS (UShs)**  
 (Assumed Exchange Rate 1 US\$ = UShs 1,200)

	Dug Well with pump	Augured Well with pump	Borehole with Pump	Spring fed Gravity Supply
<u>Capital cost</u>				
Intake Spring				2,280,000
Gravity Main <sup>1</sup>				20,160,000
Platform Site Works				540,000
Hand Dug Well	9,720,000			
Hand Aug. Well		4,920,000		
Borehole			12,120,000	
Pumping Main <sup>1</sup>	20,160,000	20,160,000	20,160,000	
Diesel Pump	7,920,000	7,920,000	7,920,000	
Pump House	4,800,000	4,800,000	4,800,000	
Reservoir	1,300,000	1,300,000	1,300,000	
Platform, etc.	1,210,000	1,210,000	1,210,000	
<b>Total Capital Cost</b>	<b>45,110,000</b>	<b>40,310,000</b>	<b>47,510,000</b>	<b>22,980,000</b>
<u>Recurrent Cost</u>				
Staffing	585,000	585,000	585,000	585,000
Maintenance	733,600	685,600	757,600	179,400
Power	74,000	74,000	74,000	
Replacement Fund	792,000	792,000	792,000	
<b>Total Recurrent Annual Costs</b>	<b>2,184,600</b>	<b>2,136,600</b>	<b>2,208,000</b>	<b>764,400</b>
<b>Tariff Level in Ushs per Jerrican (20 Litres)</b>	<b>24</b>	<b>23</b>	<b>24</b>	<b>7<sup>1</sup></b>

Note 1: Assumes that 250 persons use the system and the gravity main extends for 500 m.

15. Larger Piped Supplies are expected to serve the commercial core areas and will be custom designed. Cost figures for complete systems vary considerably with the local conditions. Based on recent tenders for such systems unit costs for larger piped systems are in the range of 90,000 to 120,000 USh (US\$ 75-100) per capita.

## DESIGN CRITERIA FOR SANITATION

### BACKGROUND

1. The Programme Preparation Report for STWSP, September 1992, indicated that sanitation coverage, in terms of excreta disposal in the 60 centres studied, was about 60-70%. Most of this coverage consists of traditional latrines which offer little more than privacy with very poor hygiene conditions. Less than 5% of the population were served by septic tanks and even less by waterborne collection and treatment systems. Of the six centres with such systems, four are in poor condition with little or no treatment, one has recently been rehabilitated (Gulu), and the other operates well under NWSC (Njeru). The remaining 30-40% counted as not served rely on extremely unhygienic communal facilities or defecate wherever privacy can be found.

2. This finding conforms with the internationally accepted premise that the demand for improved urban sanitation is less than that for water supply. Consequently, a combination of extension services and improvements in methods of delivery of the chosen technologies needs to be provided under the Programme. Investment in water supply and proper operations and maintenance of the facilities will reduce the impact of waterborne diseases, but unless there is a matched improvement in hygiene awareness through education and in excreta disposal services, the fecal-oral disease transmission routes will continue to persist and curcumvent the health benefits which should be realised from improved water supply. The demand for latrines has in the past been a problem, not only because of disinterest, but because of their high cost and the lack of information about them. It is therefore important that a range of different cost designs for a sanitation be promoted through the Programme both for household and public use. Technologies will include, but not be limited to, the single pit VIP latrine, the SanPlat latrine with and without a vent pipe, and in some cases the twin-pit VIP latrine. Multiple-pit VIP latrines (privately operated) may be used at health centres, markets and other public places. Standard designs and technical specifications will be prepared for each including drawings, bills of quantities, construction and quality control procedures, and sample bidding documents and contracts.

### SANITATION TECHNOLOGY CHOICES

3. The most common forms household sanitation facilities found in Uganda are:
- traditional pit latrines,
  - the more recently introduced VIP latrines
  - the more recently introduced SanPlat (sanitation platform hygienic latrine slab) for upgrading traditional latrines,
  - septic tanks with soakage pits or trenches, and
  - centralised collection and treatment systems.

While these technologies are suitable for households, public toilets and public latrines also serve some of the larger urban areas where congested public markets or long-distance transport depots require such facilities for public health considerations. Pour flush latrines, while not common in Uganda, may be appropriate for some project centres, demand for which to be tested during project implementation, including some pilot activities.

4. The selection of a sanitation technology is a household decision (or the user group's if a waterborne system is chosen), but should be based on adequate information about the technologies, including all costs; and the user's willingness-to-pay to sustain the services after completion.

5. The supply of SanPlat slabs to upgrade traditional latrines or construct new hygienic latrines (improved traditional) and slabs for ventilated improved pit latrines (VIPs) will be encouraged to be met through the private sector. For the septic tank option very little Government involvement would be necessary outside of the software and technical guidance support that would come from the Ministry of Health (MOH) and quality control support from DWD. DWD will monitor the pre-qualification process of contractors at district level; tender for latrine and SanPlat slabs production at district or town level; and identify local commercial traders in the towns who would market the slabs. A model latrine for demonstration purposes may be constructed in each town to allow potential users the opportunity to see the quality of the completed package. Training packages for small contractors to quickly acquire the skills to construct improved latrines and/or produce slabs would be designed and run by qualified specialists. Initially this might require outside assistance.

6. The relationship between the slab producer and the retailer requires clear definition before implementation begins. The producer may sell either directly to the householders or through a retailer allowing market forces to dictate the appropriate price.

7. Other material components for the latrine are the responsibility of the user, whilst the project will encourage and facilitate the private sector to take on the supply role. Standard drawings and a construction manual for latrines will be a part of the training materials for local artisans for both VIP and SanPlat latrines. Operation and maintenance will be the responsibility of the householder including the desludging of the pits. For the construction of septic tanks no Government involvement is foreseen other than that of a regulatory/inspection element to ascertain the quality of design and construction of the septic tank and, more importantly, the absorption fields or pits. Private sector involvement in emptying services for septic tanks would be promoted by the Government, including appropriate assistance with provision of two vacuum tankers. This assistance is to be clarified in the initial stages of the Project. Properly designed septage disposal sites (one or two) are to be identified and constructed to mitigate negative environmental effects of indiscriminate septage disposal. A regulatory function of the urban or district authorities will be required to ensure that the desludging operations are disposed of in designated places and carried out according to the specified health regulations.



8. Where sewerage is the technology of choice, DWD will assist WUA by tendering the contract as well as supervising the construction of the system. The operation and maintenance of the collection system and treatment system will require at least one full-time community paid employee who would be trained by DWD staff or their consultants. If a town elects the waterborne technology, it is essential that the technology designed and constructed for collection and treatment is operable and maintainable by the community. When there is a community demand and when considerations such as population density, soil permeability, the risk of groundwater pollution, and affordability dictate the technology selection of centralised sewerage collection and treatment, Government will subsidise the capital investment in the facilities. In these cases the community will be required to raise their Community Contribution in the same way and on the same basis as for water supplies.

9. Community preference for the waterborne technology alone does not necessarily mandate a Government subsidy. If population densities are low, the soils are accommodating, and the risk of groundwater pollution is not a factor, the cost of sewerage should be born completely by the community without Government subsidy. Government will not subsidize waterborne reticulated systems unless substantial justification exists. Operations and Maintenance costs in all cases will be the responsibility of the users. Where there are existing sewerage facilities, careful consideration will be given to whether rehabilitation of the system is the best solution or abandonment of the facilities in favor of on-site solutions is better. Where an existing system is functioning it would be difficult to justify abandoning the facility, but where it has been out of service for some time, other levels of service and facilities should be considered. Any investment of project funds for sewerage will require direct approval from the Director, DWD.

10. Public latrines, which may, subject to demand, include washing facilities in excess of those required for hand washing, will be owned by an appropriate beneficiary body such as a market association or transport association. The Project, based on a justified demand, will rehabilitate or newly construct public facilities, but maintenance will be contracted out by the owner. The tender submissions will be based on the contractors projected costs for operating and maintaining the facilities plus their anticipated profits and offset by revenue generated by user fees. The award of tender will be based on the highest guaranteed payment to the "owner" per month. The user fees will be determined by the owner in consultation with the political leadership in the community. Contracts for maintenance will be vetted on a one year basis with clauses permitting the owner to dismiss the contractor if the services are not deemed satisfactory.

## HYGIENE EDUCATION

11. Before starting the implementation of sanitation activities, the hygiene education elements of the Project will be carefully designed and coordinated with the water supply and sanitation activities. Two workshops are planned to be launched in all project towns over the duration of the Project. MOH personnel will be requested to coordinate these efforts with DWD project management. If a suitable NGO is identified to assist in the hygiene education

elements of the Project they will ideally be directed by the MOH in project implementation.

## TRAINING

12. DWD was formerly responsible for the operation and maintenance of the water supplies and sewerage systems in the small towns. With personnel retrenchments in the civil service, the ongoing policy of decentralisation of services, and the logistical problems of a centrally managed operation and maintenance system, this mechanism is not an effective means of service delivery. For all sewerage systems outside of the NWSC systems, the user communities will be required to manage the maintenance of their facilities. This can be done either through the direct employment of staff from the user community or by tendering for the provision of these services. User community staff would be trained in maintenance procedures of sewerage systems, and "in-service" training would be provided for MOH personnel working on the Project. As previously described, the training of small contractors to construct latrines and manufacture latrine slabs is also included in the Project.

## PROJECT PROCUREMENT COMMITTEE (PPC) TOR

### 1 Objectives and Purpose

In order to achieve a timely execution and completion of projects, the Government of the republic of Uganda, through its Ministry of Finance and Economic Planning, has requested Permanent Secretaries to establish Project Procurement Committees(PPCs).

The functions, responsibilities and powers have been prepared for the Procurement Committee for the Small Towns Water and Sanitation Project referred to as Small Towns Water Procurement Committee(STWPC) in the Ministry of Natural Resources. The main objective of establishing this committee is to enhance the implementation of STWSP by preparing appropriate documentation for clearance by Central Tender Board.

### 2 Composition

The STWPC will consist of:

Programme Coordinator(RTWSP)	- Chairman
Project Coordinator	- Secretary
Technical Adviser(RTWSP)	- Member
Deputy Proj. Cord/ Procurement Officer	- Member
Ministry of Finance and Economic Planning Representative	- Member
CTB Representative	- Member
Min. of Justice Representative	- Member
Ministry of Housing and Urban Development Representative (civil works)	- Member

Committee members are to be appointed by their respective Accounting Officers to carry out the functions of the STWPC on regular basis.

### 3 Functions

The STWSP will be responsible to the Permanent Secretary (MNR) for the timely execution of all activities related to the procurement cycle of the STWSP with respect to works, goods and services. Specifically the STWPC will, inter alia, carry out the following activities:

- a) Receive and review bi-annual Procurement Schedules as prepared by the project management unit to determine:
  - i) That the planned purchases are eligible for financing within the loan/credit/grant agreement and protocol;
  - ii) that the intended procurement method and procedures are the most efficient, economic and do allow for adequate and fair competition and they comply with the relevant legal documents; and
  - iii) that there are adequate funds to finance the proposed activities.
- b) Implement the agreed procurement processes ensuring compliance with Donor Guidelines and Government regulations covering procedures for such process. Inter alia this will cover the following:
  - approve advertisements before publication;
  - approve specifications, BOQs and TORs;
  - approve list of firms;
  - approve Bid Evaluation Reports; and
  - approve contracts.

#### 4 Authority

The collective responsibility and ultimate authority of the STWPC will be the sum total of the mandates of each of its members to carry out the functions of the committee.

Appointing officers will be requested to delegate appropriate responsibilities and authority to prospective members of this committee to enable the STWPC to carry out its functions effectively and professionally.

#### 5 Meeting and reporting schedule:

The committee will hold its ordinary meetings once monthly but the Project Coordinator and/or any two members may request for a Special meeting to be held for a specific agenda.

Each member has a specific function on the STWPC. Any member who misses three consecutive meetings, without an appropriate justification, should be replaced by the appropriate Appointing Authority.

All reports and recommendations for award of contracts by the STWPC will be cleared and endorsed by the Permanent Secretary of MNR or by his designated representative prior to submission to the CTB.

6 Confidentiality of process

Strict confidentiality will have to be observed in the execution of the entire procurement.

7 Honorarium

Honorarium will be paid to members of the procurement committee. The level of incentives will be determined administratively.

SAMPLE INVITATION FOR TENDERS(IF T)

Date:.....

Credit No:2583-UG

Contract No. DWD/STWSP/....

1. The Government of the Republic of Uganda has received a credit from the International Development Association of the World Bank in various currencies towards the cost of Small Towns Water and Sanitation Project and it is intended that part of the proceeds of this credit will be applied to eligible payments under the contract for supply of equipment and materials.
2. The Ministry of Natural Resources now invites sealed Tenders from eligible Tenderers for the supply of the following :

Lot.1 - .....  
Lot.2 - ..... etc

Tenderers may tender for one or all Lots.

3. Interested eligible Tenderers may obtain further information and inspect the tendering documents at the office of:

The Directorate of Water Development  
P.O. Box 20026, KAMPALA, UGANDA

Fax: 256-41-221678/220397  
Tel: 256-41-220397/220901

4. A complete set of Tender Documents may be purchased by any interested eligible Tenderer on submission of a written application to the above and upon payment of a non-refundable fee of US \$ 100.
5. All Tenders must be accompanied by a security of not less than 2% of the Tender Price and MUST be delivered to:

The Secretary  
Central Tender Board  
Ministry of Finance and Economic Planning  
Plot.61/67 Nkrumah Road  
P.O. Box 3925  
KAMPALA- UGANDA

On or before (time), East Africa Standard Time on (date).

6. Tenders will be opened thereafter in presence of Tenderers' representatives who choose to attend at the same address.

## SAMPLE EVALUATION FORM

## Part I

1. Scope of contract and approximate cost

- (a) brief description of the goods, works and services covered by the invitation:  
\_\_\_\_\_
- (b) method of procurement (i.e. ICB, LCB, LIB etc.): \_\_\_\_\_
- (c) estimated cost at the time of appraisal: \_\_\_\_\_
- (d) actual cost for the proposed contract: \_\_\_\_\_  
(in case of bid evaluation and changes to the original cost):
- (e) disbursement category and percentage of contract eligible for financing as per the Credit Agreement: \_\_\_\_\_
- (f) Credit No.: CR 2358-UG

## Part II

(To be completed for bid evaluation)

2. Bid invitation process

- (a) date of general procurement notice: \_\_\_\_\_
- (b) Date of bid invitation advertisement (photo copy as it appeared in the newspapers/Development Business to be attached): \_\_\_\_\_
- (c) number of firms who purchased bid documents: \_\_\_\_\_
- (d) date of closing, extensions, if any: \_\_\_\_\_
- (e) pre-bid conference, resulting amendments [*where applicable*]:  
\_\_\_\_\_
- (f) date and time of public bid opening, attendance, highlights of the bid opening meeting (if any):  
\_\_\_\_\_
- (g) name of bidder, bid prices as read out, currency of bid, discounts offered if any, and bid bond amount in tabular form (see format at the end).

3. Preliminary examination of bids

Discuss the preliminary examination of bids for the following (also include the names of bidders rejected):

- (a) arithmetical errors: \_\_\_\_\_
- (b) completeness: \_\_\_\_\_
- (c) legal validity: \_\_\_\_\_



- (d) bid security : \_\_\_\_\_  
 (e) substantial responsiveness to commercial and technical aspects of bidding document.  
 (Include a brief discussion of bids rejected/ruled out of consideration at this stage)

(f) List arithmetic corrections and corrected bid prices: \_\_\_\_\_

4. Evaluation of substantially responsive bids (To be presented in a tabular form and attached separately using the criteria described in the box below)
5. Post-qualification. Describe criteria, if any, outlined in bid documents. Actual qualifications of selected bid to demonstrate compliance.
6. Recommendation.
- (a) List the following in the Contracts Information Sheet (attach separate sheets for each contract):
- (i) Description of item: \_\_\_\_\_  
 (ii) Name of Supplier/Contractor: \_\_\_\_\_  
 (iii) contract price in the currency/currencies of payment: \_\_\_\_\_  
 (iv) delivery: \_\_\_\_\_  
 (v) country of origin: \_\_\_\_\_
- (b) Points/issues, if any, proposed for discussion before award:
- \_\_\_\_\_
- (c) Date of expiry of the selected bid: \_\_\_\_\_

List of Attachments to the Bid Evaluation Report

1. Photo copy of Bid Invitation (as it appeared in the newspapers/Development Business)
2. Pre-bid meeting minutes
3. Copy of bidding document and amendments if not previously sent
4. Minutes of bid opening (process verbal)
5. Table of bid prices as received containing the following:
  - (a) Item, (b) name of bidder and nationality, (c) bid price in various currencies as read out, and (d) bid price in common currency (include copy of exchange rate)
6. List of bids rejected during preliminary examination with brief reasons
7. Evaluation and comparison table of substantially responsive bids with all adjustments and preference margin, if applied

8. Contract(s) information sheet of the recommended bid(s). *(If the recommendation is different from those of the provide reasons for the change in evaluation.)*

### SAMPLE LETTER OF SUBMISSION OF BID

Request for proposals of \_\_\_\_\_, 199 \_\_\_\_\_, concerning the Small Towns Water and Sanitation Project \_\_\_\_\_ in the name of and on behalf of \_\_\_\_\_ of \_\_\_\_\_ under number \_\_\_\_\_, telephone \_\_\_\_\_ and whose tax identification number is \_\_\_\_\_;

After having read the bidding documents relating to the above - mentioned works, and in particular the following four documents:

- Draft contract;
- Bills of quantities;
- Drawings; and
- Bidding documents.

Having evaluated the nature and difficulties of the company from my point of view and under my responsibility:

Accept, without restrictions, all the provisions in the Bidding Documents;

Submit a bills of quantity bearing my signature and completed by me following the model that was sent to me;

Agreed, as the Contract to carry out the works named below, following the provisions of the bills of quantities; and

Submit a draft contract bearing my signature, including my proposal for changes in the provisions of this contract.

The Executive Agency shall pay the amounts due from it and set forth in the detailed work statements, by crediting the bank account opened in the name of: \_\_\_\_\_, number \_\_\_\_\_, at the \_\_\_\_\_ branch of the \_\_\_\_\_ bank.

Done in one original copy

at \_\_\_\_\_, \_\_\_\_\_, 199- .

The contractor

**Article 4 ORGANIZATION AND DURATION OF THE WORKS**

- 4.1 The works shall be performed in accordance with the breakdown into \_\_\_\_\_ tasks described under article 1.
- 4.2 For each of these tasks, performance shall be entrusted to a set number of teams, composed of labourers and workers of various skills.
- 4.3. The composition and number of teams needed, depending on the amount of work and the projected output, are shown in the annexes to this document (organization chart).
- The bidder is invited to inspect the chart, modify it if necessary and complete it in order to furnish a specific detailed organization plan for the works.)
- 4.4 While being based on an average number of \_\_\_\_\_ days worked per month, this contract shall be concluded within a completion period of \_\_\_\_\_ months, counting from the date of the services order fixing the beginning date of the works in question.
- 4.5 The expected date of completion of the works is \_\_\_\_\_, 199 \_\_, or any other date mutually agreed upon by the PIU and the Contractor.

**Article 5: PENALTIES FOR LATE DELIVERY**

- 5.1 In the event of a delay in execution of the works in relation to the time periods fixed in the service order, the Contractor is subject to a penalty of \_\_\_ of the amount of the works ordered per day of delay, except in the case of force majeure, in which case the Client will evaluate the additional time to be allowed and so inform the contractor.

**Article 6: SETTLEMENT AND SCHEDULE OF PAYMENTS**

- 6.1 Monthly bi-weekly invoices shall be prepared on the basis of progress of the works. The invoices will clearly state the amount of the works done during the month/week in question, as well as the cumulative amount of the works done as of last day of that month/week.
- 6.2 These amounts of work are calculated with reference to the bills of quantities, by multiplying these prices by the quantities actually executed, after inspection by the engineer assigned by the Client.
- 6.3 The payments shall be made through a bank check under the responsibility of the financial officer of the Client upon presentation of the invoices prepared by the Engineer and accompanied by works progress statements, certified by the engineer WSC.
- 6.4 The time of payment shall not exceed thirty (30) days counting from the approval of the Contractor's invoices by officials of the Engineer.

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- 4.1 The works shall be performed in accordance with the breakdown into \_\_\_\_\_ tasks described under article 1.
- 4.2 For each of these tasks, performance shall be entrusted to a set number of teams, composed of laboured and workers of various skills.
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- 6.3 The payments shall be made through a bank check under the responsibility of the financial officer of the Client upon presentation of the invoices prepared by the Engineer and accompanied by works progress statements, certified by the engineer WSC.
- 6.4 The time of payment shall not exceed thirty (30) days counting from the approval of the Contractor's invoices by officials of the Engineer.

- The present draft contract;
- The Bills of Quantities
- Bidding documents including any plans.

**Article 14: EFFECT OF CONTRACT**

14.1 The present contract shall take effect when signed by both parties.

Approved:

Place . 199\_\_

The Contractor

Representative of the Client

## STANDARD BIDDING DOCUMENTS FOR VERY SMALL WORKS

### INSTRUCTIONS TO BIDDERS

#### 1. DESCRIPTION OF WORKS

- 1.1 The works to be executed under this contract include construction of \_\_\_\_\_. (herein after referred to as "The works").

#### 2. COST OF BIDDING

- 2.1 The bidder shall bear all costs associated with the preparation and submission of his tender and the Ministry of Natural Resources herein after referred to as "THE EMPLOYER" will in no case be responsible or liable for these costs, regardless of the conduct or outcome of the bidding process.

#### 3. ELIGIBILITY AND QUALIFICATION REQUIREMENTS

- 3.1 This invitation to tender is open to all domestic bidders that shall provide evidence satisfactory to the Employer of their eligibility and of their capability and adequacy of resources to carry out the contract effectively.

#### 4. SITE VISIT

- 4.1 The bidder is advised to visit and examine the site of works and its surroundings and obtain for himself on his own responsibility all information that may be necessary for preparing the tender and entering into a contract. The costs of visiting the site shall be at bidder's own expense.

#### 5. CONTENT OF TENDERING DOCUMENTS

- 5.1 The set of tender documents issued for the purpose of tendering includes the following:
- 1) Instruction to Bidders
  - 2) Special Conditions of Contract
  - 3) Technical Specification
  - 4) Bills of Quantities
  - 5) Form of Agreement
  - 6) Drawings
- 5.2 The bidder is expected to examine carefully all instructions, and drawings, forms, terms, specifications, and drawings in the tendering documents. Failure to comply with the requirements of tender submission will be at the bidder's own risk.

6. CLARIFICATION OF TENDERING DOCUMENTS

- 6.1 A prospective bidder requiring any clarification of the tender documents may notify the Employer in writing or by cable to any request for clarification which he receives earlier than [ ] days prior to the deadline for the submissions of bids. Written copies of the Employer's response ( including a description of the inquiry but without identifying its source) will be sent to all prospective bidder who have purchased the tender documents.

7. AMENDMENTS TO BIDDING DOCUMENTS

- 7.1 At any time prior to the deadline for submission of tenders, the Employer may, for any reason, whether at his own initiation or the response to a clarification requested by a prospective bidder, modify the tender documents by the issuance of an Addendum.
- 7.2 The Addendum will be sent in writing or by cable to all prospective bidders who have purchased the tender documents and will be binding upon them. Bidders shall promptly acknowledge receipt thereof by cable to the Employer.

8. LANGUAGE OF TENDER

- 8.1 The tender prepared by the bidder and all correspondence and documents relating to the bid exchanged by the bidder and the Employer shall be written in English language. Supporting documents and printed literature furnished by the bidder with the tender may also be in the same language.

9. DOCUMENTS COMPRISING THE TENDER

- 9.1 The tender prepared by the bidder shall comprise the following: the Form of Tender and Appendix thereto; the Tender Security, the Bill of Quantities, the information on Eligibility and Qualification and any other material required to be completed and submitted in accordance with the Instruction to Bidders embodied in these bidding documents.

10. CONTROL OF THE WORKS

- 10.1 The rates and prices quoted by the bidder shall be fixed for the duration of the contract and shall not be subject to adjustment on any account except as otherwise provided in the conditions of contract.

11. TENDER VALIDITY

- 11.1 Bids shall remain valid and open for acceptance for a period \_\_\_\_\_ days after the date of tender opening prescribe in clause 16.



## 15. TENDER OPENING AND EVALUATION

- 15.1 The Employer will open the bids, in the presence of all bidders or their duly authorized representative who choose to attend, at \_\_\_\_\_ at the following location \_\_\_\_\_. The bidders' representatives who are present shall sign a register evidencing their attendance.
- 15.2 Prior to the detailed evaluation of bids the name of the bidder and total amount of each bid, and of any alternative bids if they have been requested or permitted, should be read aloud and recorded when opened. The Employer should ascertain whether the bids meet the eligibility requirements, have been properly signed; are substantially responsive to the bidding documents; have any material errors in computation; and are otherwise generally in order.
- 15.3 If a bid is not substantially responsive, i.e., it contains material deviations from or reservations to the terms, conditions and specifications in the bidding documents, it should not be considered further. The bidder should not be permitted to correct or withdraw material deviations or reservations once bids have been opened.
- 15.4 The factors that will be taken into consideration in evaluating the bids include: general experience in similar projects (5-10%); adequacy of proposed work plan including methodology, involvement of communities, logistics, and innovative suggestions ( 20-40%); professional qualification of key personnel, knowledge of local conditions, language, and training experience ( if relevant) 40-60%).

## 16. AWARD OF CONTRACT

- 16.1 The Employer will award the contract to the bidder whose bid has been determined to be substantially responsive to the bidding documents as stated above, and who has offered the lowest Evaluated Bid Price, provided further that the bidder has the capability and resources to carry out the contract effectively.
- 16.2 Prior to the expiration of the period of the bid validity prescribed by the Employer, the Employer will notify the successful bidder in writing that his bid has been accepted. This "Letter of Acceptance" shall name the sum of which the Employer will pay to the contractor in consideration of the execution, completion and maintenance of the works by the contractor as prescribed by the contract, (hereafter and in the condition of contract called "The Contract Price").
- 16.3 Along with the notification to the successful bidder that his bid has been accepted, the Employer will also send the Form of Agreement provided in the bidding documents, incorporating all agreements between the parties.
- 16.4 Within [ ] days of receipt of the Form of Agreement, the successful bidder shall sign the Form and return to the Employer.

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- 15.1 The Employer will open the bids, in the presence of all bidders or their duly authorized representative who choose to attend, at \_\_\_\_\_ at the following location \_\_\_\_\_. The bidders' representatives who are present shall sign a register evidencing their attendance.
- 15.2 Prior to the detailed evaluation of bids the name of the bidder and total amount of each bid, and of any alternative bids if they have been requested or permitted, should be read aloud and recorded when opened. The Employer should ascertain whether the bids meet the eligibility requirements, have been properly signed; are substantially responsive to the bidding documents; have any material errors in computation; and are otherwise generally in order.
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- 16.3 Along with the notification to the successful bidder that his bid has been accepted, the Employer will also send the Form of Agreement provided in the bidding documents, incorporating all agreements between the parties.
- 16.4 Within [ ] days of receipt of the Form of Agreement, the successful bidder shall sign the Form and return to the Employer.

- 16.5 The Employer may reject all bids. All bids should not be rejected and new bids invited on the same specifications solely for the purpose of obtaining lower prices, except in cases where the lowest evaluated bid exceeds the cost estimates by a substantial amount. Rejection of all bids is also justified when bids are not substantially responsive or there is lack of effective competition. If all bids are rejected the Employer should review the causes justifying the rejection and consider making either revisions in the specifications or modifications in the microproject or both before inviting new bids.

## SAMPLE SHOPPING DOCUMENTS FOR GOODS

Dear Sir,

Subject : Invitation to Tender for supply of .....

Tender No: STWSP IDA SHP .....

Reference : Small Towns Water and Sanitation Project  
Finance under CR 2583-UG.

### Invitation

You are invited to tender for the supply of ..... as detailed in the Schedule of Requirements of the Bidding documents.

The Bidding documents consist of the following:

Instructions and General Conditions to Tenderers (Annex 1);

Schedule of Requirements and Delivery Schedule (Annex 2)

Technical Specifications (Annex 3)

Price Schedule (Annex 4);

A complete set of Bidding documents may be purchased on submission of a written application to the Director, Directorate of Water Development, P.O. Box 20026, Kampala and upon payment of a non refundable fee US \$ .....

### Deadline for submission of Tender

Tenders must be received by the Purchaser at the address specified under para.9.1 of the Instructions and General Conditions to Tenderers (Annex 1) no later than 10.00 hours East African Time on .....

### Acknowledgement

Please acknowledge receipt of the invitation to tender and confirm your willingness to submit a tender no later than.....

Yours faithfully

.....  
COMMISSIONER

URBAN AND INSTITUTIONAL WATER DEVELOPMENT DEPARTMENT

## INSTRUCTIONS AND GENERAL CONDITIONS TO TENDERERS

### 1. SOURCE OF FUNDS

1.1 The Government of the Republic of Uganda has received a credit from the International Development Association (IDA), in various currencies towards the cost of implementation of Small Towns Water and Sanitation Project and intends to apply part of the proceeds of this Credit to eligible payments for the procurement of Office consumables and stationery under the Contract for which this Invitation for Tender is issued.

### 2. COST OF TENDERING

2.1 The Tenderer shall bear all costs associated with the preparation and submission of its Tender, and the Ministry of Natural Resources, hereinafter referred to as "the Purchaser", will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the tendering process.

### 3. CLARIFICATION OF TENDER DOCUMENTS

3.1 A prospective Tenderer requiring any clarification of the Tender Documents may notify the Purchaser's Representative in writing or by telex or by cable or by telefax at the Purchaser's Representative's mailing address indicated in the Instructions to Tenderers para. 31. The Purchaser will respond in writing to any request for clarification of the Tender Documents which it receives no later than fifteen (5) working days prior to the deadline for the submission of Tenders. Written copies of the Purchaser's response (including an explanation of the query but without identifying the source of inquiry) will be sent to all prospective Tenderers which have received the Tender Documents.

### 4. LANGUAGE OF TENDER

4.1 The Tender prepared by the Tenderer and all correspondence and documents relating to the Tender exchanged by the Tenderer and the Purchaser, shall be written in the English language, provided that any printed literature furnished by the Tenderer may be written in another language so long as accompanied by an English translation of its pertinent passages in which case, for purposes of interpretation of the Tender, the English translation shall govern.

### 5. TENDER PRICES

5.1 The Tenderer shall indicate on the appropriate Price Schedule (Annex 3) attached to these documents the unit prices and total Tender Prices of the goods it proposes to supply under the Contract.

5.2 **Fixed Prices.** Prices quoted by the Tenderer shall be fixed during the Tenderer's performance of the Contract and not subject to variation on any account. A tender submitted with an adjustable price quotation will be treated as non-responsive and rejected.

**6. TENDER CURRENCIES**

6.1 Prices shall be quoted in the following currencies:

- a) For goods and services which the Tenderer will supply from within the Republic of Uganda, the price shall be quoted in Uganda Shillings (UShs); and
- b) For Goods and services which the Tenderer will supply from outside the Republic of Uganda, the prices shall be quoted in US Dollars or in any freely convertible currency/currencies.

6.2 A Tenderer expecting to incur a portion of its expenditures in the performance of the Contract in more than one currency, and wishing to be paid accordingly, shall so indicate in its Tender.

**7. FORMAT AND SIGNING OF TENDERS**

7.1 Tenders shall remain valid for ninty (90) days after the date of tender opening prescribed by the Purchaser. A Tender valid for a shorter period may be rejected by the Purchaser as non-responsive.

**8. FORMAT AND SIGNING OF TENDERS**

8.1 The Tenderer shall prepare five (5) copies of the tender, clearly marking each "Original Tender" and "Copy of Tender", as appropriate. In the event of any discrepancy between them, the original shall govern.

8.2 The Original and all Copies of the tender shall be typed or written in indelible ink and shall be signed by the Tenderer or a person or persons duly authorized to bind the Tenderer to the Contract. All pages of the tender, except for unamended printed literature, shall be initialled by the person or persons signing the tender.

8.3 The tender shall contain no interlineations, erasures or overwriting except as necessary to correct errors made by the Tenderer, in which case such corrections shall be initialled by the person or persons signing the tender.

**9. DEADLINE FOR SUBMISSION OF TENDERS**

9.1 Tenders must be received by or must be delivered to the Purchaser's Representative at the address specified below no later than 10.00 am East African Time. on.....

The Director  
Directorate of Water Development  
Port Bell Road, Luzira, P.O. Box 20026, Kampala  
ATTENTION: Small Towns Water and Sanitation Project-IDA

**10. LATE TENDERS**

10.1 Any tender received by the Purchaser after the deadline for submission of Tenders prescribed by the Purchaser, pursuant to Clause 9, will be rejected.

**11. CONVERSION TO SINGLE CURRENCY**

11.1 To facilitate evaluation and comparison, the Purchaser will convert all tender prices expressed in the amount of various currencies in which tender price is payable, to Uganda Shillings at the selling exchange rate established by the Central Bank of Uganda or any commercial bank in Uganda for similar transactions on the 7 days to deadline for submission of tenders.

**12. CONTACTING THE PURCHASER**

12.1 No Tenderer shall contact the Purchaser on any matter relating to its tender, from the time of the tender opening to the time the Contract is awarded.

12.2 Any effort by a Tenderer to influence the Purchaser in the Purchaser's tender evaluation, tender comparison or contract award decisions may result in the rejection of the Tenderer's tender.

**13. AWARD CRITERIA**

13.1 The Purchaser will award the Contract to the successful Tenderer whose tender has been determined to be substantially responsive and has been determined as the lowest evaluated tender, provided further that the Tenderer is determined to be qualified to perform the Contract satisfactorily.

13.2 Pursuant to para.13.1 the following evaluation methods will be followed:

(a) Delivery Schedule:

The goods covered under this invitation are required to be delivered to the Purchaser's Yard in Luzira - Kampala 28 days after signing of the Contract and establishment of a confirmed Letter of Credit or payment by a local bank draft. No credit will be given to earlier deliveries and Tenders offering delivery beyond 45 days of signing the Contract and establishment of the Letter of Credit will be treated as unresponsive. Within this acceptable range of 28 days to 45 days, an adjustment of 0.7 percent of the CIP price per day will be added to the Tenders offering deliveries later than 28 days for evaluation.

(b) Deviation in Payment Schedule:

Tenderers shall state their tender price or payment schedule outlined in the Special Conditions of Contract. Tenders will be evaluated on the basis of this base price. Tenderers are, however, permitted to state an alternative payment schedule and indicate the reduction in tender price they wish to offer for such alternative payment schedule. The Purchaser may consider the alternative payment schedule by the selected Tenderer.

(c) Inland transportation

Bidder shall quote separately for inland transportation, insurance and other incidentals for delivery of goods to project site.

**14. PURCHASER'S RIGHT TO VARY QUANTITIES AT TIME OF AWARD**

14.1 The Purchaser reserves the right at the time of award of Contract to increase or decrease by up to fifteen percent (15%) the quantity of goods and services specified in the Schedule of Requirements without any change in price or other terms and conditions.

**15. PURCHASER'S RIGHT TO ACCEPT ANY TENDER AND TO REJECT ANY OR ALL TENDERS**

15.1 The Purchaser reserves the right to accept or reject any tender, and to annul the tendering process and reject all tenders at any time prior to award of Contract, without thereby incurring any liability to the affected Tenderer or Tenderers or any obligation to inform the affected Tenderer or Tenderers of the grounds for the Purchaser's action.

**16. COUNTRY OF ORIGIN**

16.1 All Goods and Services supplied under the Contract shall have their origin in the member countries and territories eligible under the rules of the IDA.

16.2 For Purposes of this Clause "origin" means the place where the Goods were mined, grown or produced, or from which the Services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembling of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.

16.3 The origin of Goods and Services is distinct from the nationality of the Supplier.



**17. STANDARDS**

17.1 The Goods supplied under this Contract shall conform to the standards mentioned in the Technical Specifications, and, when no applicable standard is mentioned, to the authoritative standard appropriate to the Goods' country of origin and such standards shall be the latest issued by the concerned institution.

**18. DELIVERY AND DOCUMENTS**

18.1 Delivery of the Goods shall be made by the Supplier in accordance with the terms specified by the Purchaser in para 30 and in Annex 2 and the goods shall remain at the risk of the Supplier until delivery has been completed.

18.2 For purposes of this Contract, "FOB" and "CIP" have meanings assigned to them by the 1990 Edition of the International Rules for the Interpretation of the Trade Terms published by the International Chamber of Commerce, Paris, and commonly referred to as INCOTERMS.

**19. INSURANCE AND TRANSPORTATION**

19.1 The Goods supplied under the Contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery.

19.2 Where delivery of the Goods is required by the Purchaser on a CIP basis, the Supplier shall arrange and pay for required insurances, naming the Purchaser as the beneficiary.

19.3 The insurance shall be in an amount equal to one hundred ten percent (110%) of the Contract Price on "All Risks" basis including War Risks and Strike clauses and shall cover the goods up to delivery, off-loading and acceptance by the Purchaser.

19.4 Foreign Suppliers are required under the Contract to deliver the Goods CIP to specified destination within the country. Transport of the Goods to the port of discharge or such other point in the country of destination as shall be specified in the Contract shall be arranged and paid for by the Supplier, and the cost thereof shall be included in the Contract Price.

**20. WARRANTY**

20.1 The Supplier warrants that the Goods supplied under the Contract are new, unused, of the most recent or current models and incorporate all recent improvements in design and materials unless provided otherwise in the Contract. The Supplier further warrants that the Goods supplied under this Contract shall have no defect arising from design, materials or workmanship (except insofar as the design or material is required by the Purchaser's Specifications) or from any act or omission of the Supplier, that may develop under normal use of the supplied Goods in the conditions obtaining in the country of final destination.

20.2 This warranty shall remain valid for twelve (12) months after the Goods, or any portion thereof as the case may be, have been delivered (and commissioned) to the final destination indicated in the Contract.

20.3 The Purchaser shall promptly notify the Supplier in writing of any claims arising under this warranty.

20.4 Upon receipt of such notice, the Supplier shall, with all reasonable speed, repair or replace the defective Goods or parts thereof, including the Cost of inland delivery of the repaired or replaced Goods or Parts from the Port of Entry to the final destination without costs to the Purchaser.

20.5 If the Supplier, having been notified, fails to remedy the defect(s) within a reasonable period, the Purchaser may proceed to take such remedial action as may be necessary, at the Supplier's risk and expense and without prejudice to any other rights which the Purchaser may have against the Supplier under the Contract.

## 21. PAYMENT

21.1 The method and conditions of payment to be made to the Supplier under the Contract shall be specified in its Proforma Invoice enclosed to the Price Sheets (Annex 3).

21.2 The Supplier's request(s) for payment shall be made to the Purchaser in writing, accompanied by an invoice describing, as appropriate, the Goods delivered and Services performed, and by shipping documents, and upon fulfilment of other obligations stipulated in the Contract.

21.3 Payments shall be made promptly by the Purchaser within sixty (60) working days of submission of an invoice/claim by the Supplier.

21.4 The currency or currencies in which payment is made to the Supplier under this Contract shall be specified subject to the following general principle:

**Payment will be made in the currency or currencies in which the Contract Price has been stated in the Supplier's Tender, as well as in other currencies in which the Supplier had indicated in his Tender that it intends to incur expenditures in the performance of the Contract and wishes to be paid.**

21.5 Payment procedures:

(a) Payment for Goods:

Payment shall be made in the currency specified according to Price Sheets (Annex 3) and enclosed Proforma Invoice in the following manner:

(i) Advanced Payment: 10% of the Contract Price shall be paid within 30 days of signing of Contract, on submission of claim and a bank guarantee for equivalent amount valid until the Goods are delivered.

- (ii) On Shipment: 80% of the Contract Price of the Goods shipped shall be paid through irrevocable confirmed Letter of Credit established in favor of the Supplier in a bank in his country, on submission of documents specified in Clause 18; and
- (iii) On Receipt of Goods: 10% of the Contract Price of Goods received shall be paid within 45 days of receipt of Goods of submission of claim supported by the Acceptance Certificate issued by the Purchaser's representative.

Payment of Local Currency Portion shall be made in Uganda Shillings within forty five (45) days of presentation of claim supported by a certificate from the Purchaser declaring that the Goods have been delivered and that all other contracted Services have been performed.

## 22. ASSIGNMENT

22.1 The Supplier shall not assign, in whole or in part, its obligation to perform under the Contract, except with the Purchaser's prior written consent.

## 23. DELAYS IN THE SUPPLIER'S PERFORMANCE

23.1 Delivery of the Goods and performance of Services shall be made by the Supplier in accordance with the time schedule specified by the Purchaser in its Schedule of Requirements.

23.2 An unexcused delay by the Supplier in the performance of its delivery obligations shall render the Supplier liable to imposition of liquidated damages, and/or termination of the Contract for default.

23.3 If at any time during performance of the Contract, the Supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the Goods and performance of Services, the Supplier shall promptly notify the Purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Supplier's notice, the Purchaser shall evaluate the situation and may at its discretion extend the Supplier's time for performance, in which case the extension shall be ratified by the parties by amendment of the Contract.

## 24. LIQUIDATED DAMAGES

24.1 If the Supplier fails to deliver any or all of the Goods or perform the Services within the time period(s) specified in the Contract, the Purchaser shall without prejudice to its other remedies under the Contract, deduct from the Contract Price, as liquidated damages, a sum equivalent to zero point one percent (0.1%) of the delivered price of the delayed Goods or unperformed Services for each working day of delay until actual delivery or performance, up to a maximum deduction of ten percent (10%) of the delayed Goods and Services contract price. Once the maximum is reached, the Purchaser may consider termination of the Contract.

**25. TERMINATION FOR DEFAULT**

25.1 The Purchaser may, without prejudice to any other remedy for breach of contract, by written notice of default sent to the Supplier, terminate the Contract in whole or in part:

- (a) if the Supplier fails to deliver any or all of the Goods within the time period(s) specified in the Contract, or any extension thereof granted by the Purchaser;
- (b) if the Supplier fails to perform any other obligation(s) under the Contract; or
- (c) if the Supplier, in either of the above circumstances, does not rectify its failure within a period of thirty (30) days (or such longer period as the Purchaser may authorize in writing) after receipt of the default notice from the Purchaser.

25.2 In the event the Purchaser terminates the Contract in whole or in part, the Purchaser may procure, upon such terms and in such manner as it deems appropriate, Goods similar to those undelivered, and the Supplier shall be liable to the Purchaser for and excess costs for such similar Goods. However, the Supplier shall continue performance of the Contract to the extent not terminated.

**26. TERMINATION FOR INSOLVENCY**

26.1 The Purchaser may at any time terminate the Contract by giving written notice to the Supplier, without compensation to the Supplier, if the Supplier becomes bankrupt or otherwise insolvent, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Purchaser.

**27. TERMINATION FOR CONVENIENCE**

27.1 The Purchaser, may by written notice sent to the Supplier, terminate the Contract, in whole or in part, at any time for its convenience. The notice of termination shall specify that termination is for the Purchaser's convenience, the extent to which performance of work under the Contract is terminated, and the date upon which such termination becomes effective.

27.2 The Goods that are complete and ready for shipment within thirty (30) days after the Supplier's receipt of notice of termination shall be purchased by the Purchaser at the Contract terms and prices. For the remaining Goods, the Purchaser may select:

- (a) to have any portion completed and delivered at the Contract terms and prices; and/or
- (b) to cancel the remainder and pay to the Supplier an agreed amount for partially completed Goods and for materials and parts previously procured by the Supplier.

**28. APPLICABLE LAW**

28.1 The Contract shall be interpreted in accordance with the laws of the Republic of Uganda.

**29. TAXES AND DUTIES**

29.1 A foreign Supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the Republic of Uganda.

29.2 A local Supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted Goods to the Purchaser.

**30. DELIVERY AND DOCUMENTS**

30.1 Delivery point:

The goods shall be delivered to:

Director,  
Luzira, Port Bell Road  
P.O. Box 20026  
KAMPALA, Uganda.

**ATTENTION: SMALL TOWNS WATER AND SANITATION PROJECT**

30.2 The time of delivery shall count from the date of award of the contract or the confirmation of Letter of Credit whichever is applicable. Delivery is deemed to have been made CIP on delivery at final destination, specified in Schedule of Requirements (Annex 2).

30.3 The Supplier shall provide the Purchaser with all necessary documents relating to the supplies.

**31. DEFINITIONS**

(a) The Purchaser is:

Ministry of Natural Resources  
P.O. Box 7270  
KAMPALA, Uganda

(b) **The Representative of the Purchaser is:**

Director  
Directorate of Water Development  
Luzira, Port Bell Road  
P.O. Box 20026  
KAMPALA, Uganda.  
Fax +256 041 220397/221678  
Tel +256 041 220397/220901

(c) **The Supplier is:**

.....  
.....  
.....  
.....  
.....

## SECTION II. SCHEDULE OF REQUIREMENTS

## LOT 1, GROUP 1 ITEMS

Item	Description	Quantity (metres)	Delivery schedule
1.1			
1.2			
1.3			
1.4			
1.5			
1.6			

Annexure D2.4

**SECTION IV. PRICE SCHEDULE  
LOT 1, GROUP 1 ITEMS - PIPES**

**Price Schedule for Domestic Goods or Goods of Foreign Origin  
 Located Within the Purchaser's Country**

(To be Completed by Domestic Bidders)

Name of Bidder \_\_\_\_\_ IFB Number \_\_\_\_\_ Page \_\_\_\_\_ of \_\_\_\_\_

1	2	3	4	5	6	7	8	9
Item	Description	Country of Origin	Quantity (metres)	UNIT PRICE Ex-factory Ex-warehouse Ex-showroom Off-the-shelf	Domestic Value added in the manufacturing cost as a percentage of the ex-factory price	Total Price per unit (col. 4 x 5)	Unit Cost of inland delivery to final destination	Sales and other taxes payable if Contract is awarded
1.1								
1.2								
1.3								
1.4								
1.5								
1.6								



## SECTION IV. PRICE SCHEDULE

## Price Schedule for Goods to imported

(To be Completed by Foreign suppliers or their Local Agents)

LOT 1, GROUP 1 ITEMS

Name of Bidder \_\_\_\_\_ IFB Number \_\_\_\_\_

1	2	3	4	5	6	7	8	9
Item	Description	Country of Origin	Quantity (metres)	UNIT PRICE FOB Port of loading (specify Port)	UNIT PRICE CIF Port of Entry (specify Port)	Total CIF Price per item (col. 4 x 6)	Unit Cost of inland delivery to final destination	Sales and other taxes payable if Contract is awarded
1.1								
1.2								
1.3								
1.4								
1.5								
1.6								

DIRECTORATE OF WATER DEVELOPMENT  
SMALL TOWNS WATER AND SANITATION PROJECT

P.O. BOX 20026 - KAMPALA

"PAYMENT VOUCHER"

Dr. to.....

Voucher No.....

P.O. Box.....

Please receive payment as detailed below and acknowledge receipt.

PARTICULARS	LEDGER FOLIO	AMOUNT		CATEGORY
		SHS	CTS	
Total amount in words				
<b>TOTAL</b>				

PREPARED BY.....

CERTIFIED BY:

CHEQUE NO.

DATE.....

.....

RECEIVED BY:

PASSED BY.....

DATE.....

.....

DATE.....

DATE.....

.....  
Project Coordinator

# SMALL TOWNS WATER AND SANITATION PROJECT

## BANK PAYMENT FORM

Ministry of Natural Resources  
P. O. Box 7270, KAMPALA

Date.....

To: The Manager,  
..... Bank (U) Ltd,  
KAMPALA.

1. CREDIT CR 2583-UG  
PAYMENT FROM SPECIAL A/C No .....  
..... BANK (U) LTD  
KAMPALA.

2. Payment No:.....

3. Please Pay .....  
(Currency name) (Amount to be paid in figures)

4. Payee Name and Address  
.....  
.....

5. Correspondent Bank in Country of Currency if Payee's Bank is elsewhere ( If applicable)  
.....

6. Purpose of Payment(s) and Attachments  
.....  
.....

7. Mode of payment .....  
*(e.g. draft, M.T., T.T., Cheque, Cash etc.)*

.....  
PROJECT COORDINATOR, PERMANENT SECRETARY,  
SMALL TOWNS WATER AND SANITATION PROJECT. MINISTRY OF NATURAL RESOURCES

Date..... Date.....

## LOCAL EXPENDITURE TRANSFER FORM

SMALL TOWN WATER AND SANITATION PROJECT  
LOCAL EXPENDITURE FOR THE MONTH OF.....

Category	Expenditure Details	Expenditure for Months (Shs.000)	IDA %	IDA Shares in local cost
TOTAL				

PROJECT COORDINATOR



SPECIAL ACCOUNT RECONCILIATION STATEMENT

CREDIT NUMBER: P660-0-UG and P660-1-UG

ACCOUNT NO: 3206012958004 WITH: STANDARD CHARTERED BANK UGANDA  
(Bank)

1. Amount Advanced by IDA \_\_\_\_\_
2. Less: Amount recovered by IDA- \_\_\_\_\_  
(recovery usually begins towards the end of project)
3. EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED  
TO THE SPECIAL ACCOUNT US \$ \_\_\_\_\_
4. Balance in special account at (date) per Bank statement (copy attached). \_\_\_\_\_ US \$ \_\_\_\_\_
5. Plus amount of eligible expenditures documented in attached  
application (No.     ) + \_\_\_\_\_
6. Plus amounts claimed from previous applications not yet paid at date of Bank statement:

<u>Application No:</u>	<u>Amount</u>
------------------------	---------------

Subtotal of previous applications  
not yet credited + \_\_\_\_\_

7. TOTAL ADVANCED ACCOUNTED FOR US \$ \_\_\_\_\_

8. Explanation of any discrepancy between totals appearing on Lines 3 and 7 above:

The Special Account earned an interest of USD \_\_\_\_\_ as indicated in the Bank Statement.

DATE: \_\_\_\_\_ SIGNATURE: \_\_\_\_\_

## TERMS OF REFERENCE FOR AUDIT OF STWSP

## 1. Background

The Rural Towns Water and Sanitation Programme (RTWSP) is a demand driven community based programme in which the beneficiary communities shall take part in selection of service level, aimed at providing water and sanitation facilities in small towns and rural growth centres with populations ranging from 500 to 50,000 people throughout the country.

## 2. Objectives

The principal objective of the audit operations is to ensure a reliable financial accountability and the efficient management of the project accounts, and will involve the following:

- (a) verification of compliance with financial covenants in Development Credit Agreement and the Project Account for Credit 2583-UG;
- (b) confirm contributions of the counterpart funding from the Government (amount and timeliness), where applicable, allocation and utilisation of the said funds to the various disbursement categories;
- (c) generate information on the physical/financial progress of the project with reference to the reports required under the loan. Comparison of actual results with original projections as per implementation and disbursement schedule for the period under review is also required;
- (d) establish eligibility of expenditure in view of the categories stipulated in the Development Credit Agreement; and
- (e) evaluate and provide report on the accounting, financial operating and managerial internal control systems and structure of the implementing units in the Urban and Institutional Water Development Department.

## 3. Project Time Schedule

The project was started on a Project Preparation Facility (PPF) in 1991 and later supplemented by a Japanese Grant Facility administered through IDA. The main credit is to span from 1994 with expected completion in 1999.

The term "Credit" shall include all expenditures and transactions carried out with the PPF and credit 2583-UG parts A and C which forms part of the main Credit.

## 4. Scope of Services

## Duty Schedules

- (I) In the execution of their services, the auditors shall:
- a) furnish to the client as soon as available, but in any case not later than four months after the end of each financial year of project implementation the report of the audit by the auditors, of such scope and in such detail as the client shall have reasonably requested, including a separate opinion by the auditors as to whether the statement of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals; and
  - b) furnish to the client such other information concerning the said records and accounts and the audit thereof as the client shall from time to time reasonably request.
- (II) In particular, the auditors shall:
- a) cover all project expenses (local and foreign) and will generate separate certificates with regard to:
    - i) The Project Account
    - ii) The Special Account
    - iii) The Project Preparation Facility
    - iv) Statements of Expenditures as defined in the Development Credit Agreement.
  - b) prepare a management letter which shall stipulate:
    - i) The setting and extent of the audit.
    - ii) The accounting system used by the project, together with any recommendations on weaknesses identified and remedial actions needed.
    - iii) Detailed notes to the accounts to explain the main accounting transactions. In particular, details of assets and an analysis of expenditure.
    - iv) Examination of the Development Credit Agreement.



5. Facilities

The Government shall provide to the consultant for his analysis, and due performance

- i) all relevant files with draft accounts and supporting schedules.
- ii) contracts, orders, invoices, bills, receipts, and other documents,
- iii) all other information as shall be required with sound accounting practices to reflect such expenditures on withdrawals with respect to:
  - a) The Special Account
  - b) The Project Account
- iv) all withdrawals from the Credit Account made on the basis of Statements of Expenditure (SOE) in sound accounting practice.

6. Services

The consultant shall be:

- i) availed temporary office accommodation (if available) for the period he is fully engaged on the audit activities
- ii) availed at his request, for each quarter of every fiscal year of the project implementation, all such records and data he deems necessary, evidencing all withdrawals and expenditures with respect to the Project Account, Special Account, and the Credit Account.
- iii) reimbursed costs for support staff, typing, photocopying and transportation.
- iv) reimbursed for all other expenses incurred on provision of extra facilities as shall be required exclusively for this assignment.
- v) required upon timely completion of this assignment to furnish the client with 15 copies of reports on his findings as mentioned in Section 4 (II) sub-section (b) and within the period as specified in Section 4 (I) sub-section (a) of these TOR.

## URBAN WATER PERFORMANCE INDICATORS

### 1 DEFINITIONS ADOPTED FOR MONITORING INDICATORS.

1.1 **House connections** are taps (normally more than one tap) installed within the individual house, irrespective of the size of the household. The taps must be connected to the piped water scheme of any source or extraction method.

1.2 **Yard taps** are single taps installed within a private plot of land, but positioned outside the house structure. These are used for domestic, institutional and some industrial premises.

1.3 **Public standpipes** are installed on public grounds and accessible to the general public/community, irrespective of source and method of extraction.

1.4 **Handpumps (Borehole/well)** : Deep drilled boreholes, augered and hand dug wells equipped with a handpump manually operated and which is rarely able to lift water from depths greater than 80 metres.

1.5 **Protected springs** are capped with a direct outlet on the site. This implies that the population collects water from the spring and carries it to the household at time of need.

1.6 **Breakdown date** : For handpumps, standposts, yardtaps and house connections, the date is recorded as a breakdown date when the outlet stops to deliver water for less than 50% time of the day. (outlet must have operated for less than 4 hours)

1.7 **Repair date** : Refers to the date when the breakdown outlet is restored to working condition and must deliver water for more than 4 hours in the day.

1.8 **Downtime** : The number of days in which the outlet is dry. Difference between repair date and breakdown date.

1.9 **Filling Time for 20 Lt. Container** : Approximate time under everyday practice that an individual spends at the spring spout filling the standard 20 litre "jerrycan" - a plastic container with 1.5 inch diameter spout.

1.10 **Repair Cost** : The amount of money spent by the user communities to have the breakdown rectified. (this includes cost of spares and labour charges).

1.11 **Average Distance to Nearest Source** : The distance to the nearest other improved public source from that particular source.

1.12 **Estimated Population Served** : The number of people usually drawing water from the outlet.

## 2 DESCRIPTIONS ADOPTED FOR MONITORING INDICATOR FORMS

### Form I - Protected Springs.

#### Column 1.- Name and Registration No. of Spring

This is intended to help the management take inventory of the existing facilities by name and registration.

#### Column 2.- Protection date.

Reflects the date the source was protected hence determining it's age - a parameter to be used along with others in performance analysis.

#### Column 3.- Average time to fill 20lt. container.

This is to be given in minutes. The number of minutes under usual practice (daily) a person spends to fill the standard 20 lt. "jerycan" container with 1.5 inch spout. It reflects the number of people under normal circumstances and practice that the source can serve in a day (8 hrs) during the reporting period - rainy or dry season.

#### Column 4.- Distance to nearest improved source.

The distance to the nearest other source from that particular one. This is intended to measure how far apart the sources are located so as to estimate the walking distances by households.

#### Column 5.- Date of repair.

Date of repair for springs refers to the date any repair of the protected spring was made e.g. cementing of broken parts of steps, wall, fence etc.

#### Column 6.- Cost of repair.

The expenditure incurred in repairing the spring as in 5 above.

#### Column 7.- Estimated population served.

The estimated number of people served by that source on the daily basis i.e. people residing in the area and drawing water from that source.

#### Column 8.- Remarks.

The officers remark about the information given in the previous columns.

**Form II- Handpumps.**

**Column 1.- Name and Registration No. of Handpump.**

This is intended to help the management take inventory of the existing facilities by name and registration.

**Column 2.- Type.**

Type of handpump i.e UII, UIII, other direct action handpump.

**Column 3.- Breakdown date.**

The date of breakdown having operated for less than 4 hrs in that particular day.

**Column 4.- Repair date.**

The date of successful repair and having operated for more than 4 hrs in that day.

**Column 5.- Downtime.**

The number of days the source was not functional (available for use) including days with less than 4 hrs operation especially during repair and the day of breaking.

**Column 6.- Cause of breakdown.**

The technical cause of breakdown can be reported according to the generalised technical description such as silting, blockage, fallen pipes, etc.

**Column 7.- Repair cost.**

The expenditure incurred in repairing the handpump as in 6 above.

**Column 8.- Distance to nearest improved source.**

The distance to the nearest other source from that particular one. This is intended to measure how far apart the sources are located so as to estimate the walking distances by households.

**Column 9.- Estimated population served.**

The estimated number of people served by that source on the daily basis i.e people residing in the area and drawing water from that source.

**Column 10.- Remarks.**

The officers remark about the information given in the previous columns.











Annexure D4.1

RURAL TOWNS WATER AND SANITATION PROGRAMME

SMALL TOWNS WATER AND SANITATION PROJECT - MONITORING UNIT

QUARTERLY WATER SUPPLY MONITORING FORM VI - FOR INDUSTRIAL CONNECTIONS

Name & Reg. No.	Dry supply date	Resumption date	No. of Dry days	Repair Cost	Industry operational	Remarks

## **SECTION E**

### **PROJECT TIMING**

**SECTION E**  
**PROJECT TIMING**  
**SECTION CONTENTS**

<u>DESCRIPTION</u>	<u>PAGE NUMBER</u>
<b>WORK PLANS</b>	<b>E1.1</b>

**Annexures:**

<b>Annexure E.1 - Overall Implementation Chart</b>	
<b>Annexure E.2 - Phase IIA Consultancy Services Chart</b>	
<b>Annexure E.3 - Phase IIB Consultancy services Chart</b>	
<b>Annexure E.4 - Headquarters/District DWD Rehabilitation Chart</b>	
<b>Annexure E.5 - Shopping for Pipes and Fittings Chart</b>	
<b>Annexure E.6 - ICB for Pipes and Fittings Chart</b>	
<b>Annexure E.7 - ICB for Vehicles Chart</b>	
<b>Annexure E.8 - Main Construction Contract for Lugazi and Wobulenzi Chart</b>	

## 1 WORK PLANS

1.1 Work plans are an essential tool for effective project planning and management. A work plan sets out a plan of action for a given activity during a given period. STWSP intends to use the MS-Project software for all planning activities, based upon agreement from a GOU/IDA Country Implementation Review of May 1994.

1.2 Work plans for STWSP are prepared at two levels, the first level being the overall implementation of the Project, and encompassing all the activities of the eleven towns and the institutional strengthening activities. This level establishes the linkages between various individual activities. The second level covers the detailed aspects of procurement and implementation for each activity, and itemises the stages in each activity to achieve specific targets.

1.3 The **annual work plans** are prepared for each activity by the project staff with input from other parties such as the consultants/contractors etc.. This are subject to approval by the Commissioner, Urban and institutional Water Development Department. The **Overall Work Plan** is given in **Annexure E1.1**. The format is designed for use at the DWD management level and to provide guidance at all levels of the project. The work plan is designed to:-

- (a) Establish objectives and targets for the project for each year;
- (b) establish the key tasks/activities necessary to achieve the targets;
- (c) specify the responsible persons to undertake the tasks; and
- (d) provide for a review process during implementation;

1.4 Project activities are divided into the three main categories of consultancy services; procurement of equipment and goods; and construction, involving procurement and implementation activities. The procurement aspect is covered in Section D.3 whilst implementation is covered in this chapter. The following paragraphs provide description of the various packages. The specific charts for activities upto the end of this 1994/95 financial year are also enclosed.

1.5 In the category of **Consultancy Services**, this refers to individual and or firms of consultants engaged by DWD to carry out design, supervision, training etc. on its behalf. As one of the main objectives of the project is capacity building of local consultants, due consideration will be given to local firms or individuals in the selection of consultants. The procurement of consultants is carried out in accordance with the World Bank guidelines. Standard formats of documents are prepared by DWD for CTB approval and no objection from the World Bank. The following are itemised major consultancy assignments envisaged under the project:

- (a) **Phase I Consultancy Services** are being provided by John van Nostrand Associates of Canada in association with Associated Consulting Engineers of Uganda and Meteferia Beyene of Ethiopia/Kenya. The assignment covers promotion, mobilization, design and supervision in Lugazi and Wobulenzi, over the period in May 1994 to January 1995.
- (b) **Phase IIA Consultancy Services** is intended to cover the completion of activities in Lugazi and Wobulenzi, with full implementation in Busia, Malaba and Luwero. This is programmed to commence in February 1995 (**Annexure E1.2**).

- (c) Phase IIB Consultancy services are intended to cover the full implementation activities in Ntungamo, Rukungiri, Lyantode, Rakai, Kalisizo and Kyotera, programmed to commence in May 1995 (Annexure E1.3).
- (d) Consultancy services for district and headquarters rehabilitation will be required to establish the existing inventory in all the seven districts in the project area and DWD headquarters and recommend any necessary improvements to the office facilities. The services will also cover production of drawings and construction supervision. This assignment is programmed to commence in May 1995 (Annexure E1.4).

1.6 In the category of **Equipment and Materials**, this covers items such as pipes and fittings for water supply and sanitation installations, furniture, teaching materials, spare parts etc. These items in total are estimated at US \$ 2.18 million. Most of the items will be procured by ICB, some by LCB and by shopping. The goods will be procured following the World Bank Guidelines for procurement under IDA credits. The following are some aspects of the approach to this category:

- (a) To suit the demand driven approach and need to avoid procurement delays, some materials (pipes and fittings) needed for construction in the towns of Wobulenzi and Lugazi will be procured by shopping before the selection of the contractor. These materials will be stocked at stores in DWD Headquarters in industrial area. These will then be released to contractors when required. DWD will purchase materials for Wobulenzi based on the anticipated service levels identified during the appraisal studies, and materials for source development, rising main and main distribution for Lugazi. These materials will act as a buffer when implementation starts, thus avoiding delays to commencement. Eight firms will be invited to provide quotations for the items. Annexure E1.5 details the Implementation Plan.
- (b) Based on the anticipated service levels as designed during the appraisal studies, DWD intends to purchase materials under a first ICB package, covering the distribution network for Lugazi, and 100% of the materials for Luwero, Kalisizo, Kyotera, Ntungamo, Lyantonde and Rukungiri (Annexure E1.6). A second ICB package will cover materials for Malaba and Busia and any variations thereof as a result of the changes in the final design in the towns as an outcome of community participation.
- (c) Vehicles for institutional strengthening of DWD, use by the consultants and management unit will be packaged together and procured by ICB. The rest of the vehicles at the later part of the project to replace the old ones will be purchased by shopping where appropriate. Annexure E1.7 details steps for ICB purchase of vehicles.
- (d) Septic Tank Emptiers will be purchased by Limited International Bidding by specialized manufacturers who will be contacted to provide quotations.
- (e) Hand Pumps will be purchased from UNICEF for all project activities until private sector supply is established. Some vehicles and equipment may also be purchased from UNDP, IAPSO.

1.7 The Procurement of Works shall be in accordance with the World Bank guidelines for the Procurement of Works; April 1993. Use of standard documentation shall be followed closely in order to ensure transparency and equal opportunities to eligible bidders. In the case of joint ventures, particulars of partners and their liability shall be clearly stated. Documentation to be provided by bidders for the works so procured will among other things state:

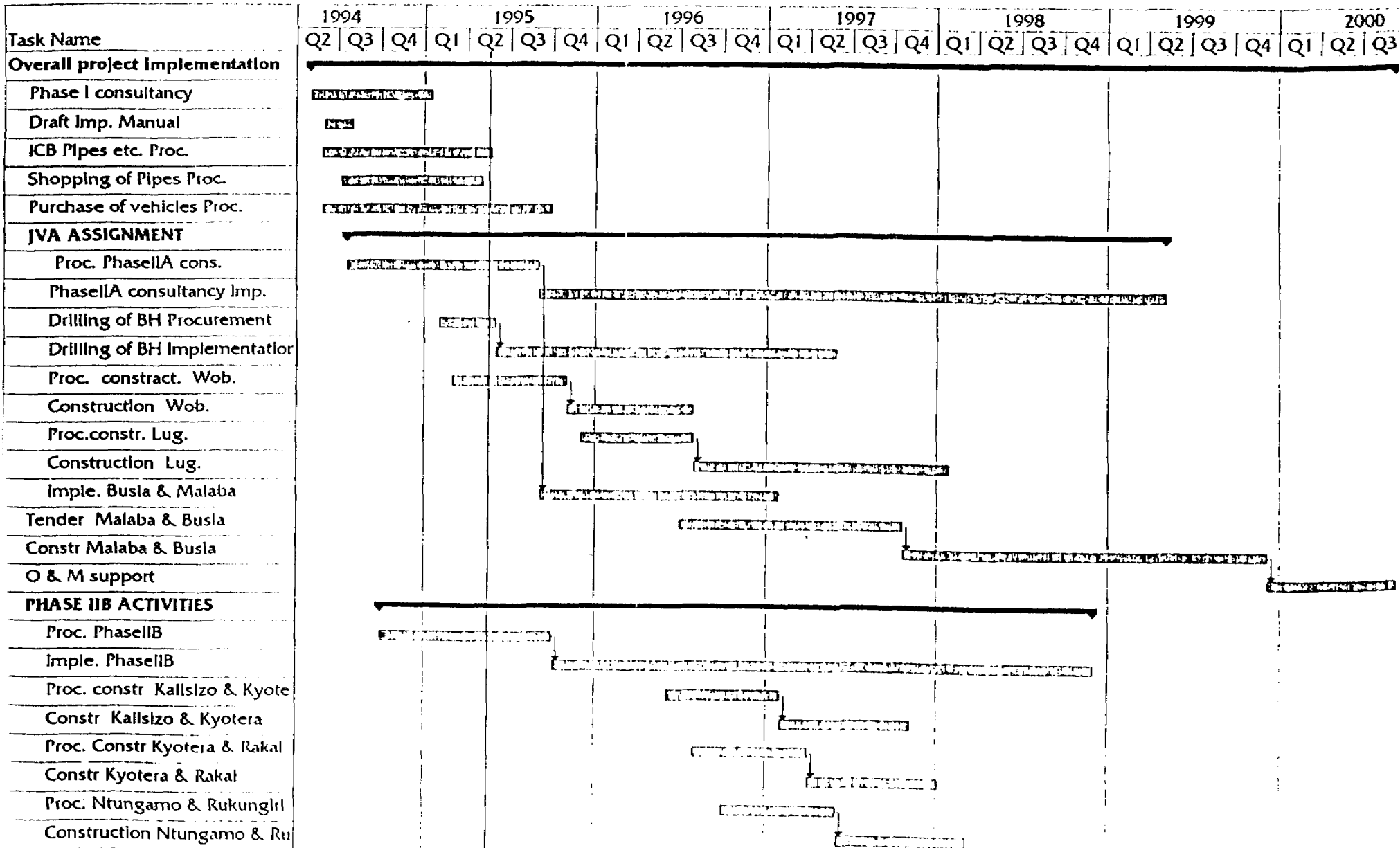
- (a) details of contracts of similar nature so far carried out, and the nature of complexity;
- (b) a summary sheet of current commitments and works in progress;
- (c) personnel capabilities of the company;
- (d) a summary sheet on the current workload;
- (e) plant and equipment capabilities; and
- (f) financial capabilities;

1.8 The major civil works in the scattered small towns will be put into three separate ICB packages. The first package will consist of civil works in Lugazi and Wobulenzi; the second will cover Rakai, Lyatonde, Kyotera, Kalisizo, Ntungamo and Rukungiri; and the third will cover Luwero, Busia and Malaba. These contracts will cover source development, water distribution and storage. It is expected that this will attract international contractors. The work will be supervised by a consultant selected by DWD. Domestic preference of 7½ will be applied to eligible domestic contractors bidding for the civil works. (Annexure E1.8 provides the work plan for Wobulenzi and Lugazi)

1.9 Local Competitive Bidding will be used for procurement of SANPLATs, rehabilitation of District offices, rehabilitation of headquarters and construction of septage disposal sites. This will follow the World bank guidelines for procurement of contractors.

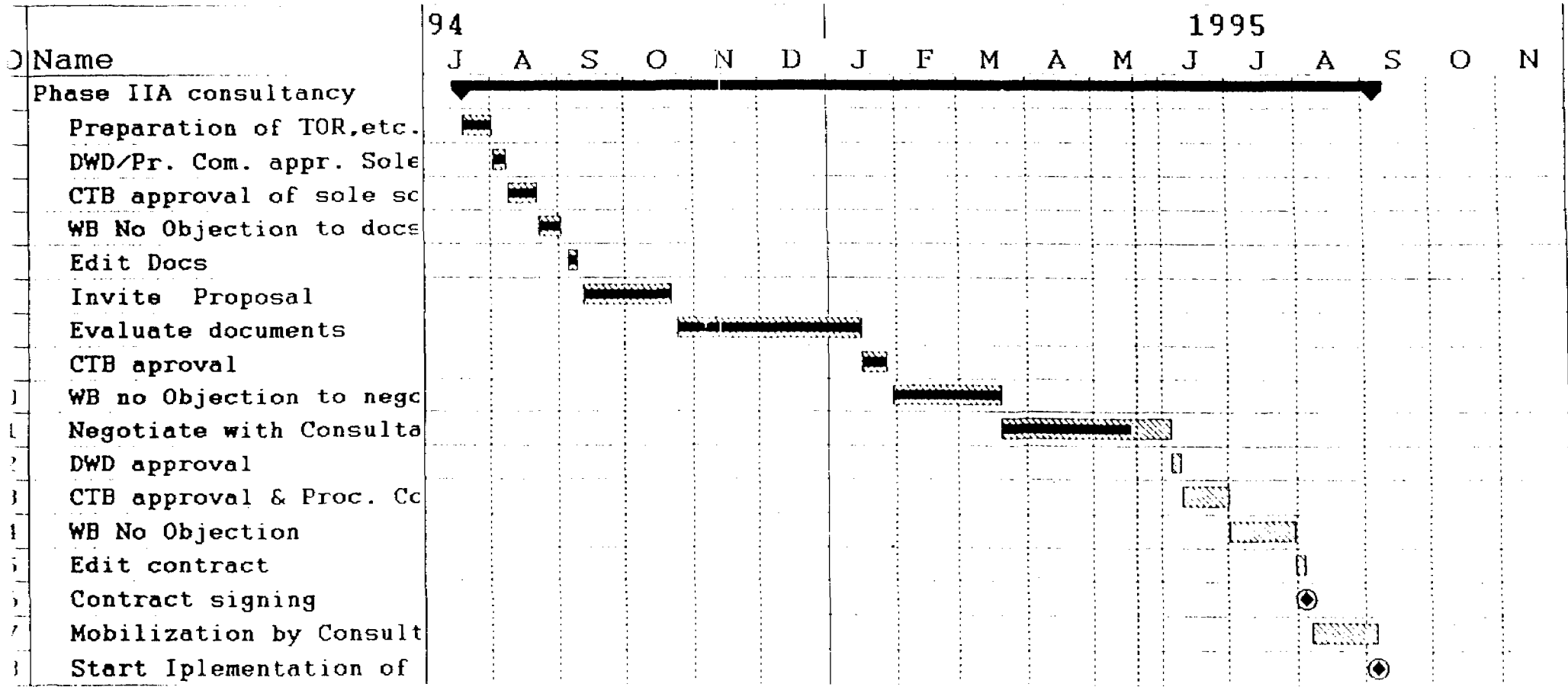
1.10 The construction of civil works for spring protection, hand dug wells, installation and the surround for hand pumps, public and institutional latrines will be tendered at the district level.

## SMALL TOWNS WATER AND SANITATION PROJECT OVERALL IMPLEMENTATION CHART



# SMALL TOWNS WATER AND SANITATION PROJECT

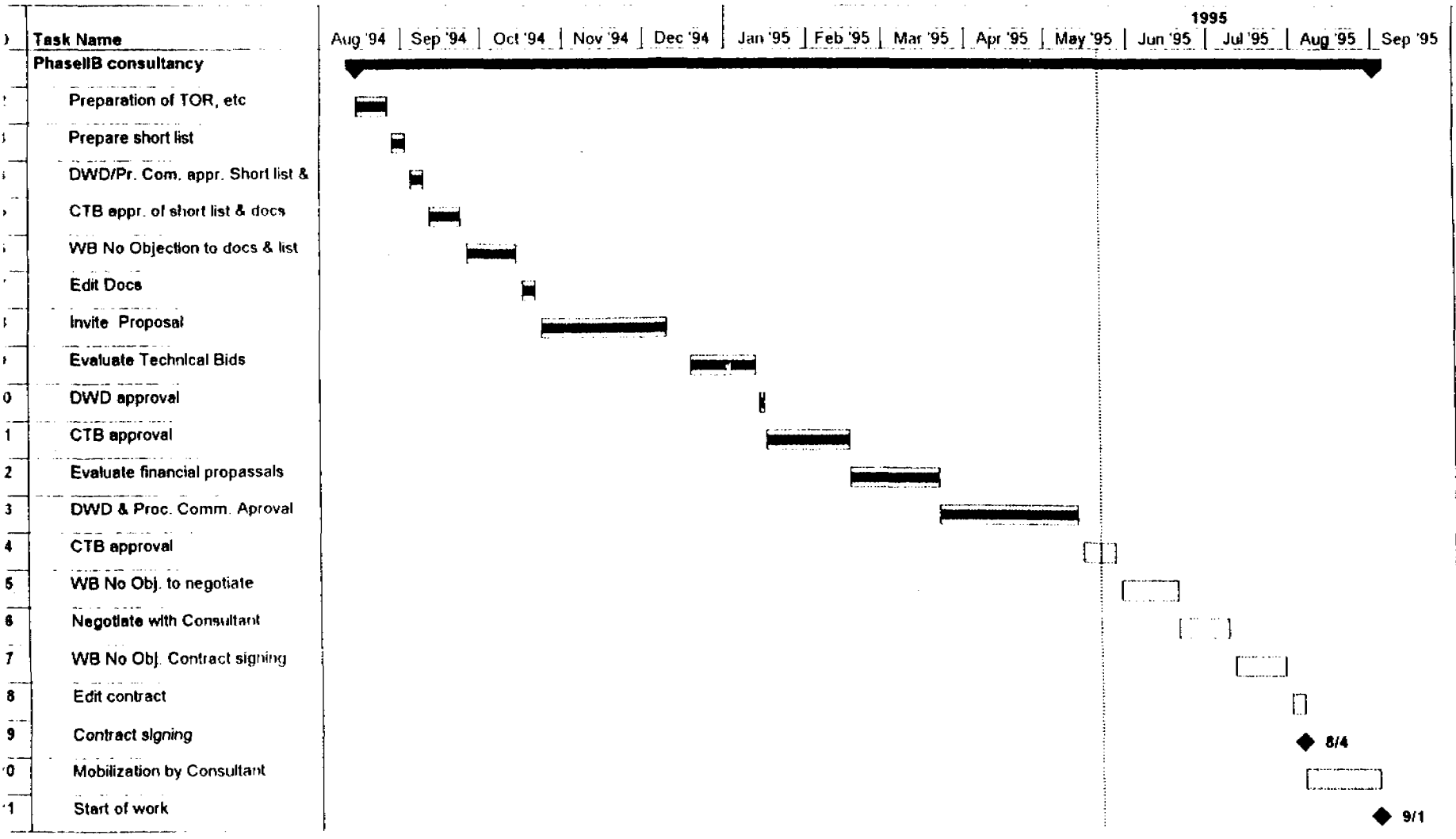
## PHASE IIA CONSULTANCY SERVICES CHART



Critical Progress Summary   
 Noncritical Milestone Rolled Up



# SMALL TOWNS WATER AND SANITATION PROJECT PHASE IIB CONSULTANCY CHART

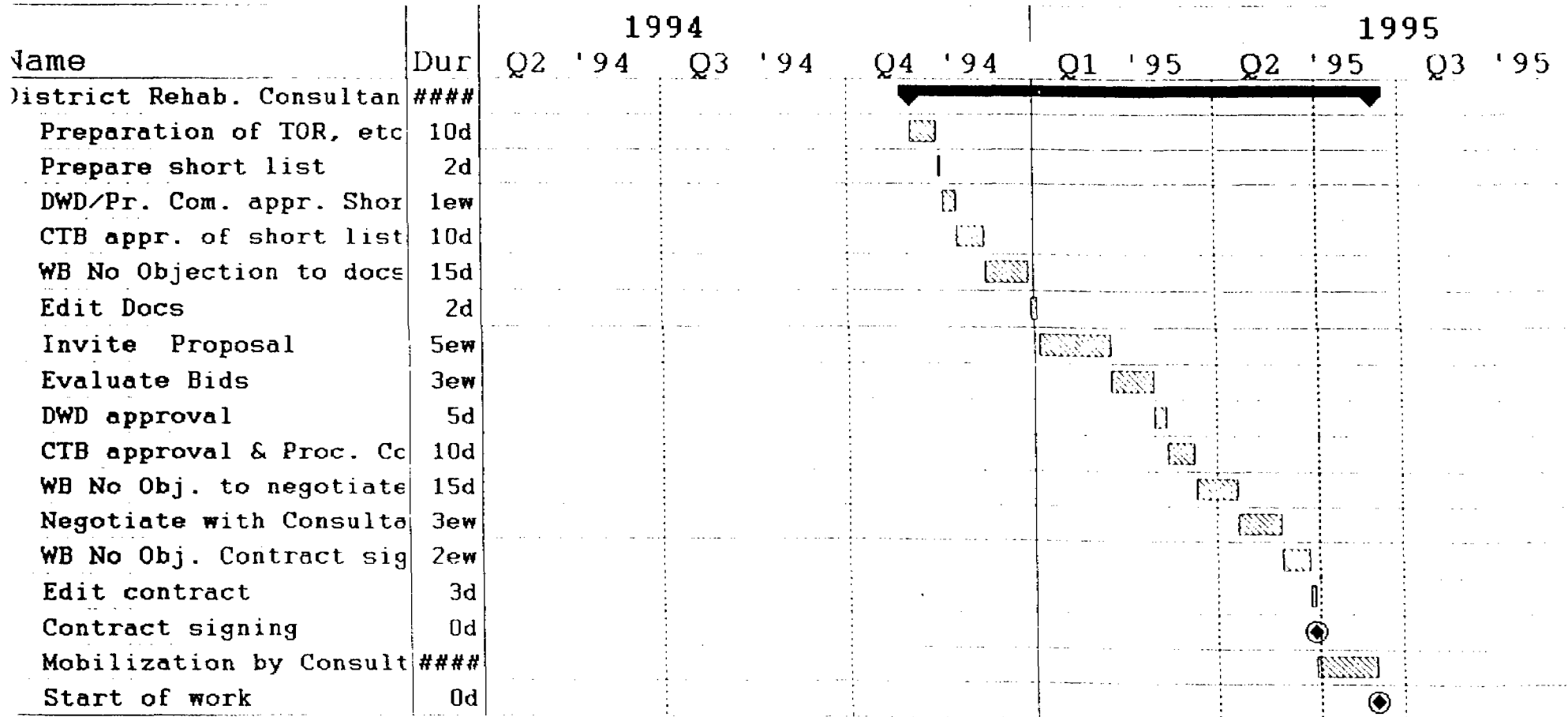


Project start date: 5/21/95

Task		Summary		Rolled Up Progress	
Progress		Rolled Up Task			
Milestone		Rolled Up Milestone			

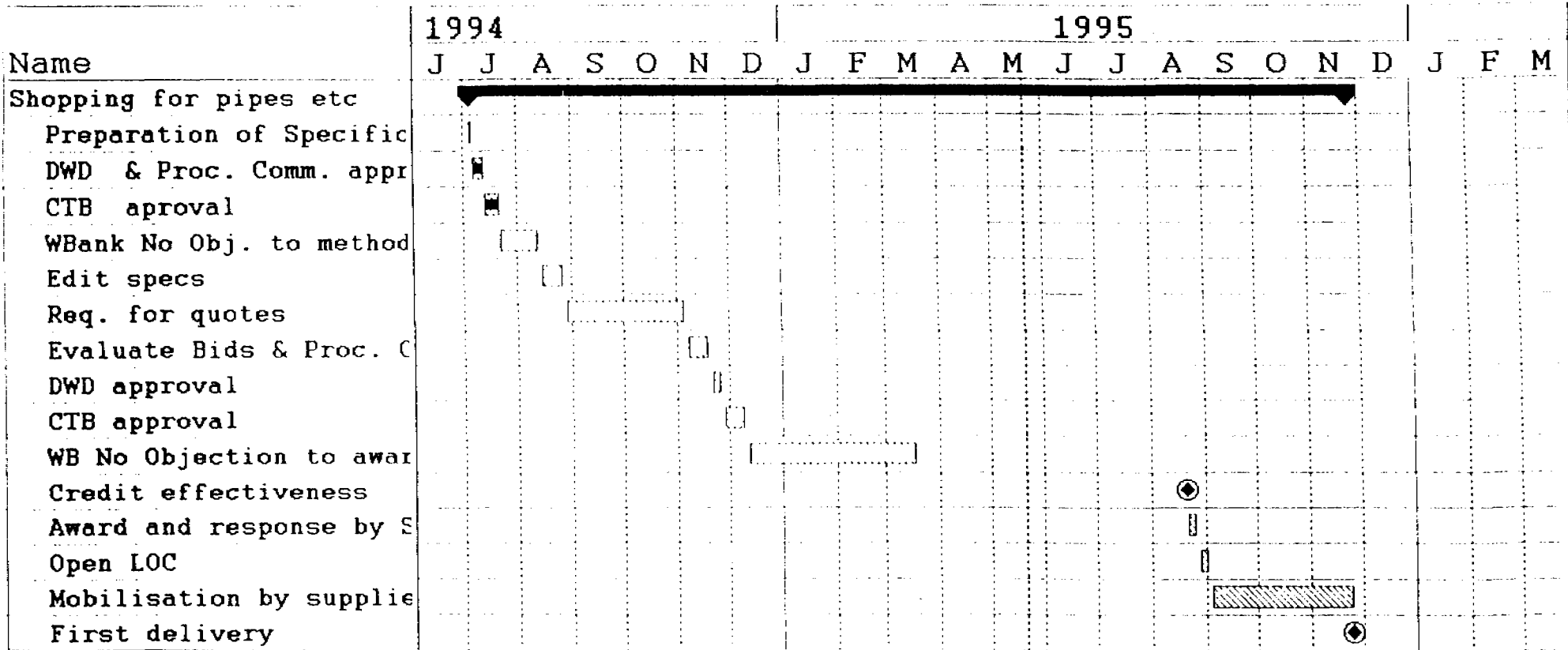
# SMALL TOWNS WATER AND SANITATION PROJECT

## HQTS/DISTRICT REHABILITATION CHART



# SMALL TOWNS WATER AND SANITATION PROJECT

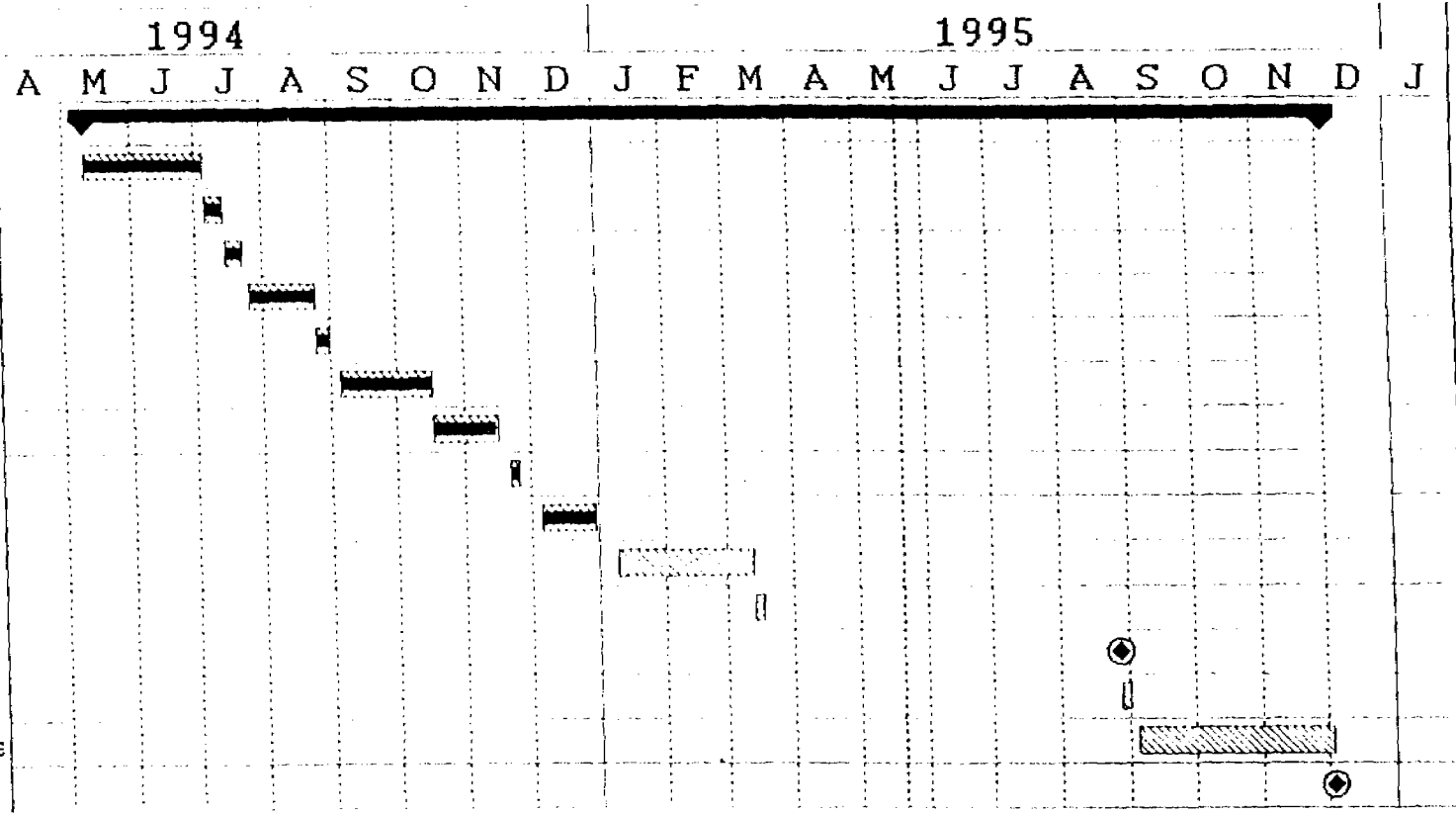
## SHOPPING FOR PIPES AND FITTINGS



# SMALL TOWNS WATER AND SANITATION PROJECT

## ICB FOR PIPES AND FITTINGS

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 eparation<sup>o</sup> f biding d  
 ) & Proc. Comm appr.  
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 ank review of Docs  
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Critical  Progress  Summary   
 Noncritical  Milestone  Rolled Up 

# SMALL TOWNS WATER AND SANITATION PROJECT

## MAIN CONSTRUCTION CONTRACT IN WOBULENZI CHART

