

CMP HIGH TECHNOLOGY EXPERIENCE SHARING EVENT

19.6.2013 - PROCEEDINGS

1 INTRODUCTION

The main objective of the Community Managed Project (CMP) high technology experience sharing event was to create a platform for learning on how the CMP approach can be used for a broader selection of WaSH technologies. CMP has a proven record of success within the implementation of hand-dug wells and on-spot spring protections. However, the approach has also been tested for rural piped schemes with gravity and pumps, shallow and deep wells, institutional latrines and rainwater harvesting. The event was organized in order to make sector stakeholders aware of the implementation principles for CMP in high technologies as well as to open a forum to discuss CMP development in the WaSH sector of Ethiopia.

The participants to this event were invited from federal and regional government offices as well as from WASH projects, NGOs, MFIs, academics and major donor organizations. In total of 45 participants were present as listed below:

a) Government	8
b) NGOs	1
c) Projects	24
d) Donors	6
e) <u>Others</u>	<u>6</u>
TOTAL	45

In this document, the contents of the presentations and main discussion points will be summarized.

2 PRESENTATION: CMP APPROACH

Community-led Accelerated WaSH (COWASH) project's Chief Technical Advisor Mr. Arto Suominen opened the event and started the series of presentations by shortly presenting the sector strategies and policies and their relation to the CMP approach. It is clear that the CMP is in line with many of the Ethiopian WaSH sector's strategic recommendations and concepts, addressing topics such as "participation-driven", "sense of awareness in communities of the ownership and their responsibilities for operation and maintenance of water supply systems", "local self-financing", "engaging the participation of banks, private operators and micro financing institutions" and "encouraging community groups' participation in the planning, design, implementation and management of WSS systems" as it was brought up during the presentation. Thus the CMP approach has a strong support in the sectoral policies. The rationales for the utilization of Micro-Finance Institutions (MFIs) as financial intermediaries and the benefits of community management were clearly explained in the presentation.

3 PRESENTATION: CMP AND HIGH TECHNOLOGIES, CASE OF BENISHANGUL-GUMUZ

The PhD student from Tampere University of Technology, Ato Beshah Mogesse, presented his research findings related to the Berebera water supply project (deep well in Dibate woreda) and Abatachi Expansion (pressurized system) from the Benishangul-Gumuz region's Metekel zone. The reflections on the group discussions with WASHCOs showed that the community contribution reached well above the required 5% limit, up to 8% in the case of Berbera deep well. The research findings showed that the kebele leadership turned out to be a critical factor in the total process. Also various social complaints arose from the equality of the distribution of taps - in general, the social disputes require more attention as the number of users increases in high technology schemes. Challenges were also faced in the contracting of contractors, tariff collections and the availability of spare parts. The presentation was concluded by stating that in order to function properly with higher technologies the CMP approach requires modification in proportion to community participation, tariff setting, organizing of communities and contracting.

4 PRESENTATION: UNICEF'S PAST AND FUTURE POSITION ON CMP APPROACH

Dr. Samuel Godfrey, the WaSH Section Chief of UNICEF Ethiopia shared the experience of implementing CMP in their program and the benefits yielded from the approach. As the sector is moving towards the One WaSH National Program, UNICEF is in the position to reconsider its future aspirations with regard to the CMP approach. UNICEF operates in an environment in which the financial rules and regulations state that advanced funds must be liquidated within the time period of 6 months. This is a challenge when using many local artisanal groups at community level due to the verification process involved which is termed "spot checks". Dr. Godfrey furthermore presented some of the critical considerations related to the CMP approach. Firstly, CMP is mentioned in the WIF, but MFIs are not an approved funding modality by MoFED. Secondly, UNICEF's financial procedures do not encourage the usage of MFIs since they take a commission from 3% to 7% (and it is not UNICEF's mandate to pay commission to unrecognized modalities) and since MFIs cannot be audited in accordance with the UNICEF's rules & regulations. Thirdly, UNICEF is accountable for children and there is no guarantee that CMP (via community contracting) will be implemented without child labor. Finally, the modality for non-payment for negative boreholes/dry wells under CMP is not clear enough at the moment. UNICEF furthermore emphasized the importance of lot sizes for boreholes in order to make the drilling attractive for the private sector also in remote and challenging areas such as Afar and Somali. The options for UNICEF's future support for CMP were presented and analyzed - please find the detailed descriptions in the attached presentation.

5 PRESENTATION: DAFILI GRAVITY WATER SUPPLY SCHEME / FINNWASH-BG

Ato Desalegne Simachew, the field advisor of the FinnWASH-BG project in Metekel zone of Benishangul-Gumuz region shared the experience of implementing a gravity scheme through the CMP approach. He explained how the enabling environment of the Benishangul-Gumuz region with a clear proclamation made it possible for several WASHCOs to organize themselves

as Water User Associations (WUAs). Thus 5 WASHCOs (representing 324 households) in Mandura woreda formed a WUA and deposited altogether 5 000 ETB in the savings accounts at the local MFI branch. The design of the scheme was prepared by the FinnWASH-BG technical assistance team and the Woreda Water Office (WWO) experts. The WUA further procured the materials and contracted a local artisan. The supervision of the construction was mainly undertaken by the WWO. The total costs of the scheme reached around 810 000 ETB out of which the communities contributed labor and local materials worth of 90 000 ETB, equivalent to 11%. Currently the scheme is used also for cattle (3 cattle troughs) and backyard gardening to collect money for O&M. However, challenges still lie within the legalization of the WUA and the weak private sector to be involved in the O&M activities. The future plan is to train local artisans to be capable to maintain even the more complex schemes and to facilitate the process of putting in place the WASHCO & WUA legalization regulations and guidelines.

6 PRESENTATION: GOCHOR GRAVITY WATER SUPPLY SCHEME / FINNWASH-BG

The experience of the Gochor gravity scheme in Wombera woreda was shared by the FinnWASH-BG field advisor Ato Bezabih Haiso. It was explained that the development of the CMP approach towards high-technology options can be regarded as a way of increasing the equity and inclusion of the approach. With simple technologies the applicability of the approach was limited and certain areas had to be excluded. Now the CMP can be used even in the most challenging conditions where the groundwater is difficult to access. After the CMP awareness raising and application process the daily water demand of the kebele (including the institutional and irrigation demand figures) was analysed in order to develop an appropriate technology design. It was identified that the two springs to be utilized can serve two villages (110 households) with a gravity pipe line of around 1 700 meters. The designed scheme furthermore included a collection chamber, public fountain, four public taps, 8 showers, cattle trough and connections to health post and agricultural office. Lately one washing basin was done by the community as part of expansion from the collected tariff fees. Total costs of the scheme mounted to 563000 ETB out of which communities contributed 111 400 ETB (nearly 20%).

Moreover, the organizational and management aspects of the scheme were presented. The “by law”, a legal document including management organogram, duty and responsibility of each organ, tariffs, audit procedure etc. was finalized and approved by all members. The final approval and certificate will be received from the Water Bureau next year. The WASHCOs have agreed on a clear tariff structure for water consumption and the O&M is also well planned.

7 PRESENTATION: DAFILI SOCIO-ECONOMIC & TARIFF STUDY & MANAGEMENT STRUCTURE

Mike Wood, FinnWASH-BG's WaSH Advisor presented the socio-economic & tariff study of the Dafili gravity scheme. The purpose of the study was to inform the Dafili Water Users Association and the Mandura Woreda Water Office on people's willingness and ability to pay for operation and maintenance costs of the system and also to inform the Mandura Health Office on people's attitudes to sanitation and hygiene. The methodology and the results of the study were explained in detail. The affordability and O&M costs were presented, leading to

recommended tariff settings in the by-law. However, although the by-laws stated the recommended tariffs, users decided the actual tariff should be much less. The community has not had to pay for water before and is not used to paying for something they consider should be free (God given). An awareness campaign was conducted by Mandura Woreda Water office to convince users that water supplied near to their homes had a cost and therefore had economic value which should be paid for. Moreover, other challenges such as WUA's management capacity and sanitation and hygiene were presented with regard to the management of the water scheme.

8 PRESENTATION: FINNWASH-BG FINANCIAL MANAGEMENT PRACTICES

FinnWASH-BG project's Financial Specialist, Ato Berhanu Garino, presented the organizational structure and the fund sources of the project. Furthermore, the practices related to fund transfers, fund flow channels and fund management were introduced. The funds are managed according to Regional Government Financial Law, Regulation and Directives, and according to the CDF (=CMP) financial, procurement and property administration manual. Finally, the required bank accounts and reporting system were presented.

9 MAIN DISCUSSION POINTS

1. The auditing of MFIs

FinnWASH-BG shared their experience on the auditing of MFIs and explained the process they had gone through. The need for auditing the MFI's accounts has been included in the agreement signed between BGCSI & FinnWASH-BG and last year one internal and one external audit had been made on BGCSI.

2. Site selection for boreholes

The concern of UNICEF on the payment of negative boreholes and site selection was addressed. Participants commented that negative boreholes or negative hand dug wells are not CMP specific problem but a problem in the WaSH sector in general. In case of a negative hand dug well the community pays for it as it is the client and owner of the project. In case the community becomes the owner/client of the drilling (CMP) the payment for the negative borehole should be from the GoE since the GoE is responsible for the investments in RWS as per the water supply policy. The siting of the boreholes can be done by the hydro-geologists from the zone or bureau or the siting can be included as part of the drilling contract. Then in this "lump sum" contract the expenses of negative boreholes are included into the price of successful boreholes and paid by the contractor.

Currently UNICEF wastes 30% of its yearly budget into negative boreholes, especially in Afar and Somalia. The outsourcing of borehole site-selection will improve the quality but still there are areas whose groundwater layers are geographically very challenging. The issue of groundwater mapping was brought up and UNICEF's experience on Watex was shared. However, the method is extremely expensive and costs around 200 000 USD per woreda.

In the case of FinnWASH-BG, the Woreda Support Group's hydro-geologist was used for the site selection. In the future the zonal level hydro-geologists shall be used for the task.

There was also a proposal to use existing hydro-geological departments in the universities to support regions and woredas in site selection.

After all efforts to be made to select a productive well site and if a well is abandoned in drilling, the payment to the contractor depends on the agreement between the client and the contractor.

3. Risk of child labour in community participation

The issue of using child labour as part of community contribution in CMP was discussed. Organizations such as UNICEF are accountable for children and would prefer to use skilled, professional labour force in their water supply implementation projects. It was emphasized that child labour is a broader issue among all projects implementing community participation in Ethiopia. The usage of child labour is extremely difficult to monitor and control from the M&E point of view. It was argued that the utilization of the communities' capacities in water point construction will enable the woredas to implement more water points with the same budget. This, in the future, will reduce the work load of children fetching water as the water points are more and closer. UNICEF called for a regulation/legislation to be annexed to the One WaSH National Program document that would ban the usage of child labour in WaSH. Child labour should not be used only because it is cheaper than a contractor/artisan.

4. WASHCO legalization

The WASHCO legalization and experiences from SNNPR and Benishangul-Gumuz were shared during the discussions. In Benishangul-Gumuz WaterAid has assisted the region to develop the implementation manual but still due to lack of coordination the manual was not implemented. SNNPR furthermore has a very encouraging and progressive regulation and proclamation for the WASHCO legalization. It was agreed that the CMP should be closely linked to the legalization processes. The legalization process also needs human resources to evaluate the by-laws and applications from WASHCOs – thus Water Bureaus and Woreda Water offices should need to consider their human resource capacities and training to those responsible for WASHCO legalization should be organized.

Some concerns were raised on the topic of 'large schemes' WASHCO legalization and on the legalization of point-source WASHCOs in groups. It was concluded that in large schemes the WASHCOs' responsibilities should be legalized through the Scheme Board and the point-source WASHCOs should be legalized at the kebele level as a kebele level WASHCO Federation instead of legalizing each individual WASHCO at the woreda level.

5. Capacity building in CMP

The participating NGOs were concerned about the 30%/70% rule and the challenges it imposes on the technical support to be given in CMP implementation. As the capacity building is part of administrative costs, the NGOs will be in a difficult position to implement CMP. A recommended solution for NGOs was the possibility to intervene primarily in woredas that have a relatively better capacity to assist communities. Such woredas would have a minimum capacity building need with regard to CMP implementation.

The capacity of the woredas to design higher technology schemes and the abilities of the artisans were questioned. It was explained how the technical assistance from the zone and other actors is crucial and how the woreda experts shall be involved in the process right from the start. Moreover, close supervision is required for artisans in the beginning, later on they will have the capacity to work independently.

6. Procurement in higher technologies

The level of technology procurement with regard to decentralization/centralization was discussed. The lot sizes especially for drilling companies in remote areas should be addressed as the private sector will not be attracted to bid for just a few boreholes at a time. Thus the tendering should not be left to communities as such but to zones or regions. Currently in FinnWASH-BG the advertisement for contractors was undertaken by the zone (delegated by WASHCOs) and the WASHCOs participated in the bid opening. Finally the WASHCOs executed the payments to the contractors as approved by the supervisors and WASHCOs jointly.

The procurement of pumps and generators for instance still requires more capacity building at the woreda levels as in most cases these instruments have to be procured from Addis Ababa.

The procurement in CMP was argued to be less complicated than the GoE procurement. Moreover, it is faster and allows more decentralized procurement.

The procurement by communities has also been reported to follow the government tax rules and regulations which include VAT, and withholding tax from procurement of services and goods.

The procurement of spare parts was further covered. It was stated that mechanisms for WASHCOs to contact artisans for the maintenance and price lists for different spare parts and maintenance should be put in place by the woreda.

It was further recommended that community level procurement is to be included into the OWNPF financial management and procurement guidelines.

7. Supply Chain

It was pointed out that the supply chain issue, including the pump spare parts, is not CMP specific issue but concern of the whole WaSH sector (water and sanitation). The presentations showed that once the financial management of the WaSH projects is delegated down to the communities, it automatically improves the supply chain of materials and services as suppliers and service providers have to come closer to the communities to offer their services. The CMP approach has generated the establishment of hardware and construction material shops into the woredas, who have before been without such services. It was also pointed out that actually the availability of spare parts for high technology water supplies is better than for low technologies supplied with hand pumps. The problem of spare parts supply is mainly related to the hand pump technology.

8. Use of local artisans

There was an argument that local artisans cannot be used for the implementation of high technology water supply. This argument was opposed by demonstrating the use of local

artisans in high-tech water supply implementation in BSGR. In this case local artisans were trained on-the-job, supervised closely and they learned the skills fast and were able later on to replicate their skills with minimum supervision from woreda. It was furthermore informed that in BSGR the artisans have established Woreda level Artisan Associations. These associations have skilled people and can be used for high tech water supply construction and skill transfer to other local artisans.

9. Accountability

The issue of accountability in CMP was raised. The process of WASHCO account reporting in CMP was presented during the discussion. In order to illustrate the accountability the following explanation of the process was presented:

- a) WASHCO opens the account with MFI
- b) WoFED records the funds sent to MFI (MFI reports the funds received at Woreda CMP account)
- c) MFI releases the funds to WASHCOs as per the approval of the WWT
- d) CMP Supervisor receives the information from MFI of the released funds to WASHCOs
- e) CMP Supervisor collects the receipts from WASHCOs (WASHCO settlement)
- f) CMP Supervisor reports to WoFED accountant, who receives the documents and compares to the MFI reports
- g) WoFED reports to Finance Bureau of the CMP fund utilization

10 WAY FORWARD

The event was officially closed by Ato Yohannes Gebremedhen, the Director of the Water Supply and Sanitation Directorate at MoWE. The day provided a good start for developing the CMP approach for higher technologies. Various challenges will be on the way as the One WaSH National Program starts and thus it was very fruitful to hear the concerns and thoughts of other sector stakeholder at this very moment.

The organizing team thanks for the active participation and great attendance of the participants!