DEVOLUTION TRUST FUND

GENERAL FUND

SANITATION

SECOND CALL FOR PROPOSALS

Notification

June 2012

Attachments:
One (1) folder containing the Application Form Phase I, including *Annex 1 - Overview Application Process; Annex 2- Guidelines for phase I (self selection)*; *Annex 3 - Definition of standard; Annex 4 - Budget and BoQ for phase I* and *Annex 5 - Baseline Questionnaire*.

Article 1: Introduction

The DTF hereby wishes to inform the following Commercial Utilities established by Local Authorities under the Water Supply and Sanitation Act no. 28 of 1997 and duly licensed by NWASCO, of the launch of the 2nd Call for Proposals under the General Fund/Sanitation (CfP 2-GF-SAN):

- *Eastern Water and Sewerage Company (EWSC)*
- *Kafubu Water and Sewerage Company (KWSC)*
- *Southern Water and Sewerage Company (SWSC)*
- *North Western Water and Sewerage Company (NWWSC)*
- *Mulonga Water and Sewerage Company (MWSC)*
- *Lukanga Water and Sewerage Company (LgWSC)*
- *Lusaka Water and Sewerage Company (EWSC)*

This second CfP-GF-SAN is guided by the principles and procedures laid down in the "*Guidelines on the Use of DTF-Funds*", version May 2011. This message is the Notification as foreseen in Chapter 3 of said Guidelines. CUs are requested to confirm receipt of this mail in writing (e-mail and letter).

You are requested to abide by these Guidelines as well as by the stipulations of this Notification when preparing and submitting your proposals.

The GF will be disbursed as a grant. A grant is funds advanced to the CU without any obligation to reimburse the DTF in whole or in part on condition that the DTF procedures have been complied with.

1.1 Objective of this call:

The main objective of the General Fund is to assist CUs in extending sanitation service provision and water supply for Zambians living in urban low income areas.

1.1.1 General objective

In line with this main objective, the purpose of the General Fund (GF) - Sanitation, especially in such areas that have had no water/sanitation or with very limited supply (below 20% coverage) for both peri-urban and low-cost areas, is:

- to facilitate project development and funding for investment in appropriate low-cost technologies in sanitation for low-income urban (peri-urban and low-cost) areas, and
- to assist with establishing sustainable management systems for these installations/facilities.

1.1.2 Specific objective

The specific objective of this call for proposals is to increase sanitation coverage through extending sanitation services and hygiene promotion activities, focusing on the most vulnerable in peri-urban and low cost areas. Improvements in health, human dignity, environmental sustainability, education and socio-economic development should be promoted through infrastructure development and behavior change by participatory methods. The scope also includes public facilities, such as markets and bus stations.

1.1.3 Special focus

It is mandatory that the project follows a comprehensive approach and takes into consideration the full sanitation chain (collection of human excreta and wastewater, transport/evacuation of human excreta and wastewater, treatment and re-use/disposal of human excreta and wastewater) and households contribute to the project costs (willingness to pay).

It is an advantage during in project proposal appraisal if the proposal offers sanitation services for people living in peri-urban areas addressing specific needs.

Additionally the project should target vulnerable communities with small household income and considers economy of scale with respect to beneficiaries (number of beneficiaries).

Further it is an advantage if the project is based on ongoing successful sanitation projects and lessons learnt.

1.2 Expected results

- Increased sustainable sanitation services
- Improved livings conditions for peri-urban and urban dwellers
- Major positive impacts on health, human dignity, economic productivity and environmental health
- Extension of CU infrastructure into low income areas

Article 2: Eligibility criteria

2.1 Who May Apply?

Eligibility to apply for funding under the General Fund is subject to the following conditions:

- An applicant must be a Commercial Utility (CU) established in line with the provisions of the WSS Act, Part III, Section 9 or as amended by subsequent legislation, duly licensed by NWASCO.
- Previous DTF funded projects must have been implemented in a satisfactory manner.
- CUs with a lower perceived risk rating in implementation of past and/or current projects.

2.2 Partnerships with other organisations

The CU established under the WSS Act, Part III, Section 9 as formal applicant may partner with other organizations (e.g. an NGO) which have experience in sanitation projects to strengthen its capacity.

The conditions and procedures pertinent to the company established under the WSS Act, Part III, Section 9 as described hereinafter will apply. Local Authorities, NGOs and privately run schemes cannot directly apply for funding under the GF.

2.3 Which projects are eligible?

Project proposals eligible for funding under this CfP should address all of the following aspects:

1. Physical and socio economic context: the project area must take place in either peri-urban or low-cost area and situated either on traditional land or on land legalized by the Council. If the project area is on land which is in the process of being legalized by the Council, the applicant shall present a supporting letter to that effect from the Council. If the project area is on traditional land, permission letter from the chief needs to be attached.

It must take into account existing infrastructure, socio-economic, as well as geographic and topographic conditions, climate conditions (e.g. water scarcity, floods), height of the water table, and health issues.

2. Social and cultural conditions: should enable project implementation and sustainability and the project thus must sensitize the community and show that it takes into account the social dynamics of the area, demonstrating involvement of recognised community groups at design stage. A participatory approach to the selection of appropriate technological options and extensive community participatory assessment of the prospective construction and operation of the scheme or facilities should be ensured. The sanitation system must be adapted to users' preferences and be culturally acceptable.

3. Economic and Financial context: the cost of the system must be affordable to its users at all levels as end users have to contribute either in cash or in-kind to the initial project cost and to the operation and maintenance costs which should provide sustainability. All costs and needs must be taken into account, e.g. cost of private household connections to sewer/water network, emptying and treating sludge, etc.

4. Institutional and capacity building aspects: the project should consider parameters which help project execution as e.g. CU sanitation project experience and capacity to implement including the proposed manpower input and strength of possible partnerships. Further the action should build capacity of the CU department in charge of peri-urban WSS services and the community. Further it should take into account land use issues and involve the relevant individuals and institutions from the beginning. CUs might partner with institutions having knowledge and experiences in sanitation projects to enhance their capacity. The responsibility for the ultimate management of the schemes shall remain in the CU hands.

5. Environmental aspects: Projects shall protect the environmental through prevention of water body pollution avoid negative environmental impacts. Reuse of nutrients and energy from waste water shall be encouraged. Close collaboration with the district authorities responsible for environmental management issues should therefore be ensured.

6. Duration: Projects implementation should not exceed an implementation schedule agreed at the beginning of the process for all the stages with all stakeholders which including the execution of the works.

2.4 Which actions are eligible for financing?

Each action must include the following activities:

a) **Construction and/or rehabilitation** of improved or basic sanitation infrastructure addressing the whole sanitation chain (1. collection, 2. storage, removal and transport 3. treatment, disposal or reuse of human excreta/wastewater/sludge).

   Examples (not exhaustive):
   - Construction of household sanitation facilities based on on-site (e.g. dry sanitation technologies) or small piped sewage systems or including DEWATS with sludge removal, transport, treatment and disposal or re-use.
   - Public toilets or toilets coupled with sludge removal, transport, treatment and disposal or re-use.

b) **Hygiene promotion, sensitization and communication campaigns** in support of the main activity hygiene promotion.

c) **Training and capacity development** activities to support the management of such systems described in (a), for local people and CU staff directly related to enhancing local ownership and project sustainability.

d) **Mobilisation of community participation** to the effective planning, operation and maintenance of systems.

Article 3: How to Apply

The application process is a two phased approach. During phase I (self selection) CUs are requested to identify up to 2-3 project areas. The project areas are going to be assessed by the DTF appraisal team towards its vulnerability and stress. The area in which the project would have the highest relevance (impact on health status, sustainability and stress area) shall be approved for further development of a detailed proposal in Phase II - proposal development. For more information see Annex 1 – Application process.

3.1 Proposal Application

Applications must be submitted on the Application Forms provided with this Notification. These forms are made in MS-Word and MS-Excel formats.

Earlier versions of application forms must not be used, as these will render your proposal invalid.

Applicants should keep strictly to the format of the Application Forms and fill in the pages in order. The Application Forms including the appendices should be completed carefully and as clearly as possible so that it can be

assessed properly. Applicants should be precise and provide enough detail to ensure the proposal is clear.

Hand-written applications will not be accepted.

A maximum of 3 areas proposals can be submitted in phase 1 – self selection.

3.2 Where and How to Send the Applications

Applications must be sent in both hard and soft copy (e-mail or CD-R) to the address below:

The Devolution Trust Fund

P.O. Box 34358

Plot 164 Mulombwa Close, Fairview

Lusaka

E-mail: water4all@dtf.org.zm

For easy transmission, CUs are requested to compress (zip) all e-files to one folder. Hard copies of the applications should be held securely but not bound together.

3.3 Proposal Due Date

Proposals must be submitted at the latest by **7th August, 2012** for both hard and soft copies.

Article 4: Proposal Preparation

4.1 Identification of Projects by CUs

CUs are requested to identify, to the best of their abilities, proposals that have the lowest cost per beneficiary ratios. The latter ratio is obtained by dividing the total project cost as obtained from the Summary Budget (including the contribution by the CU) by the number of beneficiaries.

Therefore applicants are strongly advised to scrutinise possible project areas within their service areas to be able to meet this requirement.

4.2 Contribution by CUs to Total Project Cost

Increasingly the DTF will request from CUs a contribution to project costs. Basically, all efforts done by the CU with its own personnel are a contribution by the CU to the project cost. This contribution should be particularly clearly in the Summary Budget.

The DTF at this moment does not impose a minimum requirement on the CUs' contribution, but will eventually during the assessment process

estimate a fair CU-contribution and propose a financing agreement accordingly.

Article 5: Engineers Estimate for Outsourcing

In the event that works have to be outsourced to a contractor (see *Guidelines on the Use of DTF Funds* Chapter 8 on Procurement categories) the CU has to prepare engineer's estimates taking into account contractor's mark-up, which would form part of the project budget for works.

5.1 Proposal Review, Selection and Award Process

Each submitted proposal will be assessed in accordance with the Guidelines. The eventual detailed assessment may include a field appraisal. For further understanding of the selection process, please refer to the document "*Guidelines on the Use of DTF-Funds*", May 2011 edition.

Yours faithfully,

Samuel Gonga
DTF MANAGER