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**ACCESS TO SANITATION AND SAFE WATER:
GLOBAL PARTNERSHIPS AND LOCAL ACTIONS**

**Capital cost contribution (CCC) to water projects
by rural communities**

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Capital Cost Contribution (CCC) by beneficiary communities to Water Supply Projects has been a key feature of the National Community Water and Sanitation Programme (NCWSP) in Ghana since the Programme's inception in 1994. Using methodologies such as interactive discussions and review of CCC Records, the Paper examined the implementation challenges of the CCC Policy to small towns using the Small Towns' Component of the EU-funded Rural Water and Sanitation Project in the Northern Region as (2003 – 2007) as a case study. It was found that, basing the community's (small town) share of the capital cost on the estimates provided by the Feasibility Studies creates problems of delays in arriving at the right figure as well as non-affordability in some cases. It also does not provide a uniform basis for arriving at the CCC for small towns since the factors, which influence the Investment Costs of the Water Supply Projects are not the same for all communities. It was further noted that the Policy as it stands now falls short of explicitly prescribing the use to which these communities' contributions should be put.

Introduction

The National Community Water and Sanitation Programme (NCWSP) provide the broad framework within which Rural Water and Sanitation Projects are implemented in Ghana. This Programme contains a prescription for communities to pay a percentage i.e. 5% of the total investment cost of water supply projects. The rural water sub-sector in Ghana is divided into 'small communities' and 'small towns' using population as the criterion for classification. The Policy defines small communities as those having population ranging from 75 to 1999 which need improved water and sanitation services. A small town on the other hand is a community having a population range of 2000 to 50,000 and requires improved water and sanitation services

Different water supply technologies are prescribed for the small communities and the small towns. Small communities are expected to get Boreholes fitted with standardized handpumps whilst small towns benefit from Pipe Water Supply Systems. It has become evident that majority of the small towns in Ghana are not significantly different from the small communities in terms of geographical space, population size as well as socio-economic and political make-up. The range of 2000 to 5,000 is most common illustrating the predominantly rural nature of Ghana. Most small towns exhibit the poor and deprived characteristics typical of small communities.

Study area and approach

Four districts in the Northern Region of Ghana namely West Mamprusi, West Gonja, East Gonja and Central Gonja benefited from the European Union funded Rural Water and Sanitation Project (2003 – 2007). This Project included a small town component which provided Pipe Water Supply Systems for 12 small towns. The Paper is based on experiences and knowledge gained from implementing the small towns' component of the project.

The main methodologies used have been interactive discussions, questions and answers as well as the review and analysis of various Records and Reports.

Capital cost contribution (CCC) in small communities

The design criterion for small (Point Source) communities is 300 people per borehole fitted with hanpump. For Hand-dug wells, it is 150 people per point. The share of capital cost allotted to beneficiary communities is the same as it is calculated per point and the unit cost share communicated for use by projects. The 5% CCC was about \$300 per point.

It has been found that the implementation of the CCC in Point source communities has been smooth and more successful because of its affordability. The variable factor here is the population size, which determines the number of Point Source facilities a community gets. The use of the population provides a good justification for the Cost (CCC) differences from one community to the other.

Capital cost contribution (CCC) in small towns

The implementation of the CCC policy in small towns is associated with many difficulties. The main problem being the high Capital Cost Share allotted to the small towns to pay. Some of the figures are so prohibitive and scary that the communities simply resign to fate.

Key actors in the implementation of the CCC and their scope of responsibilities in small towns

Four actors were identified as important in the successful implementation of the CCC Policy/strategy namely: the community, Water and Sanitation Development Board (WSDB), the Partner Organisation (PO), and the Project Staff/Officials.

Trends in the payment of the CCC

The general trend observed in the course of fund mobilisation for CCC was that payments of levies increased at an increasing rate initially and substantially declines over time. This is because the willing contributors do not delay in paying their levies. Thereafter, a lot more effort and time is needed to get the unwilling ones to pay which they do sometimes respond to slowly. It must be recognised that some people will default no matter what, hence the need to consider this whilst fixing the levies. The community's responsiveness to the CCC payment becomes evidently clear within a period of **one year**.

Mechanisms for mobilising funds towards the payment of CCC

Levying

Levying was the most common fund mobilisation mechanism in all the communities. Project levies were imposed either on Male and Female Adults or on Households. The general trend was that male adult levies were either higher than or equal to the female adults'. However, the females were far more responsive to the payment of the levy than their male counterparts. Where the female levy was far lower than the male levy the result was the realisation of small amounts of money although high numbers of females might have paid. Also, the Water Project Levy was largely underestimated in all the small towns since they fixed arbitrarily. Lower estimated CCCs given by Project Officials prior to the conclusion of the Feasibility Studies also account for underestimated levies.

Appeal for funds from individuals

All the communities solicited assistance from influential people usually non-resident natives or friends. This took the form of sending delegations to them or printing envelopes or writing letters for distribution. Success from this technique depended on the availability of patriotic and capable non-resident natives and the communities' ability to lobby. Guabuliga, Wulugu and Nasia for instance succeeded in getting a Roman Catholic Sisters' Charity Mission in Walewale, the District Capital to support them with \$1,075 each. Buya also got someone to assist them with \$430; Lingbinsi got an Irish Philanthropist to assist with \$2,151 whilst Bankamba got a Former Director of Education who hails from a nearby village to assist with \$108. Meanwhile Bankamba incurred a loss from the printing of envelopes when they spent over \$22 but actually received only \$11 from the people targeted.

Request for financial aid from District Assemblies and Members of Parliament

All the 4 District Assemblies benefiting from the water supply project were approached for assistance by their communities. For example, at the deadline, where the communities were expected to pay at least 50% of the CCC before the contractor mobilised to site, only Buya and Mankarigu had made it. It took the District Assemblies to make written commitments to avoid losing the Projects. The amounts **pledged** by the DAs and MPs summed up to **\$38,353**. However, only **\$20,538** was redeemed representing **54%** of the total pledge. Again one District Assembly, which pledged a total of **\$8,387** for its 2 small towns (Lito defaulted completely. This shows how unreliable some of these funding sources can be. Another District Assembly

also demonstrated limited priority for water as it gave the least support of **\$538** flat to each of its 3 small towns **even though the cost burden for Bankamba was twice that of the other 2 small towns.**

Factors which influenced the responsiveness of communities to the CCC obligation

It was observed that communities respond to the CCC payment differently. Their responsiveness was greatly influenced by such factors as the existence of a strong and respected traditional authority, the level of communal spirit and unity, homogeneity of the community in terms of ethnicity and/or religion, the extent to which the wider community actually sees water as a felt need, the level of Capital Cost Share imposed on the community and the siting of Public Standposts. If these factors manifest in the negative, the outcomes of community mobilisation become highly unsatisfactory irrespective of the depth of facilitation undertaken by external development agents.

Different burdens of CCC in the 12 small towns

The Design of small town Water Supply Systems (Piped Water Systems) is not the same for all communities. Some communities were given more expensive designs and therefore bigger capital cost burdens than others. The Capital Cost of small town Water Supply Projects is influenced by various factors such as the *complexity of the design, energy source used i.e. National Grid/Hydro-Electric Power or Solar; settlement pattern of the community (whether it is scattered or nucleated), the proximity of the water source (mostly borehole) to the community and the quality/types of Pipes and Fittings used.* Some designs of Water Supply Schemes may also be unnecessarily ambitious for the communities.

Even though the margin of difference in the populations of the 12 small towns was not too wide, the estimated CCC **given to them ranged from as low as \$3,739 (Buya) to a high of \$13,182 (Wulugu).** Meanwhile, the population of Wulugu (**5,534**) is not even twice that of Buya (**3000**).

The small towns and their CCC under the Project were: Buya - \$3,739; Sheri - \$4,113; Katiejeli - \$4,138; Guabuliga – \$4,446; Busunu - \$5,998; Mankarigu - \$7090; Bankamba - \$8,132; Nasia - \$8,843; Loagri No. 1 - \$8,980; Lingbinsi - \$9,995; Lito - \$12,435 and Wulugu - \$13,182.

All the 12 small towns were very similar in terms of their socio-economic and poverty characteristics.

It should be noted that the selection of Pipe Scheme technology was not by choice but by the dictates of the CWSA sector policy, which prescribe Pipe Scheme for communities with population ≥ 2000 .

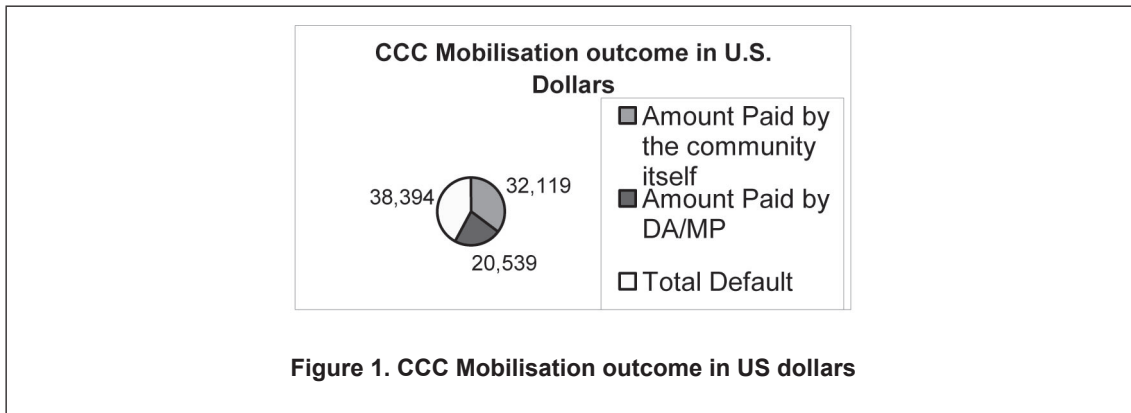
Over-estimation and under-estimation of CCC

It was established that the investment cost upon which the CCCs to be paid by communities were calculated were overestimated or under-estimated. This, situation was realised only after constructional works were completed, all claims received and payments made. *For instance the feasibility design cost upon which the CCC of Wulugu and Lito was calculated had been overestimated by \$272,186 (more than 100%) and \$158,190 respectively.* The total over-estimation, which affected 5 small towns, was **\$541,526** whilst the total under-estimation which benefited the remaining 7 small towns amounted to **\$505,269**. The extra CCC burden arising out of the over-estimated design cost resulted in an extra **\$36 per capita**.

Overall result of the CCC campaign in 12 small towns (after 21 months of campaign)

Out of a total amount of **\$91,051** expected from the **12 small towns**, **\$52,657** was actually realised representing **58%**. This meant a **default rate of 42% (\$38,394)** after nearly 2 years of follow ups/campaigns in the communities.

The pie chart (Figure. 1) illustrates the composition of the actual CCC Payments.



As of the time of handing over the facilities, only 5 out of the 12 small towns had paid up their CCC fully.

It must be stated, however, that on individual community basis, some of those which had not finished paying the CCC have in reality performed better than some of those which had finished.

The above results clearly confirmed that obligations for CCC by small towns have been unaffordable and burdensome to the communities in spite of the use of 2.5% which was recommended for small towns by a study. This study was commissioned by the CWSA. Community members were stressed up by the heavy CCC burden and became apprehensive on seeing Project Officials as they feel indebted and helpless most of the time. Project Officials were viewed by the communities as ‘Taxmen’ rather than Partners in Development.

Proposal for review

It has become obvious that just scaling down the percentage contribution from 5% to 2.5% is definitely not enough. It is thus proposed to replicate the principle of Point Source CCC in small towns. This means that the population will be used against the determined amount per Point Source. Hence, if a small town has a population of 6000, and the CCC per point source as determined by the CWSA is **\$300**, the expected CCC from this small town will be \$6000, which is for 20 Point Sources. Assuming the point source principle was applied in the 12 small towns, it would have meant that the population of 38,073 would have translated into 127 point sources, which when multiplied by \$300 would have amounted to **\$38,100 instead of the \$91,051**. All the 12 small towns would have comfortably discharged their CCC obligation more easily and Project Managers would have smoothly concluded their Projects by handing over the completed facilities on schedule. Alternatively, an acceptable per capita cost e.g. \$40, should be used in relation to the community’s population to determine the CCC irrespective of what the Feasibility and actual investment costs turn out to be. Since the CCC Policy is of symbolic importance rather than a money seeking venture, it will help a lot if it is made more affordable for easy implementation.

Consequences and responsibility for payment defaults

The lingering challenge in all this is the question of what should be done in the event of a community’s failure/refusal or inability to pay up the required matching fund upon completion of constructional works. This challenge arises because the full cost of the water facilities is usually provided by donors hence constructional works are not in any way impeded by the non-payment of the community’s share of the Project’s Capital Cost. In such situations, Project Managers sometimes resort to locking up the completed water supply system until the defaulting community pays up fully.

Recommendations

- The CCC Policy as it applies now should be reviewed to be fairer and poverty sensitive. The revised Policy should prescribe exactly what the CCCs paid by communities should be used for.
- If the CCC Policy for small towns is not reviewed, projects will have to present a menu of different Scheme Designs and related costs to communities to choose from. This then gives the small towns feasible options from which to choose. Otherwise, it should be recognised that communities do not in reality participate in decisions of technology choice.
- The total number of Households and Male/Female Adults should be determined and made part of the

Baseline Report submitted by the POs to avert the underestimation of project levies, which become difficult to correct latter.

- The POs should assist WSDBs to fix the project levies correctly and the amounts included in the Baseline Report.
- Mobilising CCC should be well coordinated to ensure accountability, safe handling/management of the collected funds through Banking and subsequent transfer of the funds to CWSA, collection and filing of the transfer slips and Receipts by the WSDB and constant feedback to the general community.
- The framers of the CCC Policy did not prescribe the use to which the monies obtained from communities should be put. This decision has been left to the discretion of Project Managers/Project Steering Committees. It is most likely that such ad-hoc decisions on the use of the CCC might not necessarily reflect the time, effort and resources put into the mobilisation of the CCC by Project Officials, POs, WSDBs/WATSANs and the communities.

Conclusion

The CCC Policy as it applies to small towns requires a comprehensive review to make it affordable to project beneficiaries and allow for smooth implementation of the entire project especially as the small towns population are not richer than those of small communities.

Keywords

capital cost contribution, equity, fairness, cost burden, poverty, CCC policy review proposals

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