

Partnership and Cost Recovery in Practice: Cases from School Institutions under WASH SDG Programme in Agago District



INTRODUCTION

The Cost Recovery Planning Tool has been developed by Aqua for All for the Football for Water Programme (<https://footballforwater.org/>) and has been adapted by Simavi to fit in the WASH & Learn Programme and the WASH SDG programme. Cost Recovery Planning then comes in after the Risk Assessment is undertaken by the stakeholders. In this, the stakeholders apply the FIETS sustainability principles to the prospects of attaining financial, institutional, environmental, technological and social capital to maintain and sustain the WASH investment. Partners bring all stakeholders to brainstorm and form operation and maintenance norms. Additionally, income generating strategies like formation of savings and loans groups and encouraging market gardening, that ensure the WASH investment achieves maintenance for sustainability purposes, are discussed.

JESE with technical support from NETWAS under the WASH SDG programme has trained 10 Primary Schools of Ajali Anyena, Kubwor, Patongo Akwee, Ngora, St.Charles Anywang, Lira Palwo, Obolokome, Toroma, Wol,Wang Lobo within Agago district in Cost Recovery Planning. The idea aims at tackling sustainability of the existing WASH facilities and services in the schools. Under the WASH SDG Programme we are using the Cost Recovery planning to make sure the existing facilities are sustainably managed. Within WASH and Learn the focus was more on the new facilities (in combination with the existing facilities).

METHODOLOGY

Cost recovery planning is a process stakeholders undertake to analyse operation and maintenance costs of a WASH investment as well as potential incomes to meet those costs. When applied by the stakeholders the cost recovery planning tool helps them identify the costs and revenue from a WASH investment as well as maintaining and sustaining it and the gap between the two. Often the government funding that schools receive is not enough to cover all the expenses incurred. The tool also looks at the required actions to implement, maintain and sustain the investment levels. Stakeholders at the cost recovery planning level discuss the cost implications of the WASH project (facilities) examining and drawing consensus on the following:

1. **Burden cost:** The burden cost is a preliminary discussion based on the scarcity of the resource to be invested in for example safe water access; and it is placed on the cost of accessing that service. The burden is also costed on the



expense incurred on mitigating the problems that arise as a result of the scarcity for example treating water borne diseases and purchase of water at a high cost from vendors. This cost inspires critical thought on the part of stakeholders, triggering them to value the scarce resource and encourage them to participate in establishing a solution as well as sustaining it. Sharing the burden cost lays the ground for sharing the investment cost and how best all the beneficiaries can have a stake in it. It is at this point that the beneficiary is converted into a stakeholder able to contribute in terms of finances, lobbying and even participate in a cost recovery activity.

2. **Investment cost:** The investment cost which is the initial expense channeled into setting up the facilities is discussed. The amount channelled into the project is documented. All stakeholders are brought into the conversation of the expenses to be incurred. The bills of quantities are shared. Suggestions are entertained for better bid services including stakeholder's contributions (finances, materials and labour) in making the project (WASH facilities) a reality.
3. **Risk cost:** The risk cost which points out the potential threat to the projects implementation is also talked about. Stakeholders calculate the risk cost based on what expenses would emerge in case things went wrong at the inception of the project, during the project and after the project. For instance, the cost that would arise from the purchase of poor quality construction materials or poor workmanship during construction. The risk cost looks at the sum of expected and unexpected events that facilities may incur.

4. **Operation & Maintenance cost:** These are costs incurred to keep the facility in good working condition. The operation and maintenance costs are discussed with reference to the expiry dates on some of the technology devices used as well as in consideration of how the WASH facilities are to be utilized. For instance, toilets need hygiene appliances for cleaning as well as anal cleansing; tanks need to be cleaned; water source pumps need to be lubricated and latrines emptied. The timeframe and cost is therefore made a point of discussion; and estimates are made. Repair estimates were also made.
5. **Repair costs:** These entail expenses are to be met when the facilities break down. Stakeholders discuss what it would cost to replace a particular part or renovate a facility. Then incorporate it in their operation and maintenance plan.
6. **Revenue streams:** After discussing the different types of expenses and drawing consensus on the need to act collectively as well as each stakeholder's potential advantage in contributing. Stakeholders are guided into identifying revenue streams that would grow the WASH fund in order to meet the identified costs. The search for revenue inflow is positioned first at the stakeholder and then the prospective partners. This leads stakeholders to developing a plan for income generation as well as predict the probable profits; yielding to a business plan. It is noted that though schools often have certain income flows, these are often not enough to even meet the O&M costs for the WASH facilities. The Cost Recovery tool helps to identify the gap between projected costs for the WASH facilities and the income flows already available. Where there is a gap, a plan for income generating activities needs to be planned.

ACTUAL COST RECOVERY IN PRACTICE

Putting Cost Recovery into practice includes:

- setting appropriate revenue streams; there are different ways of revenue streams which communities can choose from, according to the context.
- Optimizing costs; this means being able to identify and estimate costs as well as to minimize them.
- Access to other sources of funding; tariffs in most cases do not cover all costs, making it essential to analyse other potential financial sources.
- Effective financial management; this encompasses budgeting; revenue collection, bookkeeping and accountability; financial control and monitoring.
- Service efficiency as the best passport for an operator; this will cover system performance, as well as improving relationship with users.

KEY NOTES: PLANNING FOR COST RECOVERY INCLUDES:

- The way the project has been introduced; demand-driven projects respond better to local realities and expectations;
- A decision about what costs should be recovered and by whom, in an equitable way; technological choices have a definite impact on level of recurrent costs.
- An analysis about the willingness to pay of communities.
- The setting of an adequate institutional framework in order to manage the system in a financially sustainable way.
- Defining accompanying measures, such as setting an appropriate legal and policy framework, educational and promotional campaigns and capacity building activities.

Transformation/Achievements: Cost recovery planning at Ajali Anyena



Old latrine facility for boys that needed renovation and emptying

Ajali Anyena Primary school lacked conducive latrine facilities as the latrine needed emptying and a face lift. On making a Cost Recovery Plan in June 2019, Ajali Anyena primary school stakeholders realized they needed to plan and fundraise for emptying the drainable pit latrine in a months' time. The primary school identified some venues of money where a percentage shall be towards emptying the latrine.

1. Ajali Anyena primary school was able to make a stakeholder analysis and measure their ability to contribute towards WASH investments in their school. The school has been able to analyze stakeholders and estimate their possible contributions towards WASH investment.
2. Cost recovery planning knowledge has skilled school stakeholders to fundraise for WASH facilities. Ajali Anyena faced a challenge of school fees defaulters and the school administration and Parents teachers association passed a resolution to involve the LC1 chairperson and OC Police officer in apprehending parents that did not full fill their obligations. The school head teacher led the strategy that they call "military strategy" where the 47 Local council 1 were given responsibility to dialogue with parents to pay PTA money and school dues. Failure of parents to comprehend, their names were forwarded to the Head of Police station for lack of responsibility.
3. Cost recovery planning has given opportunity for Ajali Anyena to identify and fundraise for WASH through income generating activities. Ajali Anyena has committed 20% of its 3 acres cotton proceeds towards cost recovery for WASH issues in the school.
4. Cost recovery planning has helped Ajali Anyena Primary school to identify their WASH investment needs. Risk



analysis has been carried out for WASH services in Ajali Anyena Primary school. An attempt has also been made to anticipate factors that may change and affect Operation and Maintenance.

5. Ajali Anyena Primary school secured money and emptied the boys pit latrine at a cost of 500,000 Uganda shillings. The school PTA and School management committee contracted YOT KOM A ILENGO PIT EMPTIERS AND CONSTRUCTION COMPANY LIMITED to empty a 5 stance pit latrine using collected school dues from parents that had defaulted from paying dues. Ajali Anyena Primary school head teacher says that now parents perceive that functional WASH facilities provide a level of WASH service suitable for a child's conducive learning environment. This has now become a custom and culture to the school to take care of existing WASH facilities.

Ajali Anyena Primary school head teacher also says that it is however important to realize that communities that are a major stakeholder in cost recovery planning may not share the same perception of benefits. Similarly, differences may exist within communities and between different community groups.

CASE 2: Implementation of Cost recovery planning in Toroma Primary school helps to mobilize funds for emptying pit latrine 2020.

Toroma utilizes a strategy of mobilizing funds from well wishers and parents. The school has called for a PTA meeting to mobilize resources for construction 2 stance block of teachers' latrine. This shall increase stances available for children. Toroma Primary school has an enrollment of 1088 pupils with 10 stances in total.

Toroma school head teacher has approached the old boys and girls and they have committed to contribute 3 bags of cement. Franka the woman Member of Parliament has committed to provide iron sheets for teachers latrine construction.

Some parents have committed to offering labour at no cost to construct latrine for teachers. Parents teachers association meeting intends to mobilize resources to empty emptyable latrine first term in year 2020 at a cost of 400,000/=. Toroma primary school plans to have a conducive environment for the pupils so that they can improve their performance and increase their first grade scores.

Case 3: Kubwor Primary School survives being closed down for third term 2019 due to lack of functional latrine facility. The school mobilized 500,000/= from parents and emptied only existing latrine facility.

Kubwor Primary school is a government aided school located in Kalongo town council. In 2015, Kubwor primary school had an enrollment of over 670 pupils. But as of 2019, Kubwor primary school enrollment had dropped to only 210 pupils. The reason for the decline is that in the past three years, its latrine facilities are swept off in the heavy rainy seasons. Given the weak soils in the area, they are more susceptible to collapsing. It is unfortunate that Kubwor primary school stakeholders were still waiting for the government to construct latrine facilities for the school.

In June 2019, Kubwor Parents teachers Association, school Management committee and school administration acquiring knowledge and skills on cost recovery planning from WAI partner JESE with technical support from NETWAS with purpose to carry out a risk assessment plan and forge way forward. In October, 2019, the school administration mobilized funds and emptied their only existing pit latrine through utilizing services of local mason pit emptiers in Kalongo town council.

Major problems concerning cost recovery:

- Obtaining good cost data on water supply and sanitation is a challenge for many communities and institutions.
- The need to differentiate between capital and recurrent/operational costs is a big problem for many local communities and local institutions. For a term schools can plan, but to think ahead about maintenance costs over a longer time frame is more challenging, as well a saving for the major maintenance costs.
- Lack of awareness by communities of the costs of safe water and sanitation and who is responsible for meeting them.
- Gender equity and inclusion objectives are rarely taken into account in existing cost recovery principles
- Poor regulation and enforcement
- Monopoly problems, political interference and cultures of non-payment for WASH services
- Poor management capacity of communities
- Misuse of fund

Major Lessons

- The role of various actors in financing is closely related to their managerial and operational/technical responsibilities in cost recovery planning.
- The financial arrangements of cost sharing require all the various stakeholders to define their responsibilities precisely
- Clear financial arrangements allow for an effective cost recovery among identified stakeholders and that influences communities to participate in financing WASH when they have a sense of justice and clarity.
- Cost recovery plan somehow defines ownership for WASH services in communities and institutions.

In conclusion, cost recovery plan arrangements allow:

- Contributions towards full cost coverage
- Clarity about who is going to finance WASH services (governments, donors, communities)
- Financial flows that bring in money at the right moment are identified and utilized.
- A cost recovery plan works as a commitment between financial parties hence formalized arrangement for community financing.