

Communities Taking the Lead

A Handbook on Direct Financing of Community Subprojects

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Cover art: A community's development needs as drawn by children of Vieux Fort, St. Lucia.

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In developing this handbook, the author has relied heavily on the operational manuals, implementation methods, and experiences of many community-driven development projects primarily the Malawi Social Action Fund, Tanzania Social Action Fund, Romania Social Development Fund, Sri Lanka Village Self-help Learning Initiative, Nigeria Local Empowerment and Environmental Management Project, Yemen Social Fund for Development, and the St. Lucia Poverty Reduction Fund. This handbook is envisaged as a living document. It will be updated and changed periodically reflecting the experiences of community-driven projects and task teams.

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I. OVERVIEW

1. Background

Over the past few years, the World Bank has begun supporting a new breed of participatory, demand responsive projects. These projects aim to achieve sustainability of services at the local level by incorporating institutional mechanisms that ensure community control of decisions and resources during all stages of the subproject cycle. These projects can be broadly classified as local infrastructure (e.g., schools, health centers, water supply and sanitation, electrification, local roads, small bridges), social services (e.g., day care centers, orphanages, schools, health posts) and productive subprojects (e.g., small-scale community agro-processing, communal tractors, minor irrigation schemes).

This handbook for practitioners focuses on the design of programs providing direct financing to communities. It describes one particular set of arrangements — those where the responsibilities for managing financial resources and contracting service providers is vested in community organizations or committees. Given the varying governance structures between countries (as well as the different types of community institutions and capacities even within one country), project design must be context specific. However, some basic principles and lessons learned from relevant projects may be of value.

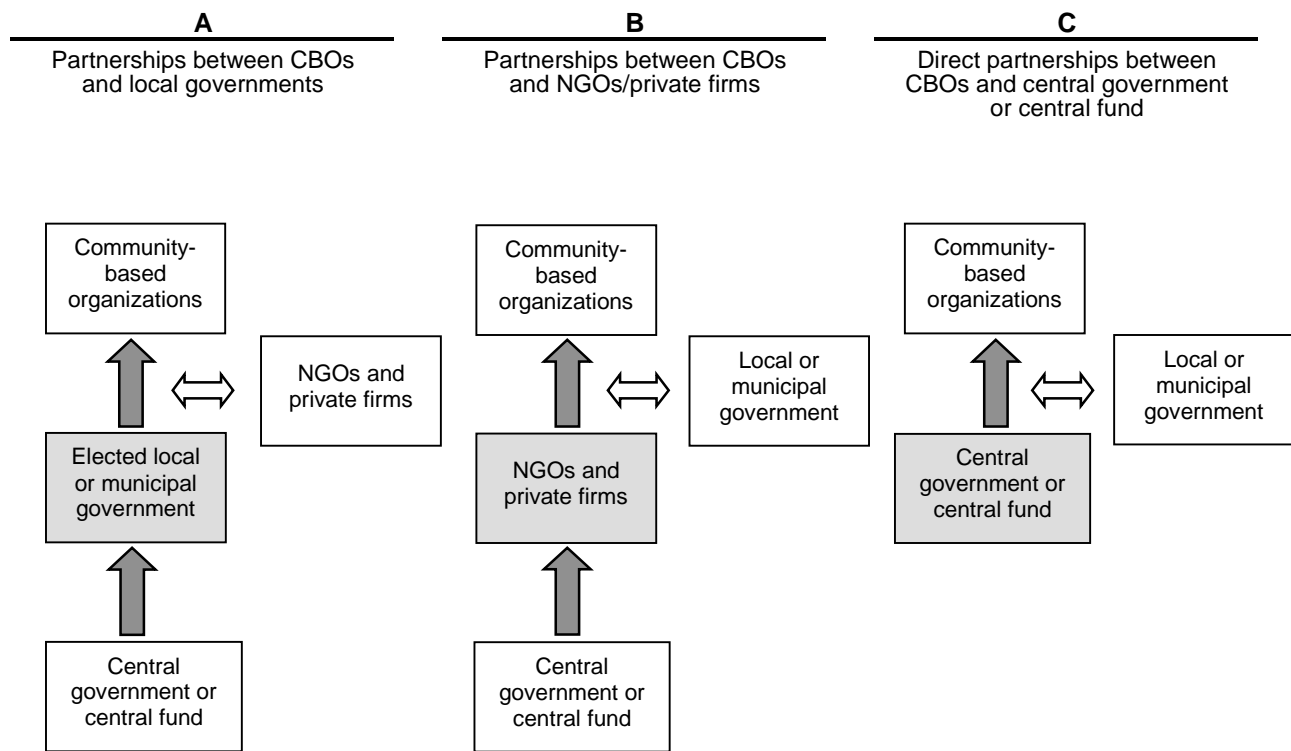
The handbook is divided into three main sections. Key guiding principles and definitions of the direct financing approach are presented in the first section. The second part provides guidance on overall project design — beneficiary consultation, criteria for project appraisal, designing the operational manual, etc. The final section provides descriptions of activities to be undertaken at each stage of the subproject cycle: preparation of the community proposal, appraisal and approval, subproject implementation, monitoring and evaluation, and completion of the subproject. The handbook also identifies key tools and resources that can be used at each stage.

2. What is direct financing of communities?

Direct financing of communities is a process by which a funding agency (e.g., social fund, sector line agency, or local government) provides funds directly to communities responsible for managing the implementation of subprojects. A community includes groups of individuals living in close proximity to each other and/or other social groups, grassroots entrepreneurs, or associations able to identify a need and come together to access project funds. The size of the community varies depending on the type of subproject and includes people from all areas that make direct use of the subproject. The community is usually represented by some form of community-based organization or local project committee. Therefore it is not the “community” per se that enters into a contract with the funding agency, but the group representing that community.

Governments may use a range of institutional options to support and provide funding to community-based organizations — including local or municipal government, the private sector, civil society, and central government or central funds. While there are many

variations regarding the exact role of each player and fund flows, support to communities can be mapped using the broad description below:¹



Note: In each diagram, the flow of funds is represented by shaded arrows, with the primary Funding Agency shown shaded.

As noted above, this handbook focuses primarily on the partnership between the funding agency and the community. In this model, communities receive funds directly from a funding agency (central government, elected local government, or nongovernmental organization [NGO]), procure materials, hire contractors and consultants/technical experts, employ labor (skilled and unskilled), and ultimately manage the overall implementation of the subproject. The handbook provides a basic framework for designing and implementing a project through direct financing of communities. More specifically, it discusses the activities to be carried out at each stage of the project cycle, as well as provides a description of the various types of procurement and disbursement methods that can be used for such projects.

It is important to note that this handbook is intended to complement “Community-Based Contracting: A Review of Stakeholder Experiences,” which is a synthesis of lessons learned from projects that have used this approach. This handbook attempts to answer many of the questions that arose after the community-based contracting paper’s publication, and to provide step-by-step guidance on the design and implementation of these types of projects.

¹ Community Driven Development, Sourcebook for Poverty Reduction Strategy Paper. 2001

3. Role of the Funding Agency

When communities are responsible for implementing subprojects, the role of the funding agency changes significantly *vis-à-vis* the beneficiaries; it becomes a facilitator providing not just funds but also technical support and guidance to the community throughout the project cycle². Communities remain firmly in the driver's seat, making decisions, administering funds, and managing implementation. Activities undertaken by the funding agency may include:

- Preparation phase: The funding agency develops an information and education campaign to provide key messages to communities and other stakeholders throughout the implementation process. (Key messages include information about the project, rules of the game, technical options, technical advice to communities on managing construction, recurrent costs, maintenance, etc.);
- Facilitation: The funding agency employs teams of field workers or contracts the services of NGOs who facilitate the local planning process and promote community access to information and resources.
- The subproject appraisal: Appraisal of community subprojects is carried out at two levels: desk and field. The desk appraisal involves a basic review of the community application to ensure that it is in line with the scope and objectives of the project, and that it meets the guidelines and criteria set out by the funding agency. The field appraisal involves assessing the technical, social, and environmental aspects of the proposed subproject, as well as the “readiness” of the community to implement it. This would also include assessing the community's ability to account for and report on the subproject funds. Appraisal of subprojects must be done using objective and transparent criteria.
- Financing: Once a subproject application is approved, the funding agency enters into a contract (financing agreement) with the community. Usually the community is responsible for all aspects of subproject implementation, including procuring goods, hiring contractors, overseeing construction, and, as necessary, hiring technical experts/consultants to assist in these activities. Funds to the community are released on a tranche basis and depend on the size of the grant, length of implementation period, and capacity of the community.
- Implementation: The funding agency trains communities in all aspects of subproject implementation, including accounting and bookkeeping, procuring labor and materials, operation and maintenance, and ensuring transparency and instilling accountability in the activities of the community project management committee.
- Monitoring and evaluation: The funding agency develops a monitoring and evaluation plan and completes participatory financial audits of community accounts to ensure proper usage of funds, transparency, and accountability. It also

² It must be noted that a funding agency may decide to contract NGOs or other organizations to carry out some or all of these tasks. However, for the purposes of this paper when we refer to “funding agency” we mean the organization that provides the funds as well as support to the community throughout the implementation process.

performs technical audits to ensure subproject quality, carries out systematic beneficiary assessments to gather feedback and monitor levels of beneficiary satisfaction with the subproject, ensures that the community develops its own monitoring and evaluation plan, and monitors day-to-day progress.

4. Institutional Arrangements

Support to communities throughout the implementation process can be provided by a number of actors (e.g., funding agency, district technical teams, NGOs). However, it is important to define the institutional arrangements from the start, taking into account the institutions to be involved, activities to be undertaken by each, and functional linkages (their relationship to the community as well as to the funding agency support structure to the communities). What follows is a description of these arrangements.

INSTITUTIONAL ARRANGEMENTS AND ACTIVITIES FOR STAKEHOLDERS

| KEY CYCLE STAGE | INSTITUTION AND ACTIVITIES UNDERTAKEN | | | |
|--------------------|---|---|--|--|
| | Community | Implementing Entity (Project Management Committee) | Local Government (if it is not the funding agency) | Funding Agency |
| Preparation | Identify and prioritise needs Elect project management committee | Plan project and prepare application including maintenance plan | Raise awareness among local leaders/communities Assist community with preparing project | Develop overall information and education campaign targeting key stakeholders including contractors/suppliers and local leaders |
| | Agree on community contribution and project plans | Develop community contribution plan | Agree on local govt. contribution and maintenance plan | Develop annual program of support to communities Develop procedures and policies for implementation of subprojects |
| | Confirm understanding of project costs/benefits | Submit application for funding | Conduct desk appraisal/Coordinate with local development plans | Facilitate technical review of subproject proposals (desk/field) |
| | Participate in field appraisal | Present project plan at field appraisal | Participate in field appraisal Approve subproject proposal | Final approval of subproject proposal |
| | Implementation | Mobilize community contribution | Monitor community contribution | Provide capacity building and training for community/local leaders |
| | Attend project launch ceremony | Organize project launch ceremony Sign financing agreement | Participate in project launch ceremony | Sign financing agreement |
| | Attend subproject meetings. Monitor project mgmt. committee Monitor subproject implementation | Manage and supervise project implementation | Train project management committee members | Facilitate procurement of goods/services at community level (maintain unit cost database, list of pre-qualified contractors, develop standard designs) |
| | Monitor accounting of subproject funds | | Monitor project implementation | Verify subproject expenditures |

| KEY CYCLE STAGE | INSTITUTION AND ACTIVITIES UNDERTAKEN | | | |
|-------------------|---|---|--|--|
| | Community | Implementing Entity (Project Management Committee) | Local Government (if it is not the funding agency) | Funding Agency |
| | Monitor procurement of materials/services Ensure that audits (internal/external) are conducted | Handle accounting of subproject funds Engage auditors (internal or external) for audit review of financial reports | Provide technical supervision | Facilitate timely financial disbursements to communities Provide/Coordinate technical supervision visits Oversee procurement of materials/services |
| | | Procure materials/services | Resolve conflicts as necessary | Monitor operations against targets |
| | | Contract independent technical supervision | Foster effective working relationship between communities and local level institutions | Appraise and monitor subprojects/review progress reports |
| | | Contract labor (skilled and unskilled) | | Carry out internal audits/contract external audits |
| | | Report to community, local government, and funding agency | | Up date relevant implementation manuals |
| | | Day to day monitoring of project implementation | | |
| Completion | Agree on maintenance plan and fees | Put in place maintenance plan and fees | Ensure implementation of maintenance plan and fees | Ensure implementation of maintenance plan and fees |
| | Attend inauguration ceremony | Organize inauguration ceremony | Certify completed projects | Certification of completed project |
| | Maintain project assets after completion (ensure maintenance committee/fund is in place) | Sign off on completed projects | Sign off on completed projects | Sign off on completed projects Ensure maintenance committee/fund is in place) |

II. OVERALL PROJECT DESIGN: MAIN STEPS

This section describes some of the key issues that need to be addressed during the design phase of the overall project.

1. Identifying Experience with Community-Managed Projects

A beneficiary consultation during the design phase of a community driven development project provides a wealth of useful information. Such information includes social networks and community values, organizational and decision-making dynamics within the community, and existing community organizations, as well as views of outside actors such as NGOs and local government units (and the role they play within the community). The design of projects with direct financing should also benefit from detailed knowledge of how communities in the target areas manage their own development. Issues to be considered in the assessment include:

- Past experience with community-managed projects (what has worked? what has not and why?);
- How have community assets been operated and maintained?
- How are community funds (own or from external sources) managed and accounts kept?
- What accountability/transparency measures are there at the community level?
- How does the community contribute labor, cash, and materials?
- Do they have experience with hiring and managing contractors?
- Audit reports of previous projects, if conducted, may provide valuable information, and lessons learnt may be addressed in the new project.

This information can allow task teams to better design implementation arrangements for the project, and to put in place adequate training and capacity building efforts to meet the needs of the potential beneficiaries. Policy and Human Resource Development (PHRD) and other project preparation funds can be used to finance an in-depth participatory assessment of the target beneficiaries during project preparation.

Tool

The Nigeria Local Empowerment and Environmental Management Project developed Terms of Reference for a comprehensive beneficiary consultation that looked at these issues. See Annex 1.

2. Appraising the Project

As with all other aspects of project design, the Project Appraisal Document must provide an accurate reflection of the project's fiduciary arrangements. Such arrangements for community-driven development projects must be guided by the principles of simplicity, efficiency, transparency, accountability, sustainability, and cost-effectiveness. Similarly, procurement procedures should be fair, transparent, and efficient. Such procedures for financing of community subprojects are generally governed by Paragraph 3.15 of the Bank's Procurement Guidelines, which allows for flexible procurement arrangements³.

Procurement arrangements must be clearly articulated in the Project Appraisal Document and in the project operational manual. Communities, too, must have a clear understanding of the principles and procedures of efficient procurement. (See Box 1, What Communities Need to Know about Procurement.) Because it is difficult to determine up front what communities will need to procure, the Project Appraisal Document/Development Credit Agreement should refer to (i) "grants of subprojects" instead of the standard goods/works/services in the description of procurement arrangements and disbursement categories, and (ii) instead of a procurement plan, a methodology for procurement should be described in the project operational manual. In the same way, the legal agreement must clearly document the criteria for financing subprojects such that it is obvious what expenditures are eligible under the Grants category.

It must be noted that the above only applies to the category for subprojects (funds managed at the community level). For operational costs of the funding agency — items such as computers, vehicles, etc.— a standard procurement plan must be developed.⁴

A common mistake made when describing procurement/disbursement procedures for the funding agency is including general rules for procurement copied directly from the Bank's Procurement Guidelines. The methodology described in the operational manual must be context specific and an accurate reflection of what is possible to implement in the country.

Prior and Ex-Post Review Thresholds. Prior review thresholds for financing community subprojects must be set at levels corresponding to the expected contract amounts or the fixed price or lump-sum financing agreement, and should aim at reviewing only the larger contracts. Post review is made on a sample basis.

³ Provision 3.15 reads "Where in the interest of project sustainability or to achieve certain specific social objectives of the project, it is desirable in selected project components to (i) call for the participation of local communities and/or non-governmental organizations (NGOs), or (ii) increase the utilization of local know-how and materials, or (iii) employ labor intensive and other appropriate technologies, the procurement procedures, specifications, and contract packaging shall be suitably adapted to reflect these considerations, provided they are efficient. The procedures proposed shall be outlined in the Staff Appraisal Report, the President's Report, and the Loan Agreement."

⁴ Electronic communication: Mr. Jean-Jacques Raoul, Manager, OCSPP, Oct. 14, 2000

Legalization of the Community Group. Although the Bank does not require legalization of the community group, local laws and regulations may require that in order to receive public funds a community group must be registered as an independent entity. The benefits and risks of registration should be assessed when designing/negotiating the overall project. Registered community groups may have more legal rights and may be able to more easily enter into contracts, take legal action, open their own bank accounts, and own assets created by the project. On the other hand, legal registration could take significant time and effort. If communities are familiar with working together in an informal manner, imposing registration may be neither necessary nor culturally appropriate. (See Legalization of the Project Management Committee in Section III for a more detailed discussion of procedures required for registering community groups.)

Tools

For more information on financial management, procurement, and disbursement arrangements, please see Fiduciary Management for Community Driven Development Projects. Interim Reference Guide. <http://opcs/P/ppp3.html>

Jorge Cavero's paper, "Guide for Task Teams on Procurement Procedures Used in Social Funds," is available from the Social Protection Advisory Service.

www.worldbank.org/sp

Box 1
What Communities Need to Know about Procurement

- Communities are responsible for procuring goods related to the subproject. They will receive guidance and support from the funding agency.
- Communities should understand their responsibility to provide their contribution on time.
- Form a procurement committee (usually about four people).
- Plan what needs to be procured. Develop procurement plan for the entire subproject (what is to be purchased, when it is to be done, and by whom).
- Follow the schedule of materials in order to develop a procurement plan.
- Plan shopping trips in advance.
- Include transport costs for transporting materials when pricing the materials (it may be cheaper to buy from a local supplier).
- Always try to get the best prices and best value for the money. Getting at least three quotations allows you to compare and choose the best quality for the price.
- Make sure that you have all the materials needed for each phase of construction.
- Get input from the project technical supervisor before using alternate materials from those listed on the schedule.
- Get receipts from vendors for all purchased goods.

3. Developing an Operational Manual

The next step is to develop an operational manual for the project/funding agency. The operational manual should be prepared at the preparation stage of the project and finalized by appraisal. The operational manual is a key document that describes the procedures to be used to prepare and implement subprojects financed by the funding agency. The main reason for needing an operational manual is that in a demand-driven mechanism, specific investments are not identified up front. An operational manual therefore provides all the guidelines that will be used in preparing, screening, and implementing subprojects.

The operational manual is also a focal point of bank approval, to assess, among other things, the adequacy of the framework for community-driven investments and the procedures to be used. The operational manual of a project must provide guidelines for subproject implementation and indicate clearly the steps/activities in the subproject cycle, persons responsible, and time line for completion of each activity. In addition, handbooks may be developed on key issues such as financial management, procurement and disbursement, Management Information Systems, etc., which provide more detailed information on these various aspects. It is important that the operational manual reflect

the fund flow as well as procurement arrangements and thresholds established in the Project Appraisal Document/Development Credit Agreement.

Tool

“Operating Instructions Included: A Review of Social Investment Fund Operations Manuals” by Juliana Weissman , available from Social Protection Advisory Service, at www.worldbank.org/sp proposes a set of guidelines for addressing core issues in the preparation of social fund operations manuals.

4. Developing a Community Handbook

In addition to the operational manual, which is targeted to staff of the funding agency, developing a handbook for communities describing the various stages of implementation and activities to be undertaken by the community at each stage can be a very useful tool. The community handbook must target both the community project management committee (i.e., implementation and reporting issues) and the larger community (monitoring and sustainability issues). The handbook must be written in simple language and use illustrations to facilitate easy access by the community. (Box 2 provides a description of what needs to be included in the community handbook.)

Box 2

What needs to be included in a community handbook?

- Identifying the main stakeholders of the community subproject and their roles
- Organizing the project management committee
- Procurement and disbursement procedures
- Operating the project bank account
- Understanding the project budget
- Maintaining project accounts
- Audits (technical and financial)
- Planning implementation of the subproject (steps)
- Assessing environmental impacts/mitigation measures
- Managing project labor
- Transportation
- Storage of materials
- Completing project reports (financial and physical progress reports)
- Legal implications
- Project cancellation
- Developing a maintenance plan
- Forming a maintenance committee
- Completion of the subproject

**Figure 1
SUBPROJECT CYCLE**

Preparation

Funding Agency:

- Informs stakeholders
- Facilitates communities
- Assesses capacity of communities
- Develops simple technical designs
- Appraises subproject (Desk/Field)

Community:

- Elects Project Management Committee
- Prepares/submits subproject application and budget

Approval and Launch

Funding Agency:

- Trains community
- Prepares financing agreement
- Hands over first check at launch

Community:

- Mobilizes community contribution
- Plans launch ceremony
- Signs Financial Agreement

Implementation

Funding Agency:

- Provides technical support
- Oversees implementation/financial management

Community:

- Procures materials and services
- Supervises construction
- Manages labor contribution
- Prepares progress reports
- Manages funds

Monitoring and Evaluation

Funding Agency:

- Releases funds
- Conducts participatory technical/financial audits
- Beneficiary assessments

Community:

- Develops own indicators/M&E plan
- Provides day-to-day oversight
- Conducts audits

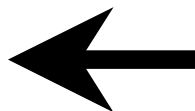
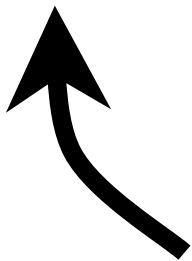
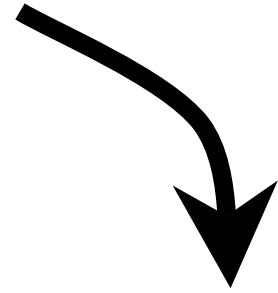
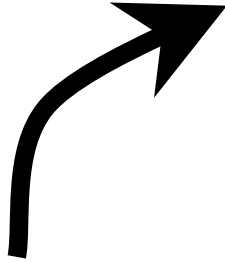
Completion

Funding Agency:

- Conducts completion assessment
- Provides completion certificate

Community:

- Takes over operation and maintenance of asset



III. PREPARATION OF COMMUNITY SUBPROJECTS

1. Designing the Subproject Cycle

One way of organizing the operational manual is to follow the logical sequence of the project cycle, explaining key processes and procedures to be followed by the funding agency, its partner organizations, and the community at each stage of the cycle. Community-driven approaches suggest that community participation should be sought at every stage of the subproject cycle — from needs identification and prioritization, preparation, appraisal (desk and field), implementation, supervision, monitoring, and evaluation all the way to completion. Activities to be undertaken by each of the stakeholders and the timeline for completing the steps in the subproject cycle must be determined by the funding agency. These should be based on the general capacity of targeted communities and the capacity of the funding agency to oversee overall implementation of the project.

2. Informing Stakeholders

In order to promote successful project management by communities, several specific interventions must be planned throughout the project cycle to raise community awareness, and to provide communities with the necessary training and guidance — including regarding program rules.

An Information, Education, and Communication strategy plays an important role in projects with high levels of community participation. Such a campaign seeks to provide equal access to information about the project — key design principles, participatory planning processes, subproject menu, criteria for funding, etc. — to all stakeholders, including communities, local government functionaries, politicians, contractors, suppliers, NGOs, etc. This will ensure transparent functioning of the project.

Finding the most appropriate medium for reaching target audiences can sometimes be difficult, and the beneficiary assessment is a useful tool for getting information on methods of communication used by relevant stakeholders. In the same way, a variety of messages need to be developed taking into account the different capacities that exist at the community level. For example, town criers, songs, and plays may be more appropriate for poorer communities where the majority is not able to read and write.

The Malawi Social Action Fund has designed an information, education and communication strategy that communicates messages to all stakeholders throughout the subproject cycle by using radio plays, television dramas, community theater groups, etc. In addition to providing general information about the project, specific messages are developed to guide communities on the importance of transparency and accountability at the community level, how to manage a contractor, how to follow procurement procedures, etc. Messages aimed at suppliers/contractors/NGOs inform them how to interact with communities in a manner ensuring transparency and accountability.

As part of the information, education and communication campaign, the funding agency must develop information kits and distribute them to all communities interested in applying for funding. The kit provides communities with all necessary information for working with the funding agency — relevant information about project procedures, community application forms, guidelines that describe the types of acceptable subprojects, subproject selection criteria, registration forms for committees, etc. The kit and the handbook should be easily accessible to communities and can be made available through the local government offices, relevant ministries, NGOs, and other facilitators. As much as possible, information provided must be in the local languages and use easy to understand examples.

Tool

The Role of Information, Education and Communication in the Malawi Social Action Fund: Social Funds Innovations Update. Vol.1 No.3 December 31, 2001
Please see social funds web site at www.worldbank.org/sp click on social funds.

3. Facilitating Communities

Facilitation and social mobilization needs may differ from subproject to subproject, and also from community to community. For example, a community requiring funds to build a simple trench may require much less facilitation than a water supply project. In the same way, some sectoral projects (e.g., rural water supply and sanitation) prefer to select communities up front and provide intensive facilitation before subproject implementation. For other types of projects, such as education/health, mobilization of the community is done once a community has identified a priority, submitted an application, and received initial funding. Yet in others, particularly when trying to target very poor communities with little capacity, up front facilitation may be provided to help the community identify priorities and prepare a proposal. The information obtained at this stage feeds into the capacity assessment, taking into account their needs for technical assistance from preparation to implementation stages.

One of the main objectives of the facilitation process is to ensure that all community members, including women and marginalized groups, have been consulted. Facilitators use a variety of participatory techniques to mobilize the community, help them identify and prioritize needs, and develop a comprehensive plan for mitigating identified problems. Facilitators can comprise a range of actors, including NGOs that work closely with the community, staff or consultants working for central or local government, and/or community leaders who have been trained by the project.

Depending on the context, the process can last anywhere from one week to several months and may result in a community development agenda. During this process, communities — together with community leaders and facilitators — provide concrete suggestions as to how the problems in their community can be overcome and how much financial and non-financial support they will require. The participatory process ensures that dissenting voices are heard and that consensus is built around the plan.

Tool

The Romania Social Development Fund (RSDF) has developed a comprehensive facilitation strategy for targeting the poorest districts/communities. The strategy described in the RSDF operational manual also includes indicators to measure the performance of the facilitation process. Available from the social fund web site. www.worldbank.org/sp click on social funds.

4. Assessing the Capacity of Communities

A simple capacity assessment of sample communities in the target areas allows the funding agency to understand the strengths and weaknesses of the intended beneficiaries and to design a suitable training program for them. The assessment may constitute a simple set of questions included in the subproject application form about technical capacity⁵ (literacy rates, bookkeeping skills, carpenters, masons, etc.) available in the community. If the proposal is funded, the funding agency field officer working with the community can use this information to determine what types of training/skill building will be needed. The funding agency may also develop varying levels of training packages and, based on the level of skills available at the community, determine which level of training package to implement, i.e., a community with weak capacity may receive an in-depth training package lasting several weeks.

The capacity assessment also allows the funding agency to put-in-place mechanisms to address identified capacity gaps in the community. For example, if the community lacks necessary accounting skills, the Romania Social Development Fund allows it to hire a qualified accountant on a part-time basis using project funds. The accountant answers to the elected treasurer/project management committee, which is accountable to the community and to the funding agency.

In the Malawi Social Action Fund, if the elected treasurer cannot read or write, the project allows the community to hire a literate person from the community such as a student to keep subproject accounts. Again, the accounts keeper answers to the elected treasurer and project management committee.

5. Electing the Project Management Committee

Often there are several community organizations and committees operating at the community level, and sometimes there is conflict and tension among these various groups. Programs can either work with existing organizations or help form new groups and committees. This decision needs to be context-specific, ideally decided by the community itself, (if appropriate) with the help of a facilitator, and (if possible) through a process involving a general community assembly.

⁵Technical capacity at the community level does not include technical skills necessary for design of infrastructure projects, which are usually outsourced by the funding agency.

The project management committee must be elected by the community. This must be done at a formal meeting with the majority of the adults in the community present. (Minutes of this meeting with signatures/thumbprints of all those present must be attached to the subproject proposal submitted to the funding agency.) Positions in the project management committee should include a chairperson, vice chairperson, treasurer, financial secretary, secretary, and assistant secretary. The composition of the committee must be standard in all communities undertaking direct financing. The functions of the committee must include, but not be limited to, overseeing implementation of subprojects, mobilizing community members, collecting community contributions, and reporting (financial and physical progress). The officials elected to the project management committee must be fully aware of their functions and responsibilities for subprojects financed under the project.

Unless there are specific mechanisms put in place to ensure that membership in the project management committee is representative, it is possible that it becomes exclusive to one sex, caste, ethnic or religious group. Some projects have addressed this by assigning quotas for the number of women to be included on the committee, for example.

6. Legalization of the Project Management Committee

Although the Bank does not require legalization of the community group, local laws and regulations may require that in order to receive public funds a community group must be legalized as an independent entity. The benefits and risks of registration should be assessed when designing/negotiating the overall project.

Usually, legalization of the community group is a simple procedure and involves registering the committee with the relevant government authority. For example, in the Ethiopia Social Development Fund, minutes of the meeting reporting the formation of a user committee are sufficient for gaining legal status, opening a bank account in the name of the committee, and becoming eligible to receive public funds. In Romania, the law passed to establish the Romania Social Development Fund states that if a community elects a project management committee, and the committee registers with the mayor's office, the project management committee has legal status in relation to the social fund. Or, in Peru, the law creating the Peruvian Social Fund confers legal status on local project committees created to implement subprojects and enter into contracts with FONCODES, so each individual committee does not have to go through the legal process. The local country laws, customs must be taken into account when determining if the group/project management committee is to be registered.

7. Preparing and Submitting the Subproject Application and Budget

The project management committee plans the subproject in consultation with the community. The facilitator should provide guidance on procedures and proposal writing and ensure that there is full community participation in the process. The plan or proposal must address issues of: subproject components, subproject site, community contribution, size of subproject, long-term commitment to maintenance, environmental impact, etc.

The application also includes a budget for the subproject that needs to be completed by the community with assistance, if necessary, from the facilitator. A sample budget must be included in the information kit and provide the project management committee with information on basic line items (cost of materials, labor, travel, transportation, administration, etc.) that need to be included. The plan and budget must be simple and self-explanatory. In some cases the budget may be developed by the funding agency based on standard unit costs. But in such cases, the budget must be discussed and agreed with the community/project management committee.

Once endorsed by the community, the project management committee will formally submit the application to the funding agency. Two copies of the application must be completed. One copy will be submitted to the funding agency while the other copy will be kept by the community. If necessary, additional copies may be provided to relevant ministries or local government departments.

Tool

Please see Annex 2 for sample subproject application forms.

8. Appraising the Community Subproject (Desk and Field Appraisal)

Appraisal — desk and field — of the community application is conducted by the funding agency. Some appraisal criteria are generic while others are sector-specific, because some sectors need to take into account unique environmental or institutional issues to ensure lasting operation and maintenance. For example, the Honduras Social Fund has a sector-specific tool to appraise water and sanitation subprojects to make sure that it supports only subprojects that have been well prepared from a sustainability point of view (i.e., sufficient tariffs to pay recurrent operation and maintenance costs, tariff collection system, water source protection, quality of technical design, etc.)

a. Desk Appraisal

The purpose of the desk appraisal is first to determine whether all relevant information requested by the funding agency regarding the subproject has been provided by the community. The desk appraisal may be conducted by the funding agency staff or by contracted consultants, with active participation of ministry line agency or local

government staff depending on the institutional arrangements within a particular program. The community application or proposal must meet transparent criteria that is known to the community and that limits the discretionary power of the funding agency. Some sample criteria:

- Is the application consistent with the funding agency objectives?
- Is there a need for the type of subproject requested?
- Is the community committed to the subproject? Have any community contributions been collected? What has the community already done to solve the problem?
- Is there evidence that the majority of adults in the community participated in the application process? (Minutes of meetings may be submitted.)
- Is there a plan for maintenance and upkeep of the assets? (Has the community done anything to maintain already existing community assets? Or taken actions to mitigate natural resource degradation?)
- Will the subproject benefit the poor and vulnerable? (Compare the cost to the likely benefits and the likely beneficiaries.)
- Does the subproject require an environmental impact assessment?
- If it has been classified as “A” or “B,” has an environmental impact assessment been done? Is there a timetable for doing the environmental assessment? Have mitigation measures been identified? (If it is a category “A,” funding agency support may be accessed.)

Once the proposal passes desk appraisal, the community is notified and a date is set to conduct the field appraisal.

b. Field Appraisal

The field appraisal is carried out to check the information contained in the application and confirm the community’s commitment to the activity. The field appraisal is conducted by the funding agency technical staff, line agency personnel, and/or local government staff, with participation from all relevant stakeholders such as community members, community leaders, NGOs, etc. The appraisal has two parts, social and technical, and should be done using a transparent scoring procedure to assess the following:

Social

- Did the community participate fully in needs identification? Is this a priority for the entire community?
- Were women and vulnerable groups sufficiently involved in the decisionmaking process?
- Was the project management committee popularly elected?
- Has the project management committee been registered?
- Has a suitable commercial bank been identified for the subproject checking account?

- What additional training does the community/project management committee need to carry out the assigned tasks?
- Does the community understand and agree to mobilize the community contribution?
- Has the community agreed on an acceptable plan for settling disputes and has it identified a suitable local arbitrator?

Technical

- Is the subproject technically viable?
- Are the cost estimates accurate?
- Is the selected site technically viable and socially acceptable?
- Is there a realistic maintenance plan?
- What is the environmental impact of the subproject?
- Have appropriate steps been taken to mitigate negative environmental impacts?

Tool

Please see Annex 3 for Desk and Field Appraisal Forms and Annex 4 for Environmental Checklist for Public Buildings developed by the Tanzania Social Action Fund.

In addition to poverty indicators, the funding agency may also establish weights for scoring appraisal criteria for each type of intervention. The indicators/weights described below were developed by the Romania Social Development Fund.

| Criteria | Weight (small infrastructure) |
|---|--|
| 1. Technical quality | 15 |
| 2. Economic and financial soundness | 10 |
| 3. Expected benefits | 10 |
| 4. Implementation capacity of community | 20 |
| 5. Beneficiary participation | 10 |
| 6. Sustainability | 25 |
| 7. Environmental sustainability | 10 |

Subproject costing: — On the basis of information gathered during the field appraisal it will be possible for funding agency staff to verify the cost of each component against standards for materials, labor, transport, and other costs. Bills of quantities with costs and drawings for each component must be completed after the field appraisal.

Tool

Please see Annex 5 sample Standard Material Schedule and Cost Summary.

IV. APPROVAL AND LAUNCH OF THE SUBPROJECT

Once a proposal has been approved for funding, the funding agency will prepare an approval letter that will be sent to the project management committee chairperson. The letter will specify the steps that must be taken by the community before the start of subproject implementation. These include:

- Training for the project management committee.
- Opening a checking account in the name of the project management committee with at least three signatories.
- Mobilizing community contributions. Part of the community contribution can be collected before external funding begins (contributions can be in the form of materials, cash, and/or labor for the clearing of a site, for example).
- Planning the subproject launch ceremony.

1. Training the Project Management Committee

The funding agency will provide training in all aspects of subproject implementation to the project management committee. Specifically, training will cover such aspects as, procurement methods and rules; contracting issues including hiring transport, contractors and labor; safe storage of materials; procedures for assessing environmental impacts; bookkeeping; operating a bank account; recording minutes of meetings; and reporting. It must also cover issues having to do with transparency and involvement of the greater community. The length of the training will depend on the capacity of the community and how much training is needed.

A suitable training package can be developed either by the funding agency or can be contracted to a local NGO familiar with funding agency objectives and local conditions.

2. Opening a Bank Account

Once the community has sufficient knowledge of formal banking procedures, the funding agency may provide a bank introduction letter to help facilitate the community's interaction with the formal banking sector. This letter will introduce the funding agency as well as the project management committee to the bank chosen by the community. It will inform the bank that the community subproject has been approved for project funding and request their assistance in establishing the subproject checking account. It must be noted that only one community bank account should be opened per subproject.

The account should be jointly operated by at least three elected signatories from the project management committee. This gives the community direct control over the signatories as well as the account. In order to monitor the community account, some projects include the name of a project staff member as a signatory. However, it must then stipulate that the staff member's signature is required only to withdraw a very large sum of money and not to conduct day-to-day transactions related to the community subproject.

Despite having to travel great distances to open and operate a bank account, community members still prefer to manage their own funds. Furthermore, once the account has been opened, the use of checks eliminates the need for travel to and from the Bank.

It must be noted that not all projects require community groups to open bank accounts. Vouchers (i.e., payment promise notes) issued by the funding agency or central-level transit accounts can be used in situations where local banking branch networks are underdeveloped, or where the banking system is distrusted by communities. Depending on the size of the project and the amounts concerned, the funding agency may also explore informal methods used by the community to administer funds. Informal methods may, however, increase the risk to the “keepers” of the funds as well as encourage mismanagement unless clear and transparent rules are in place.

Tool

Please see Annex 6 sample bank introduction letter from the Malawi Social Action Fund.

3. Mobilizing Community Contributions

Communities can provide contributions in kind (sand, bricks), cash, or labor. The community must decide who should contribute, how, and when. In order to ensure smooth implementation of the subproject, it is important that community contributions are managed properly and are made available on time. If the contribution is in kind, it is necessary to establish how it will be valued. At the level of the funding agency, it is best if the evaluation is done using an output based (e.g., land is cleared) rather than an input-based (e.g., number of days of labor) approach, because measuring the latter becomes quite difficult. At the level of the community, the accounting for the beneficiary contributions may need to be based on inputs (e.g., man-days of labor) or agreed unit costs of work done (e.g., per kilometer of drain dug up) to provide a realistic value of the expenditure incurred.

Communities need to maintain meticulous accounts (register) to record cash contributions (if any) and issue receipts (pre-numbered) for the cash received. Cash collections should be deposited in the community bank account as soon as possible.

4. Preparing the Subproject Financing Agreement

The financing agreement represents the contract between the funding agency and the community and is a complete statement of the obligations and responsibilities of the parties to the contract. It includes the estimated amount that the funding agency has agreed to contribute, and provides a detailed description of the key activities undertaken by the different parties, as well as a time line of when activities are to be completed. The financing agreement is signed by the community representatives and the funding agency staff.

The funding agency contribution should ideally be a lump-sum contribution for specified deliverables, and must indicate payment terms/tranches. A tranche is released when a specific milestone is reached and can be disbursed against progress reports/certificates. The funding agency contribution must be set so that shortfalls in the budget can only be met by increasing community contributions or reducing subproject scope. A contingency amount is set so that small unforeseen modifications can be taken into account. However, when there are savings at the end of the project, it is best to allow communities to use these funds to increase the scope of the subproject without having to undergo a process of formal approval. Allowing communities to keep the savings promotes cost efficiency and provides an incentive for communities to negotiate better contracts and prices.

It is essential that the contract be kept as simple as possible and be easy to understand. Before the financing agreement is signed, it must be explained to and understood by the community members. The financing agreement forms the contract or the basis of payment to the community.

The agreement should specify the following:

- Scope of activities to be covered/time frame
- Amount of funding
- Legal status of the community
- Estimated amount and timeline for community contributions
- Reporting requirements (financial/physical)
- Funding agency's (or representatives of the agency's) right to inspect the site, work, materials, relevant records, and documents
- Terms and conditions of payments (for lump-sum payments – a set amount will be paid to the community based on output)
- Financial management requirements
- Payment schedules (linked to activity schedules under the lump-sum contracting arrangements)
- Statement that if the financing is on a lump-sum basis, the community accepts the responsibility for the agreed-on output, bearing the cost of overruns and accounting for the use of any surplus;
- Simple procurement plan
- Roles and responsibilities of all parties
- Dispute resolution process
- Remedial actions, sanctions
- Funding agency's right to suspend or terminate the use of funds allocated to the subproject in cases of negligence and mismanagement
- Funding agency's right to review whether possible environmental impacts have been assessed, whether an environmental impact assessment has been carried out where necessary, and to assess the adequacy of mitigation measures proposed before funds are released

- Any attachments, including bills of quantities (for materials, equipment, furniture, administration), material transport cost schedules, labor cost schedule, community contribution cost schedule, basic price list, works schedule
- Clear specification of who owns the infrastructure after completion and which parties are responsible for operation and maintenance and how resources will be mobilized for such activities.

Funding agency field staff working with the community must ensure that the contents of the financing agreement are understood by the project management committee and the community before subproject implementation.

Once the funding agency confirms the community's readiness to carry out the necessary requirements, a launch date is set with the community's input.

Tool
Please see Annex 6 sample Financing Agreement.

5. Holding the Launch Ceremony

Holding a launch ceremony is highly advisable. Because there are often several months between the presentation and approval of a proposal and the initiation of activity at the community level, the launch ceremony provides an opportunity to review implementation arrangements. The launch ceremony is attended by the project management committee, community leaders and the greater community, relevant government officials and funding agency staff. At this ceremony, the funding agency staff should once again review all of the key messages before the entire audience. The community must be made aware that the project management committee is accountable to it. As part of the launch ceremony, the funding agency staff and project management committee members will sign the financing agreement. The community will also be presented with a check for the first tranche of funding. (The check presented here need not be a genuine one; the funds can be transferred from funding agency to the community bank account directly.)

V. IMPLEMENTATION OF THE COMMUNITY SUBPROJECT

In the direct financing model, there are many aspects to be considered during subproject implementation: developing standard technical designs, disbursing to communities, procurement and financial management at the community level; monitoring and evaluation; and reporting by the community.

1. Developing Standard Technical Designs

The use of appropriate simple standard designs helps maintain acceptable technical standards in community-managed projects. In addition to using sectoral ministry standards and designs, input of community members should be sought when developing/refining these models so that use of local materials, technology, and expertise within the community can be maximized. This is important as the infrastructure subprojects to be managed at the community level must be designed so that they are in line with a community's technical, managerial, and financial capacity.

2. Disbursing to Communities

For projects that finance a large number of small projects, the preferred method for financing communities is by using the lump-sum method. Essentially, the community is treated as a contractor and the financing agreement between the funding agency and community is based on a fixed-price or lump-sum. The financing agreement is seen as a contract between the funding agency and the community against which disbursements will be made, usually in tranches and on the basis of physical progress. The review of the subproject focuses on the delivery of the end product described in the financing agreement. Activities at the community level include contributions of labor and/or material, as well as subcontracting and/or procurement of goods and skilled labor. Such subcontracting must comply with the financing agreement, and thus with the procurement procedures and financial management requirements set forth in the project operational manual.

As noted above the lump-sum method is the preferred and most commonly used method for transferring funds to communities. However, it is also possible to finance communities using other methods such as the actual-cost method, whereby communities are financed according to actual costs incurred. The actual-cost method is often used for large value, more technically complex subprojects (e.g., water supply in cities), or when costs are difficult to estimate. It is possible also to use a combination of the two methods depending on the type of subproject to be funded. All disbursement methods to be used by communities must be clearly described in the funding agency's operational manual.

In lump-sum contracts, funds to communities are released in tranches based on physical progress. Each tranche is a percentage of total subproject costs. The initial payment is based on the approved subproject proposal and is made in line with the provisions of the financing agreement. Progress based payments are not considered advances because they are payments made against physical progress.

In lump-sum contracts, subsequent payments are made based on physical progress reports and not on financial progress⁶. Physical progress is certified by an agreed agency (funding agency, local governments, district agencies, local units of the funding agency or third party agencies). Even though release of tranches is not based on financial progress, the project management committee should be required to submit regular (monthly) financial reports in order to demonstrate good accounting practice at the community level. The reports should summarize receipts and expenditures and should be submitted to the funding agency on a monthly basis accompanied by bank statements. In many community-driven development projects, the regular submission of financial statements are monitored by the funding agency and the next tranche of payment is not released (even in lump-sum contracts) until the financial reports are up-to-date. These reports need not necessarily be accompanied by supporting documentation.

3. Procurement at the Community Level

Because funds for implementation of the community subproject are disbursed directly to the community, the project management committee is primarily responsible for procuring materials, transport, and labor. Much of the procurement relating to community-identified subprojects is usually for contracts and materials below US\$_____ (this figure should reflect the threshold amount established in the Project Appraisal Document and the operational manual) and is therefore carried out through direct purchase or local shopping by the communities themselves.

A simple procurement plan for the overall subproject should be developed by the community with help from the funding agency staff. The plan must take into account who will purchase goods, what will be purchased, and how. The plan should be shared with community leaders who will oversee purchases made by the project management committee as well as the community at large.

⁶ In the actual cost method, however, where financing is based on actual expenditures, the utilization of a percentage of the earlier tranche may be adequate to trigger the release of the next instalment.

Box 3
Guidelines for the Procurement Committee

These guidelines were developed by the beneficiary communities of the Sri Lanka Village Self-Help Learning Initiative.

Forming a Procurement Committee

The community/project management committee is responsible for setting up a procurement committee consisting of at least four members (of whom two should be women) for procuring goods and material. The members of the committee should be well-respected members of the community, honest and willing to undertake the responsibility.

The members of the procurement committee should not be related to the chairperson or secretary or treasurer of the project management committee. It is the responsibility of the members of the procurement committee to ensure that procurement principles and guidelines are followed and that all procurement is guided by the principles of economy, efficiency, equal opportunity, and transparency.

Steps that should be taken when procuring goods:

Step 1: Works Subcommittee gives list of required items/supplies based on estimate to Procurement Committee.

Step 2: Procurement committee discusses and prepares a list of materials by quantity and by subproject (Procurement committee meets only if there is a request. All four members must be present)

Step 3: Procurement committee requests quotations from suppliers

Step 4: Quotations are discussed and best quotation is selected based on price and quality.

Step 5: Letter with selected quotation is supplied to management committee ("*mulika*"). All quotations are filed.

Step 6: The procurement committee should keep a log of goods and services procured with the name and address of authorized dealers, consultants, contractors, actual costs, quantity, quality of work, etc.

Step 7: The treasurer gives cash to the procurement committee based on the signature of the chair of the procurement committee. No cash is kept overnight. The treasurer takes the money out of the bank and hands it over to the chair of the procurement committee. The goods are purchased on the same day.

Step 8: Goods are purchased in stages depending on construction needs. Goods are checked for quality and counted before being purchased.

Step 9: Goods are handed over to works sub committee. The subcommittee signs and ensures quantity and quality before taking over the goods.

a. Procuring Materials

All materials required for each subproject are detailed in the bill of quantities attached to the financing agreement. The thresholds for each method of procurement must be established by the funding agency based on local realities.

The community financial records must clearly indicate the exact materials purchased during subproject implementation. The project management committee must balance the need to buy materials in advance so as not to disrupt subproject implementation, but also take into account the need for proper storage of perishable items such as cement. The following methods are frequently used by communities for purchasing materials:

Local shopping: — At least three quotations are obtained from suppliers and the best buy is selected based on cost, quality, availability, and transport costs. Most supplies for community subprojects are procured through local shopping. This method requires that communities obtain three quotations/bids for the purchase of materials in order to compare costs. All pro forma invoices received as a response must be maintained in the community files. Factors such as quality, availability, and transportation costs must be taken into account when comparing costs of potential suppliers. This method may also be used for purchasing materials that communities cannot find within the standard price list. (See Box 4 for a discussion on standard price lists.)

Direct purchase: — Procuring directly from the supplier without getting other quotations when there is only one supplier and/or the amount is small. In order to get the best price possible, communities should check with several sources before purchasing goods. However any supplier is acceptable as long as the price paid is at or below the standard price list effective at the time of purchase. (The unit cost data for the price list will be generated by the Management Information System based on actual prices from subproject expenditure reports, as well as by independent research. The price list will also be used by communities as a guide for procurement and transport of materials, and for hiring vehicles and equipment.)

Force account: — Community implements subproject using its own resources (skilled/unskilled labor, materials, equipment). Communities can also decide to execute part of the subproject using force account (hiring local labor and purchasing construction materials themselves) and subcontract the rest of the work to petty contractors by obtaining three quotations.

b. Procuring Services

Consultant services: — Communities may procure the assistance of NGOs and other consultants to provide technical assistance and help them manage the community project. Procedures put in place must reflect the Bank's Consultant Guidelines. Procedures must ensure competence of the incumbent as well as transparency and simplicity of the process. Clear selection processes must be described in the project operational manual.

Labor: — The needs for skilled labor will be estimated before the start of subproject implementation and included in the subproject financing agreement. The funding agency will provide standard pay rates for labor and these scales should not be exceeded. This information will be periodically updated in the unit cost database. (See Box 4 for a description of a unit cost database.) Communities may decide whether to hire skilled labor for their subproject directly or to hire a contractor who in turn will hire the skilled labor. Regardless of who is hiring the skilled labor, preference must be given first to residents of the subproject community.

Contractors: — In most subprojects the community will hire construction foremen and skilled laborers themselves. If part or all of a subproject is beyond the capacity of the project management committee to manage, a contractor may be hired to manage the

work. The community must advertise through local methods (e.g., fliers, community meetings, local newspapers, advertisements hung in public places, etc.) A community must hire a contractor only after receiving three bids. While a contractor's cost estimates are important elements of the selection criteria, selection should not be based solely on the lowest estimate. A contractor's technical experience must also be a key factor in the selection process. Interviews should be conducted by the project management committee together with village leaders and, if necessary, a representative of the funding agency (i.e., a technical supervisor, for example, who can help the community assess the technical quality of the contractor). Local contractors should be hired whenever possible. (See Box 4 for information on performance and prices.)

Direct contracting: — This method is usually used where only one supplier/contractor is available locally or when the cost of using a competitive process such as local shopping is likely to be much higher relative to the value of the goods procured directly from the available source. (See section on direct purchase above.)

While different options must be available to suit the varying capacities of communities, it is advisable that the community purchase materials. The contract with the contractor, meanwhile, covers labor, the contractor's fee, and specific services such as transport. The services provided by the contractor should be specified by the project management committee and the breakdown of the cost must be given by the contractor. The funding agency should provide communities with simple standard contracts for hiring skilled labor. In all cases where the community hires contractors/suppliers/consultants, simplified bidding/contracting documents should be used.

Tool

For more information on procurement at the community level and sample bidding documents please see Procurement and Financial Procedures Manual for Use by Community-based Organizations available on the procurement website <http://opcs/p/>

c. Storage

Theft and waste of materials are common problems that must be addressed when securing storage space. A stock recordkeeping system (including designating persons responsible for stock management, recordkeeping of stocks in storage, and transfers of subproject materials) should be implemented where materials are not kept on site, are stored for more than a day, or are allocated to a contractor.

d. Transport

Communities often do not include transport costs in their subproject budgets. Funding agency field staff working closely at the community level will be able to help communities get an accurate estimate of the size of trucks needed, number of trips and distances to be traveled based on the type of subproject to be implemented. This

information may be gathered during the field appraisal and used to provide guidelines on costs for transport of materials.

e. Administrative Costs

It is expected that the community will incur various administrative expenses in carrying out the subproject (e.g., stationery, travel, bank charges, etc.) Reasonable administrative, travel, and subsistence expenses for these purposes must be indicated in the community proposal budget and covered by the project.

f. Insurance

All works once completed and goods acquired should be insured to cover such contingencies as fire, theft, or acts of God. The funding agency must advise the community on appropriate policies and costs of insurance.

Box 4

Unit Cost Database

Unit cost databases play a very important role in monitoring the economy of goods procured at the community level. The database maintained by the funding agency includes costs of nearly all types of items purchased at the community level. It is used as a way of cross-checking prices proposed by communities. At the same time, prices proposed in community budgets are used to update the database regularly. It is very important that the unit cost database be kept up-to-date to take into account price fluctuations. Some projects have district level and national level databases that take into account regional price differences. (Some countries with high inflation find it easier to keep costs in the database in U.S. dollars.)

Reference Price Lists

The funding agency provides communities with reference price lists that include prices for all materials to be purchased. Communities use the price lists to negotiate with suppliers. In addition to the price lists, however, communities must have a thorough understanding of the stages of construction and materials needed at each stage to ensure that right quantities of goods are purchased at the right time, without exceeding the given price limits.

Contractor Database

A database of local contractors (performance/prices/contact info.) that communities could access when searching for a contractor will help communities that do not have prior experience working with contractors. Based on community references, the Brazil Rural Poverty Alleviation Project has a green and black list of contractors denoting good and bad contractors, which is made available to communities.

4. Financial Management at the Community Level

The project management committee must follow procurement and disbursement procedures laid out by the funding agency. Complete documentation must be kept at the community level on all financial transactions. The project management committee must call regular (monthly, at the least) community meetings to present its financial and physical progress reports. The financial report provides details of funds received from the funding agency, expenditures incurred by category, the balance of funds, and supporting documentation. These reports must be available for inspection by any member of the community during the meeting. The project management committee may also wish to display this information on a notice board close to the subproject site. Minutes and attendance records of these meetings must be kept.

The project management committee must undertake the following activities during implementation:

- Open and work with a checking account, check book, and bank statements.
- Maintain a subproject cash book to account for all expenditures by type.
- Maintain receipts, labor registers, returned checks, and other documentation such that all expenses have corresponding documentary evidence.
- Maintain a cash box and a petty cash book for cash expenditures.
- Submit periodic written reports to the funding agency and the community on the current financial and physical status of the subproject.
- Maintain a stock register to record materials kept for more than one or two days before use.
- Maintain a community contribution register to record any contribution (cash, labor, materials, etc.) from the community in the course of subproject implementation.

The project management committee must have a written record of all expenditures to back up the cash book and petty cash book. These may be in the form of receipts, labor registers, cash receipts, or others. (Receipts generated by the community are usually allowed only for expenses made on transport fares where tickets cannot be obtained. These receipts should be signed by three project management committee members, including the chairperson and the recipient of the fares.)

5. Addressing Maintenance Issues

Communities that have managed implementation of a community asset are far more active in maintaining it. Training should be provided to communities, not only in technical maintenance aspects but also in areas such as fundraising (through contributions, user fees, etc.) and social aspects, such as hygiene education.

There are several types of maintenance committees — i.e., some may already be in place, such as local water users associations or Parent Teacher Associations, while others may be new committees formed specifically for this purpose. In the case of infrastructure

managed by sectoral ministries, such as schools and health centers, committees should be ratified and accepted by the owners of the infrastructure. For projects in the water sector, where local associations are expected to manage the infrastructure after completion, much more extensive training in administration and fundraising is needed. As discussed in the section on preparation of the subproject, maintenance issues and how to address them must be discussed very early in the project cycle. The subproject proposal must include a realistic financial plan for the next 3-5 years to demonstrate the capacity of the community to collect funds and maintain the assets created. In fact, whether or not a community can manage/maintain the asset after completion should be a key factor in determining whether a subproject proposal is financed.

Key activities in this process are:

- Election and training of a maintenance committee
- Development of a simple maintenance plan
- Setting up of a maintenance fund before completion of the subproject (any savings left over from subproject implementation may be added to the fund and set aside for maintenance purposes.)
- Preparation of a maintenance manual by the funding agency for use by communities.

Tool

The Zambia Social Investment Fund has developed a user-friendly maintenance manual for communities to facilitate participation in maintenance of the subproject. Available from the Social Protection Advisory Service www.worldbank.org/sp

VI. MONITORING AND EVALUATION

The monitoring and evaluation system of the funding agency provides a fact base to link funding decisions to performance of communities. The funding agency must ensure that there are mechanisms by which monitoring and evaluation information feeds into program management decisions in general, and into decisions for payment of partner organizations or communities in particular. Lessons learned and good practice emerging from this exercise should be disseminated widely.

The responsibility for monitoring and evaluation of community subprojects rests with the funding agency, project management committee, community members, and external evaluators. Two levels of monitoring are envisioned: 1) monitoring by the funding agency, and 2) monitoring by the community. The funding agency must ensure that all technical, financial, and social audits are conducted in a participatory manner. Involving communities in supervision and monitoring helps make the exercise less of a policing function and allows communities to better understand what is required of them. It also builds community capacity to provide better oversight. The community/project management committee should also be actively involved in overall monitoring of the subproject including engaging auditors (for internal and external audits).

The project management committee must be made to understand that they are accountable not only to the funding agency but also to the community and their local leaders. In the same way, the larger community must be encouraged to play an active role in the monitoring process and be empowered to demand accountability and transparency from their project management committee.

1. Monitoring by the Funding Agency

The funding agency is responsible for the formal monitoring and evaluation of community activities, the performance of communities, and assessment of social and environmental impacts. Reviews must take into account technical aspects (e.g., quality, speed, and cost of construction, consistency with national norms); social aspects (e.g., level of community participation, analysis of who uses the infrastructure); impact on beneficiaries (e.g., numbers involved, reached, or assisted) and financial aspects (e.g., use and accounting of funds).

a. Financial and Technical Monitoring

Financial and technical monitoring must be linked in order to allow the funding agency to compare the community's expenditure against targets. Reporting formats must therefore combine information on physical and financial progress.

Tranche system of disbursing: — This is a key monitoring tool that allows for greater control and oversight and ensures that funds are accounted for properly and technical quality is maintained throughout the implementation process.

Audits: — Under the lump-sum financing agreements, the community is treated as a contractor and is not normally subject to internal or external audits. However, given the fiduciary risks involved in the wide diffusion of funds, the Bank does encourage the funding agency auditors to conduct sample random audits (typically 10 or 15% of low amount subprojects and 100% of all large amount subprojects)⁷.

Internal audits: — As part of the internal control system, internal audits of community accounts may be undertaken periodically by the internal auditor of the funding agency, or trained community members who are independent of the funding agency and the project management committee. The community groups may additionally decide to have their own committee responsible for internal audits (subject to them being trained to do so). In the Village Self-help Learning Initiative project in Sri Lanka, one community group is responsible for auditing the other and vice versa. In the case of the latter, this becomes akin to an ex-post audit.

Ex-post audits⁸: — Ex-post internal audits of community accounts are often linked to the overall monitoring and evaluation of the community subproject and can be conducted by the funding agency or by trained community members. A simple, inexpensive internal ex-post audit of community accounts is conducted to confirm that funds have been spent on the intended purpose and that communities have received value for their money. Community accounts are audited not as part of the Bank's audit requirements but for their own purposes and as part of the project reporting system documented in the financing agreement. Typically, a random sample of low amount subprojects and all high amount subprojects are audited.

External audit: — The scope of the external audit must be adapted to the type of project being audited. If payments to communities are made on a lump-sum basis, then the payment to the community is included in the project accounts and is audited; the community's expenditures, however, are outside the scope of the audit. An external audit is conducted by a qualified auditor and should provide opinions on the overall project financial statements, the overall project internal controls, the Special Account, and the Statements of Expenditure. The standard audit report is accompanied by a Management Letter. Normally, the auditor prepares one annual external audit report for the entire project, regardless of how many subprojects are financed.

Community groups if registered as legal bodies may have their own requirements under the local laws to be audited and to submit the audited financial statements (including management letter) to the statutory bodies. This should not be confused with the external audit of the funding agency which as described above will not include the expenditures of the subproject (except as part of internal management processes), but will be limited to payments/releases to the community groups.

⁷ When financing subprojects based on actual expenditures, all of the above will apply. That is to say, the community accounts may be subject to the project's internal, ex-post and external audits.

⁸ For a more detailed discussion of audit requirements for CDD projects, please see Fiduciary Management for Community Driven Development Projects. Interim Reference Guide developed by OPCS. <http://opcs/P/ppp3.html>

b. Key Performance Indicators

Key performance indicators provide a valuable tool with which to monitor progress. Indicators can be divided into process, input, output, and impact or outcome indicators. Below are some examples of indicators:

Process indicators: Number of days between each stage of subproject processing, length of subproject approval process (e.g., number of days between application received and approved), average number of days for subproject implementation, etc.

Input indicators: Funds disbursed, frequency and length of field visits, days of training delivered, etc.

Output indicators: Number of projects completed by sector, number of beneficiaries reached per sector, etc.

Impact indicators: Improved access to health facilities and services, reduced walking distance to safe water sources, improved pupil to teacher ratio, improved school enrolment rates, etc.

c. Management Information System

Management Information System (MIS) is a tool composed of accounting software and a database management system that allows the funding agency to organize both its accounting and non-accounting data. An effective MIS is an important instrument for projects that oversee and manage a large number of small projects in a decentralized manner. It allows users to collect, analyze, store, and disseminate information useful for decisionmaking in a project. An MIS designed for a demand-driven project must be able to collect and synthesize data on a variety of topics including but not limited to targeting criteria, financial management and accounting, stages of the subproject cycle, information on partner organizations, procurement and contracts, reporting, and evaluations.

Tool

DeMISTifying MIS: Guidelines for Management Information Systems in Social Funds. Available from the Social Protection Advisory Service
www.worldbank.org/sp

d. Qualitative Monitoring

Given the demand-driven nature of CDD projects, systematic feedback from beneficiaries is an essential evaluation tool and, as such, beneficiary assessments have been used extensively in these types of projects. A beneficiary assessment is a qualitative research tool that is used to get systematic feedback from clients/community members. Its key features are an approach to information gathering that is qualitative, but quantified, systematic but flexible, and targeted to decisionmakers. Usually structured around interviews and group discussions, the objective of the beneficiary assessment is to assess the value of an activity as perceived by project beneficiaries and to integrate these findings into project activities. There is no one standard objective or design of a beneficiary assessment; in fact, the objectives and topics covered should be consistent with the issues at various stages of a project's evaluation.

Tools

Beneficiary Assessment Manual for Social Funds. World Bank, 1999. (This manual provides guidance on designing and implementing a beneficiary assessment.)

Getting an Earful: A Review of Beneficiary Assessments of Social Funds. World Bank, 1998.

Available from the Social Protection Advisory Service www.worldbank.org/sp

In addition to beneficiary assessments, many community-driven development projects use a variety of participatory monitoring and evaluation techniques such as PRA and SARAR to get feedback from clients.⁹ Participatory monitoring and evaluation is an open-ended and iterative approach, and to be truly effective it needs to be incorporated into the overall project cycle and undertaken on a continuous basis. Here stakeholders are involved in deciding what will be monitored or evaluated, how and when data will be collected and analyzed, what the data actually mean, and how findings will be shared. Participatory methods most commonly used in this process are maps (to show the location and types of changes in the area being monitored), Venn diagrams (to show changes in relationships between groups, institutions and individuals), flow diagrams (to show direct and indirect impacts of changes and to relate them to causes), diaries (to describe changes in the lives of individuals or groups), photographs (to depict changes through a sequence of images), matrix scoring (to compare people's preferences for a set of options or outcomes), and network diagrams (to show changes in the type and degree of contact between people and services). Participatory monitoring and evaluation techniques may be used in parallel with conventional monitoring and evaluation processes to cross check the findings and foster local-level commitment to action.

⁹ Participatory Monitoring and Evaluation: Learning from Change. IDS Policy Briefing. Issue 12. November 1998.

2. Community Involvement in Monitoring

The funding agency must ensure that communities play an important role in monitoring their own projects. These steps include:

- The community developing its own monitoring indicators and describing a monitoring and evaluation plan on the subproject application form
- Requiring all subproject accounting documents to be available for inspection by the community
- Ensuring that audits are performed (community's role includes engaging auditors for internal/external audits).
- Understanding the contents of the financing agreement
- Requiring project management committee to report to communities regularly
- Ensuring that no individual is able to initiate, authorize, execute, or record a transaction without the active involvement of someone else (for example, all withdrawals and transactions should be witnessed and countersigned)
- Posting all financial information regarding the subproject in public places in the community
- Ensuring that mitigation measures are put in place to address possible environmental and social impacts.

The community is also expected to report periodically to the funding agency. (See Annex 7 for sample reporting forms.) This report will include a description of the physical progress of the subproject, a financial review indicating how funds received have been used, and problems encountered and solutions undertaken during the reporting month. The project management committee must notify community leaders and funding agency staff immediately if problems arise that may significantly delay subproject implementation.

VII. COMPLETION OF SUBPROJECT

A subproject is considered complete if the agreed upon targets have been completed satisfactorily and if all the money has been accounted for. It is important that subprojects are completed on a timely basis. Once the subproject is completed, the community will submit a final completion report to the funding agency. This report will include:

- Full description of subproject activities and accomplishments
- Drawings of the completed structure
- Statement of final subproject costs compared to original financial plan
- Statement of construction time compared to original schedule and explanations of any deviations from the original plan
- Analysis of lessons learned
- Actions taken to manage maintenance and recurrent costs.

The verification of physical completion is carried out during a final visit to the project site by the funding agency staff. The visit is performed with the project management committee, community members, contractor, supervisor, etc. Primarily, the funding agency assesses the technical quality of the infrastructure. If adjustments have to be made, a time line is established and the contractor is expected to make all of the necessary adjustments during this period. The completion report is signed only after all changes have been made. In many countries, the closing of the subproject is announced in several public buildings such as the mayor's office, mosque, church, or community center.

A final bank statement for the subproject checking account must be provided for reconciliation with the final financial report. All funds in the checking account must be accounted for — there should be no excess funds at the end of the subproject. (As mentioned earlier, in the case of lump-sum contracts savings, if any, may be permitted to be used to increase the scope of the work. Alternatively, if the savings are to be used for maintenance of the asset, the funds may be transferred to a separate bank account.) Once the completion report is cleared by the funding agency, a Completion Certificate is issued. The community may decide to have an inauguration ceremony at the end of the completion process.

Local Empowerment and Environmental Management Program (LEEM)

Terms of Reference **for** **Participatory Rural Appraisal** **in Six Pilot States**

Two PRA consultants have been identified. They should carry-out a PRA exercise in each of the six selected pilot States: Niger, Bauchi, Benue, Adamawa, Enugu, Imo. Each consultant will cover three States each.

The objective of the exercise is to assess the capacity of communities to self-manage and implement projects, as well as assess their past experience with maintaining the asset after completion. The consultant should also assess the legal requirements for community groups to receive public funds.

The following issues should be covered:

Issues on Community Contracting

These questions should be discussed during focus group discussions with the communities. All of the questions do not have to be asked in every community but it would be important to establish the extent to which communities have had experience or been involved in such projects. It would also be important to get a balanced gender perspective.

1. Previous Experience with self-managed projects (most of the lessons learned will, of course, be from communities that have implemented such projects)
2. Has the community completed any type of development project which was undertaken by the entire community or community group? Was the experience positive/negative? Why?
3. How was the project identified? Was it a priority/need for the entire community? If not, why was it implemented?
4. Was there any community contributions (cash, labour, materials)? How was the community mobilized?
5. Who was responsible for managing implementation? An elected committee? Who participated in the elections? What were the skills necessary for being elected?
6. Was the committee legalized in order to receive public funds? What did they have to do?
7. What were the funding arrangements? How was the project implemented? Who managed the funds?
8. Did the community manage procurement of goods/materials? For example, did the community hire a contractor and purchase necessary materials such as cement, roofing sheets etc.?
9. Was an overall procurement plan developed? By whom? With input from the community?
10. Was the contractor a local contractor (from within the community or from a neighbouring community) or was it a commercial contractor? What was the experience?
11. How was the contractor hired, e.g., how did they advertise, receive requests for quotations, develop bidding documents etc.? What were the requirements?
12. How was the contractor paid, lump sum, tranches?

13. Was there a contract signed? (Get copy of contract.) Who drew up the contract? Did community understand the different clauses, e.g. penalty, warranty clauses etc.?
14. What procurement procedures were used, e.g., 3 quotations (shopping), direct contracting etc.?
15. Who procured goods? Who approved them? Who verified them?
16. What was the quality and availability of materials and services?
17. What specifications were used for the project? standard designs?
18. What technical skills did the community have in order to implement/supervise the project? If not, how was it managed?
19. Was community labour used?
20. How was wage rate established?
21. What training did the community receive?
22. What were the procedures used for arbitration of disputes? e.g., village chief as arbitrator, courts etc.
23. What processes to ensure sustainability? maintenance committee? user fees?
24. What was the timeline for completion of the project?
25. What was the cost of the project?
26. Who uses/benefits from the project?

For communities which have not done any self-managed projects:

1. What activities have the community carried out as a group? For example, has the community collected funds as a group and carried out some activity.
2. Who has benefited from these activities?
3. What were the difficulties/strengths of carrying out these activities?
4. Who are the community leaders? Why are they considered leaders?
5. What are the community needs/priorities?
6. What has the community done to mitigate some of the problems?
7. What skills exist at the community (contractors, masons, carpenters, bookkeepers)?
8. Has the community or community members hired contractors?
9. What has been the experience?
10. How does the community purchase materials (hardware)?
11. How far are the hardware shops?
12. Is it difficult to reach?
13. Would you consider self-managing a project?
14. What do you see as the difficulties/strengths of self-managing a project?

Social Organizing Aspects

1. what are the traditional institutions and the leadership patterns (variations across the states and within the states) – how are traditional chiefs, the Ezes, emirs and age-grade leaders performed in terms of providing leadership in the new democratic set up. the division of responsibilities for matters such as land allocations, revoking lease to individual farmers, redressal mechanism, interface with other more recent institutions if any. Interface with LGA, State government. This is important for the process of community mobilisation for Watershed Associations.

2. Land ownership and various forms of entitlements / access to common property resources such as forest lands, grazing rights, water lifting rights (if any) etc. what happens when land ownership is transferred?

3. control of resources by women – what extent and what is the nature.

4. are there other forms of interest groups within the communities based on trade, religion, ethnicity. Are there conflict situations?

Economic Aspects

1. more in-depth knowledge about choice of crops – cash versus food crops. Where do they source seeds from? What prices did they get for the produce, and how much is the middle-brokers commission?

2. What has been the investment in land development (levelling, manuring, bunding etc) done by the farmers during the last 10 years (this is more valid for eastern states and less for central belt where there is negligible investment)

3. has there been any conflicts arising out of land ownership disputes. Has land grabbing by politically and socially powerful families happened much?

4. is there any collective management / action to acquire and operate and maintain assets.

Methodology

The local consultants will visit all the six states and spend 4 days in each state. Each consultant will cover three States each. For gathering information on the points mentioned here, the consultant will visit at least three sample villages/communities from different parts of the state, hold PRA type groups exercises and generate information through interactive methods. It is desirable that the exercises are done separately with women groups at least once in each state.

Budget

A total of 20 days (including travel time and report writing) will be required for each of the consultants.

Report

Each of the consultants should provide a concise report of not more than 30 pages detailing the responses to the above issues. If additional information is required, this should be provided in annexes.

The report should be submitted and received by the Program Preparation Manager, Federal Ministry of Environment not later than August 31, 2000.

**MALAWI SOCIAL ACTION FUND
COMMUNITY PROJECT APPLICATION FORM
(TO BE FILLED IN TRIPLICATE)**

This form should be filled out only after the whole community, including all social groups, participates in discussing their problems, solutions, and their highest priority project to be assisted by MASAF.

1. Project name: _____

(For example, "Kamwala school project")

2. Contact address: (for mailing)

3. Project location

Village/Area: _____

Urban/Peri-urban: _____

TA/sub-TA: _____

District: _____

4. Population and Size of Project Area. Total population of the community: _____
(List details below. Attach a separate list if there is not enough room)

| <u>Name of Village in the project area</u> | <u>Population</u> | <u>Distance from project site (km)</u> |
|--|-------------------|--|
| 1. _____ | _____ | _____ |
| 2. _____ | _____ | _____ |
| 3. _____ | _____ | _____ |
| 4. _____ | _____ | _____ |
| 5. _____ | _____ | _____ |
| 6. _____ | _____ | _____ |
| 7. _____ | _____ | _____ |
| 8. _____ | _____ | _____ |

5. Project description (List what the project will include)
 (For example: School blocks, teacher’s houses, furniture, latrines, boreholes, etc.)

| Type of Facility or Structure to be done under the project | Number to Be Done Under the Project | |
|--|-------------------------------------|--------------------|
| | New Facility | Repair or Complete |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

6. Existing Services. What are the problems? (For education sector projects list the average class size in benefiting area)

7. Previous Efforts. State what the community has done to solve this problem.

8. Expected benefits. What are the expected benefits from the project?

9. Identification of Adverse Environmental Effects and Mitigation Measures

| Stage | Potential Adverse Environmental Effects | Potential Mitigation Measures e.g. | Potential Limitations to Mitigation Measures |
|------------------|---|------------------------------------|--|
| Pre-construction | e.g. Loss of Land | Re-location of Land | |
| Construction | e.g. Soil excavation | filling borrow pits etc | |
| Operation | e.g. Mosquito breeding areas | Filling, public Awareness etc | |
| Other | Resettlement/ Re-location of people | | |

10. How will the community monitor environmental effects?

11. What other self-help projects has the community done in the past?

12. **Community participation** How did the community, including women, participate in choosing this project as their first priority? Attach minutes of meetings, attendance lists or other evidence.

13. **Self-help contribution**

(For example: materials, labour, cash)

What contributions are already available?

| Contribution | Amount | Distance from Site (km) | Contribution | Amount |
|-------------------------|---------------|--------------------------------|-------------------------|---------------|
| Material | | | Community Inputs | |
| - Sand (Cubic meters) | | | Self Help Labor | |
| - Stones (Cubic meters) | | | Cash | |
| - Bricks (number) | | | Other | |

14. **Maintenance.**

What has the community already done to maintain existing facilities?

15. What would the community agree to do to maintain the facility itself after the project is completed?

18. Facilitators. Were there any other facilitators who assisted with planning for the project or filling out this application, but are not members of the project committee? If yes, List their names

| Name | Position | Signature |
|------|----------|-----------|
| | | |
| | | |
| | | |

19. Health and Postal Agency Projects are required to obtain line ministry written endorsement on this application. Please list the names in the table below:

| Name | Position | Signature | Date & Official Stamp |
|------|----------|-----------|-----------------------|
| | | | |
| | | | |
| | | | |
| | | | |

20. Submission. Date of Application: _____

Post/submit copies of this form to the District Commissioner and to the MASAF Zone Office covering your district as follows:

| <u>Zone</u> | <u>District</u> | <u>MASAF Address</u> |
|-------------|-------------------------------|-----------------------------------|
| 1. | Chitipa and Karonga | P. O. Box 460, Karonga |
| 2. | Rumphi and Mzimba | P. O. Box 20350, Luwinga, Mzuzu 2 |
| 3. | Nkhata Bay and Nkhotakota | Private Bag 7, Dwangwa |
| 4. | Salima and Dowa | Private Bag 24, Salima |
| 5. | Kasungu and Ntchisi | Private Bag 142, Kasungu |
| 6. | Lilongwe and Mchinji | Private Bag 105, Lilongwe |
| 7. | Dedza and Ntcheu | P O Box 461, Dedza |
| 8. | Balaka, Machinga and Mangochi | Private Bag 8, Liwonde |
| 9. | Zomba and Chiradzulu | P O Box 1370, Zomba |

- 10. Blantyre and Mwanza
- 11. Mulanje, Thyolo and Phalombe
- 12. Nsanje and Chikwawa

Private Bag 5, Ndirande, Blantyre 6
P O Box 339, Luchenza
P O Box 299, Chikwawa

For Use by Zone Office Staff Only:

| Education | Health | Roads/Bridges | Boreholes | Other |
|----------------------------------|---|---------------|-----------|-------|
| <input type="checkbox"/> Primary | <input type="checkbox"/> Dispensary | | | |
| <input type="checkbox"/> DEC | <input type="checkbox"/> Maternity Wing | | | |
| | <input type="checkbox"/> U/5 Clinic | | | |
| | <input type="checkbox"/> Guardian Shelter | | | |

MALAWI SOCIAL ACTION FUND



(To Be Completed In Triplicate)
Community Borehole Construction Monitoring Form

A. SURVEYS (KUYESA NGATI MADZI ALIPO)

Has a survey been done ? (Kodi ayesa pamene pali madzi kapena angokumba?)

| | |
|--|--|
| Surveys Done (ayesa pomwe pali madzi) | |
| Surveys not done (Angokumba) | |

B DRILLING (KUKUMBA CHITSIME)

| | |
|--|-------|
| Number of drilling rods into the ground (mapaipi okumbira alowa angati?) | X3/6m |
| Filter sand was clean from the lake (mchenga unali woyera wa kunyanja) | |
| Number of PVC pipes used (mapaipi a pula sitiki alowa angati?) | X3m |
| Borehole cleaned till water clear/sand free (Ayeretsa madzi) | |
| Time taken (Nthawi yomwe atenga poyeretsa madzi) | Hrs |
| Pumping Test done (Ayesa kuchuluka kwa madzi) | |
| Time taken for pumping testing (Nthawi yoyesa kuchuluka kwa madzi) | |

C. PUMP INSTALLATION/KUIKIRA PAMPU

| | |
|--|-----|
| Number of rising mains used (mapaipi ang'onoang'ono alowa angati?) | X3m |
| Concrete mixture (Simenti amasakaniza bwanji?) | |

D. SIGNATURES

1. Project Management Committee Chairperson :

Endorsed by Zone Officer/Technical Supervisor:.....

MALAWI SOCIAL ACTION FUND



ENVIRONMENTAL APPRAISAL CHECKLIST FOR BOREHOLES

INPUTS: *water source, labour, construction materials, machinery*

| SUB-ACTIVITY | OUTPUTS & EFFECTS | DEGREE OF SIGNIFICANCE Scale: 0-3 | MITIGATION MEASURES | PARTIES RESPONSIBLE |
|---------------------------|--|--------------------------------------|---|---|
| Siting | <ol style="list-style-type: none"> 1. Loss of land 2. Land degradation 3. Nuisances and aesthetic impacts | | <ol style="list-style-type: none"> 1. Consultation with communities 2. Re-location of land 3. Planting of bananas and other crops 4. Take into account aesthetic impacts 5. Technical support and regulatory control | <ol style="list-style-type: none"> 1. Chiefs, 2. drillers |
| Drilling | <ol style="list-style-type: none"> 1. Disturbance of Stream Channels, Aquatic and animal Habitat 2. Social Disruption by construction workers 3. Occupational Hazards to Workers 4. New Diseases (STD's) | | <ol style="list-style-type: none"> 1. Re-vegetation 2. Locate and Design Workforce Settlement to avoid social conflict 3. removal of vegetation cover to avoid accumulation of nutrients | <ol style="list-style-type: none"> 1. drillers 2. committee |
| Temporary access to point | <ol style="list-style-type: none"> 1. clearing vegetation | | | |
| Pump Installation | <ol style="list-style-type: none"> 1. Ground and Surface Water Contamination by Oil, Grease etc | | <ol style="list-style-type: none"> 1. Enforcing Safety Procedures | |
| Civil works | <ol style="list-style-type: none"> 1. Waste water 2. Solid wastes | | <ol style="list-style-type: none"> 1. Proper disposal 2. Apron drain 3. Soakaway pits | |
| Operation | <ol style="list-style-type: none"> 1. Social-Economic Impacts <p>Positive</p> <ul style="list-style-type: none"> • Improved Public Health • New Employment Opportunity | | <ol style="list-style-type: none"> 1. Socio-Economic Impacts <ul style="list-style-type: none"> • Incorporate Health and Sanitation Education Programme | <ol style="list-style-type: none"> 1. community 2. drillers 3. water officials |

| SUB-ACTIVITY | OUTPUTS & EFFECTS | DEGREE OF SIGNIFICANCE Scale: 0-3 | MITIGATION MEASURES | PARTIES RESPONSIBLE |
|--------------|---|--------------------------------------|---|---------------------|
| | <ul style="list-style-type: none"> • Encouragement of Water Demanding Industry and Services • Reduction in water borne and water related diseases • Reduced distances to water points <p>Negative</p> <ul style="list-style-type: none"> • Reservoirs may be breeding areas for water borne diseases (worms, mosquitoes, schistomiasis) • Spills and Leakage Contamination of Water • Flood disaster caused by dam break <p>2. Water Supply Impacts</p> <ul style="list-style-type: none"> • Disruption to Downstream Hydrology, • Water Quality • Reduction in water quality because of decomposed matter • Salt Water Intrusion • Over abstraction of Ground Water supply causing a lowering of ground water table • Interference of operation of nearby wells | | <ul style="list-style-type: none"> • Public Meetings • Siting away from heavy settlements. <p>2. Surface and Ground Water</p> <ul style="list-style-type: none"> • Ensure adequate provision for the operation, management and maintenance of facilities (staff /community training) • Design of facilities to ease maintenance of reliability • Soil conservation | |

Key

0 = no impact

1= mild impact

2= moderate

3 = significant

NOTE: To determine the significance of impacts environmental standards and government environmental priorities need to be taken into account. These are:

1. ENVIRONMENT STANDARDS

- (i) Water Quality Standards (WHO Guidelines)
 - MBS Standards
- (ii) National and Local Planning Regulations
 - Legislation on land use (Town and Country Planning ACT, Water Act)
 - Strategic Watershed Plans
 - Land use plans
 - pollution control regulations
 - environmental policy
- (iii) National legislation to protect certain vegetation.
- (iv) International Agreements--shared waters

ENVIRONMENT PRIORITIES AND PREFERENCES

- (i) Government policies for environment protection (NEAP)
- (ii) Environment priorities of International, National & NGO's
- (iii) Affected People's priorities and values

MALAWI SOCIAL ACTION FUND



**ENVIRONMENTAL CHECKLIST FOR PUBLIC BUILDINGS e.g. SCHOOL,
HEALTH CENTRE, ETC**

Inputs: Water, bricks, timber, sand, cement, paint, iron sheets, stones, labour

| Sub-Activities | Outputs and Effects | Mitigation Measures | Parties Responsible |
|-----------------------|----------------------------|----------------------------|----------------------------|
|-----------------------|----------------------------|----------------------------|----------------------------|

| Sub-Activities | Outputs and Effects | Mitigation Measures | Parties Responsible |
|--|--|--|---|
| <p>1. <u>Planning</u></p> <p>Brick moulding</p> <p>Brick curing</p> <p>Molding of cement blocks</p> | <ul style="list-style-type: none"> • Disturbance of habitats • Loss of land • Land degradation • N & AA • Air Pollution from dust • Pressure on existing water resources • Temporal withdrawal of labour from household demand • Deforestation • Pollution from smoke • Cement dust • Pit formation from sand mining (land degradation) | <ul style="list-style-type: none"> • Reallocation of framing land • Landscaping and land husbandry • Use of cement blocks as alternative • Provision of a borehole project | <ul style="list-style-type: none"> • Chief • Community • Community • Project Management Committee |
| <p>2.Siting/Design</p> | <ul style="list-style-type: none"> • Loss of land • Degradation of land • Nuisance to adverse aesthetic impacts | <p>Reallocation of farming land</p> | <p>Chief and the Community</p> |

| Sub-Activities | Outputs and Effects | Mitigation Measures | Parties Responsible |
|----------------|---------------------|---------------------|---------------------|
|----------------|---------------------|---------------------|---------------------|

| | | | |
|--|--|---|--|
| <p>Implementation</p> <p>3. Construction</p> <p>a) Civil works building</p> <p>Carpentry</p> <p>Labour</p> | <ul style="list-style-type: none"> • Noise and Air pollution • Pressure on existing water resources • Creation of borrow-pits (sand & clay) • Deforestation • Noise • Faecal/other waste | <ul style="list-style-type: none"> • Creation of additional potable water sources • Landscaping • Purchase timber from approved commercial dealers • Use of steel where appropriate (window and door frames) • Afforestation <ul style="list-style-type: none"> - School woodlots - Community based • Provision of latrine | <p>Community, DEC Help them with accessible borehole</p> <p>Community and contractors</p> <p>PMC</p> <p>Chief/Community</p> <p>PMC</p> <p>Contractor</p> |
| <p>4. Operations</p> <p>a) Provision of desks/furniture</p> <p>b) Disposal of medical Waste</p> | <ul style="list-style-type: none"> • Deforestation • Contamination and Pollution in surrounding environment | <ul style="list-style-type: none"> • Use steel furniture • Purchase from authorised dealers in timber • Include as part of project incinerators | <p>PMC</p> <p>PMC/Contractor</p> |

Key

0 = no impact

1= mild impact

2= moderate

3 = significant

NOTE: To determine the significance of impacts environmental standards and government environmental priorities need to be taken into account. These are:

1. ENVIRONMENT STANDARDS

- (i) Water Quality Standards (WHO Guidelines)
 - MBS Standards
- (ii) National and Local Planning Regulations
 - Legislation on land use (Town and Country Planning ACT, Water Act)
 - Strategic Watershed Plans
 - Land use plans
 - Pollution control regulations
 - Environmental policy
- (iii) National legislation to protect certain vegetation.
- (iv) International Agreements-shared waters

ENVIRONMENT PRIORITIES AND PREFERENCES

- (i) Government policies for environment protection (NEAP)
- (ii) Environment priorities of International, National & NGO's
- (iii) Affected People's priorities and values

Kwa matumizi ya Ofisi ya TASAF ya Wilaya
For Use by TASAF District Office

| | |
|--|--|
| Namba ya Maombi <i>Application Number</i> Example: SHIN 1/CDI/999 | |
| Tarehe ya Maombi Kupokelewa na TASAF <i>Date Received (dd/mm/yyyy)</i> | |

MFUKO WA MAENDELEO YA JAMIII- TANZANIA
FOMU YA MAOMBI KWA MIRADI YA JAMII

TANZANIA SOCIAL ACTION FUND
COMMUNITY PROJECT APPLICATION FORM

IJAZWE NA KAMATI YA MRADI

(TO BE FILLED BY THE CPC)

(IJAZWE NAKALA TATU)

(TO BE FILLED IN TRIPLICATE)

Fomu hii ijazwe baada ya jumuia yote (ikijumuisha wanawake, wazee, vijana, n.k). kushiriki katika majadiliano ya matatizo ya kijamii, ufumbuzi na kuainisha KERO ambayo ni kipaumbele, kwa ajili ya kushirikiana na TASAF

This form should be filled out only after the whole community, including all social groups, have participated in discussing their problems, solutions, and their highest priority project to be assisted by TASAF.

Utaratibu wa Kujaza Fomu

Procedures to fill the Form

1. **Jaza fomu hii kikamilifu na kwa Usahihi**
Complete the Form fully and accurately.
2. **Ambatanisha michoro, viwango na taarifa nyingine muhimu.**
Attach design, specification and relevant study documents .
3. **Wasilisha nakala ya Fomu iliyo kamili kwa Afisa TASAF wa Wilaya na kwa Serikali ya Kijiji.**
Submit the completed form, a copy each to TASAF District Officer and the Village Council.
4. **Ijazwe Nakala Tatu**
To be filled in triplicate

1. **Jina la Mradi / Project Name:** _____

2. **Anwani ya Posta /Contact address**

Jina la Kijiji/Name of village/Community: _____

S.L.P/P.O. Box _____

Mahali/Location _____

3. **Tarehe ya Kuwasilisha Maombi / Date of Submission (dd/mm/yyyy)** _____

4. **Maelezo kuhusu Mradi (Orodhesha yote kuhusu mradi)**

(Kwa mfano: vyumba vya madarasa, nyumba za walimu, samani, vyoo, visima, n.k.)

Sub –project description (list what the project will include)

(For Example: School blocks, teacher’s houses, furniture, latrines, boreholes, etc.)

5. **Umuhimu wa Mradi: Huduma iliyopo/zilizopo zina matatizo gani?** (Kwa miradi ya sekta ya Elimu, taja wastani wa wanafunzi kwa darasa katika eneo mradi utakakotekelezwa n.k.)

Project Justification. What are the problems with existing service? (For education sector sub–projects list the average classsize in the benefiting area)

6. **Mahali Mradi ulipo / Project location**

Mjini/Kijijini /Town/Village: _____

Jina la Kijiji/Kata/ Village/Ward Name _____

Wilaya/ District: _____

7. (a) **Idadi ya Watu na Ukubwa wa eneo la mahali Mradi ulipo.** Idadi ya watu wote kwenye jamii:

Idadi ya watu / Total population: _____

Ukubwa wa eneo/Size of Project area: _____

(b) **Idadi ya wanawake/Total number of women** _____

Idadi ya wanaume/Total number of men _____

(c) **Idadi ya /Total number of:-**

| | Ke/F | Me/M |
|-------------------------------|-------|-------|
| (i) Wazee /Old persons | _____ | _____ |

| | | |
|-----------------------------|-------|-------|
| (ii) Yatima /Orphans | _____ | _____ |
|-----------------------------|-------|-------|

(iii) Walemavu/Disabled _____

(iv) Wenye virusi vya ukimwi/ _____

HIV/AIDS infected _____

| Jina la Kitongoji Mahali Mradi ulipo <i>Name of Sub -Village in the Project area</i> | Idadi ya Watu <i>Population</i> | | | Umbali kutoka eneo la Mradi <i>Distance from Project site</i> |
|---|------------------------------------|------------------|-------------------------|--|
| | Ke <i>(F)</i> | Me <i>(M)</i> | Jumla <i>(Total)</i> | |
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |
| 5. | | | | |
| 6. | | | | |
| 7. | | | | |
| 8. | | | | |
| 9. | | | | |
| 10 | | | | |
| Jumla /Total | | | | |

(Orodhesha hapa chini. Kama nafasi haitoshi, ambatisha karatasi ya ziada)

*Population and Size of Project Area. Total population of the community: _____
(List details below. Attach a separate list if there is not enough room)*

8. Je kijiji hiki kimekwisha fanya upembuzi shirikishi jamii? NDIYO/HAPANA

*Has this village/Community carried out Participatory Community Needs Assessment
YES/NO.*

9. Ni nani aliyefanya upembuzi shirikishi jamii huo: - Shirika lisilo la kiserikali |__| , TASAF |__| , Timu ya Wilaya |__| , Wengine |__|

*Who carried out the Participatory Community Needs Assessment? NGO |__|, TASAF |__| ,
District Team |__| , Others |__|.*

10. Upembuzi Shirikishi Jamii.

Participatory Rural Appraisal (PRA)

(a) Tarehe ya kuanzia _____
Starting date (dd/mm/yyyy)

(b) Tarehe ya kumaliza _____
Completion date (dd/mm/yyyy)

11. **Ushiriki wa Jamii.** Jamii, ikiwa ni pamoja na wanawake, imeshiriki vipi katika kuchagua na kutoa kipa umbele cha kwanza kwa mradi huu? Ambatisha dondoo za mkutano wa jamii, uliochagua kamati ya mradi (CPC) na ripoti ya Jamii ya Mpango Shirikishi wa Mradi (CPP).

Community participation. How did the community, including women, participate in choosing this project as their first priority? Attach Report from the Community Participatory Planning (CPP) process.

12. **Aina ya mradi** k.m Jengo la Zahanati, Nyumba ya Mganga n.k
Type of Facility or Structure or Activity to be done under the project

13. **Eleza** iwapo ni jipya/ukarabati/upanuzi, n.k:
State wheather new/rehabilitation/extension etc.:

14. Juhudi za Awali.

Eleza juhudi za awali za jamii katika kutatua tatizo hili?.

Kuna hatua zozote zilizochukuliwa katika kutunza na kulinda mali za huduma zilizopo katika Kijiji?. NDIYO/HAPANA

Previous Efforts.

State what the community has done to solve this problem.

What has been done to maintain existing facilities? YES/NO

15. **Manufaa yanayotarajiwa.** Ni manufaa gani yanayotarajiwa kupatikana kutokana na mradi huu?

Expected benefits. *What are the expected benefits from the sub-project?* _____

16. (a) **Ni kundi gani la watu wasiojiweza zaidi hapa kijijini/katika jamii yenu?**

Who are the vulnerable group in this village?

(b) Watu hawa watafaidika vipi na mradi uliochaguliwa? k.m. Wajane, Vilema, yatima, vikongwe, n.k.

How will the project benefit vulnerable groups? e.g. widow, hand capped, etc

17. **Umbali na Muda wa kufika kutoka mahali palipo na huduma inayofanana**

katika eneo la mradi tarajiwa / *Distance and time to reach to similar expected sub-project facility:*

Umbali/Distance (Km) _____

Muda/time (hrs) _____

18. **Miradi mingine inayoendelea kutekelezwa au ambayo imepangwa kutekelezwa katika jamii**

Other ongoing projects: *What other ongoing projects or planned projects are there in the community?*

19. Uzoefu uliopatikana. Jamii imeshiriki katika miradi gani ya kujitegemea siku za nyuma?

Previous experience: What other selfhelp projects has the community done in the past?

20. Makadirio ya Gharama za Mradi/ Estimated cost of the project Tshs. _____

21. Mchango wa Jamii. (Angalau 20 % ya Gharama ya Mradi)/ Self-help contribution. Tshs. _____

(Kwa mfano: vifaa, nguvu kazi, pesa)/ (For example: materials, labour, cash)

Ni michango gani iliyo tayari?

What type of contribution(s) are available?

| Michango <i>Contributions</i> | Nani alichangia <i>Who contributed</i> | Kiasi Sh. <i>Amount</i> <i>Tshs.</i> | Umbali kutoka eneo la mradi/Distance from the Project area. |
|--|--|---|--|
| Vifaa/Materials | | | |
| Fedha Taslimu/ Cash | | | |
| Nguvu kazi/ Labour | | | |
| Michango Mingineyo/ Other Contributions | | | |

22. Je! Jamii ina uwezo wa kufanya utunzaji na matengenezo? NDIO/HAPANA

Is the Community able to do Maintenance? YES/NO

23. Utunzaji na Matengenezo/ Maintenance

- Jamii inatunzaje majengo yaliyopo na vifaa vilivyopo?
How does the community maintain existing facilities?
- Jamii itatunzaje majengo/vifaa vitakavyokuwepo baada ya mradi kukamilika?
How will the community maintain the facility itself after the project is completed?

24. Uchaguzi wa Kamati ya Mradi. (Uwiano wa jinsia ni muhimu)

Community Project Committee selection

| | |
|---|--|
| Kamati ilichaguliwa vipi? <i>How was the Committee elected ?</i> | |
| Kamati ilichaguliwa lini? <i>When was it elected ?</i> | |
| Kamati ilichaguliwa na nani? <i>By whom was the committee elected ?</i> | |
| Orodhesha Vitongoji vilivyoshiriki katika uchaguzi (Ambatanisha majina ya walioshiriki) <i>Who participated in the elections (attach list of names and signatures)</i> | |

25. Wajumbe wa Kamati ya Mradi. (Orodhesha wajumbe wote watakaowajibika katika mradi)

Committee members. (List all committee members who would be responsible for this project)

| Na | Cheo/Position | Jina/Name | Jinsi/Sex | Saini/Signature | Kitongoji/sub-Village |
|-----|--|-----------|-----------|-----------------|-----------------------|
| 1. | Mwenyekiti/ <i>Chair person</i> | | | | |
| 2. | Makamu Mwenyekiti <i>Vice Chair person</i> | | | | |
| 3. | Katibu / <i>Secretary</i> | | | | |
| 4. | Katibu Msaidizi/ <i>Deputy Secretary</i> | | | | |
| 5. | Mweka Hazina/ <i>Treasurer</i> | | | | |
| 6. | Mweka Hazina Msaidizi <i>Deputy Treasurer</i> | | | | |
| 7. | Mjumbe / <i>Member</i> | | | | |
| 8. | Mjumbe <i>Member</i> | | | | |
| 9. | Mjumbe/ <i>Member</i> | | | | |
| 10. | Mjumbe/ <i>Member</i> | | | | |
| 11. | Mjumbe <i>Member</i> | | | | |

26. Wajumbe wa Kamati ya Mradi/Composition of CPC

Wanaume/Men: _____

Wanawake/Women: _____

Jumla/Total: _____

27. Imepitishwa na Kamati ya Mradi ya Jamii (CPC)

Approved by the Community Project Committee (CPC)

Kamati ya Mradi wa Jamii ya Kijiji cha Katika wilaya ya
..... inathibitisha kwamba mradi huu ni kipaumbele cha jamii ya
(jaza jina la kijiji)

*Community Project Committee of (name of the village) Approved that this sub-project is the priority of
the Community of (name of the village)*

Jina la Mwenyekiti _____
Name of the Chairperson

Jina la Katibu: _____
Name of the Secretary

Saini/Signature _____

Saini /Signature _____

*Ambatisha michoro, makadirio ya gharama za kazi, vifaa, nguvu kazi, na samani,
pamoja na fomu ya maombi*

*Attach drawings designs, specification, cost estimates, materials, labour and furniture with this
application form.*

Zingatia: Andika anwani ya Mfuko wa Maendeleo ya Jamii (ya wilaya na/au
Mkurugenzi Mtendaji wa wilaya.

NB: *Insert address of the TASAF District Offices and/ or those of the District Executive
Director.*

Ijazwe na Afisa TASAF wa Wilaya

To be filled by TDO

1. Tarehe ya Kupokelewa maombi _____

Date Application received (dd/mm/yyyy)

2. Sekta ya mradi _____

Project sector

3. Jina la Afisa TASAF wa Wilaya: _____

Name of TDO

4. Saini: _____

Signature

ZINGATIA

(NB)

Ambatanisha orodha ya wanakijiji waliohudhuria mkutano maalumu wa hadhara kwa ajili ya kuchagua Kamati ya Mradi. Orodha hiyo iandikwe kwa kufuata mfano ufuatao:

Append list of community members/villagers who attended the special Village Assembly to elect community sub -project committee. The list should be in the format shown below:

ORODHA YA WANAKIJIJI WALIOICHAGUA KAMATI YA MRADI

List of villager who elected the CPC

Kijiji/Village:

Kitongoji/sub -village:

Tarehe/Date:

| | Jina/Name | Jinsi/Sex | | Sahihi Signature |
|-----|-----------|-----------|---------|---------------------|
| | | Ke F | Me M | |
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
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| 15. | | | | |
| 16. | | | | |
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| 21. | | | | |
| 22. | | | | |
| 23. | | | | |
| 24. | | | | |
| 25. | | | | |

| |
|----------------------------|
| Application Number: |
|----------------------------|



TANZANIA SOCIAL ACTION FUND

Field Appraisal Form

(To be completed by TASAF District Officer)

(To be filled in triplicate)

PART ONE: IDENTIFICATION

1. Project title: _____

Contact address: _____

2. Date(s) of the Field Appraisal: _____

3. **Project Location:**

Village/Area: _____

Ward: _____

District: _____

4. **Type of Project:** _____

Instruction: indicate relevant sector by using the following codes:

1: Water

2: Health

3: Education

4: Economic Infrastructure

9. **Unmet needs:** Confirm the names, populations and locations of the villages/areas in the project community (attach if needed). Estimate the number of persons in the community who are not receiving services according to sectoral standards.

PART FOUR: SUB - PROJECT PLANS

10. Sub - Project Activities: List sub-project activities.

Sub-project Activities

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.

11. Site Sketches: of the project component(s) in relationship to the communities and to existing facilities. (**Attach**)

12. Bills of quantities for materials and labour: If project components include non-standard designs or rehabilitation, give detailed sketches of proposed building/facility, and proposed bills of quantities for materials and labour (**must be attached**).

13. Materials transportation: Estimated number of trips, distances and size of trucks that will be needed for transport of project materials from Boma and/or other purchasing locations.

14. Community self-help contribution: List the types (e.g. bricks, sand, cash, water carrying, labour, etc) and quantities (in number, cubic meter, person-days, etc.) of contributions and when they will be made available (already available, will be available before launch, or will be provided during implementation).

| <u>Type</u> | <u>When available</u> | <u>Quantity</u> |
|-------------|-----------------------|-----------------|
|-------------|-----------------------|-----------------|

15. Sequencing: If approved, when would the project be ready for launch and how long would it take to implement?.

16. Community maintenance plan: Describe in detail the plan for maintenance of the project by the community.

17. Government intended contribution: List any contributions the government will make to the facilities or services during or after the project, such as staff, supplies, etc.

- 18 Bank account and signatories:** (note – Current bank accounts should not be opened unless the community is notified that its project has been approved for funding).

Name of Bank in which account would be opened:

Names of CPC members who are signatories to the Bank Account:

- 1.
- 2.
- 3.
- 4.

PART FIVE: COMMUNITY AGREEMENT

- 19.** Agreement that the community project committee participated fully in designing the project plan, and that the plan has been presented to and is agreed to by the community.

| Name | Signature | Date |
|------|-----------|------|
|------|-----------|------|

Chairman: _____

Secretary: _____

Treasurer: _____

PART SIX: FIELD APPRAISAL TEAM AGREEMENT

- 20.** Agreement that the field appraisal team finds that the community and its proposed project are in accordance with the community and technical criteria for TASAF support and recommend the project for TASAF funding.

Name

Position

Signature

Date

Application Number:



TANZANIA SOCIAL ACTION FUND
DESK APPRAISAL (SCREENING) FORM FOR
CDI SUB-PROJECTS
(To be completed by the TASAF District Office)
(TO BE FILLED IN TRIPLICATE)

Project Name: _____

Project Location

Village: _____

District: _____

Sector: _____

Date of the Desk Appraisal: _____

Instructions: Please circle the appropriate score for each criteria

| CRITERIA | SCORE |
|--|--------------|
| Applications where any of the first four criteria score zero will be rejected. | |
| A. PROJECT APPRAISAL (on a scale of 0-2, where 0 means unsatisfactory and 2 very satisfactory) | |
| 1. Is the project consistent with sector and district priorities? | 0 1 2 |
| 2. Can the relevant ministry/department provide any needed recurrent costs and technical support to ensure that the infrastructure created will be serviced and used by the beneficiaries? (<i>TDO should verify with relevant department</i>) | 0 1 2 |
| 3. To what extent does the project benefit the poor? (cost effectiveness analysis) | 0 1 2 |
| 4. Is there sufficient evidence of the community's contribution to the project? (minimum of 20%) | 0 1 2 |

| CRITERIA | SCORE |
|--|--------------|
| 5. Is the size of the project simple enough to complete in one year? | 0 1 2 |
| 6. To what extent has the community already made efforts to solve the problem? | 0 1 2 |
| 7. Is there sufficient evidence (e.g. Community Participatory Planning (CPP) report of the wider community's participation, including the involvement of women in the process of making the project application? | 0 1 2 |
| 8. Is there a good plan for community level sustainability? | 0 1 2 |
| <i>B. ENVIRONMENTAL APPRAISAL (using the environmental appraisal checklist)</i> | |
| 9. To what extent has the community identified negative environmental effects? | 0 1 2 |
| 10. Are the proposed mitigation measures feasible? | 0 1 2 |
| 11. Is there a good plan for monitoring environmental effects? | 0 1 2 |
| TOTAL SCORE (0 to 22) | |

C. CHECKING ON COMPLETENESS OF APPLICATION FORM

12. Has the Application Form been completed fully? YES/NO
13. If NOT, return the form to the CPC to be filled properly.

D. FINAL ASSESSMENT

(**NB**. Put a tick in the appropriate place)

- _____ Recommended for Funding: (Score of 50% and above, and fits in TASAF funding schedule)
- _____ Deferred/returned (Not enough space in TASAF schedule or needs changes)
- _____ Rejected (score of 0 for any of first four criteria)
- _____ Rejected (score of 0 for three of the last four criteria)

E. DEFERRED/RETURNED SUB-PROJECTS

Give reasons

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

F. APPRAISAL TEAM

| NAME | POSITION | SIGNATURE | DATE |
|------|----------|-----------|------|
| | | | |
| | | | |
| | | | |

- Distribution:**
1. District Executive Director
 2. TASAF District Officer
 3. Relevant DMT Sector representative

| | |
|---|--|
| Namba ya Maombi <i>Application Number</i> Example: SHIN 1/CDI/990 | |
|---|--|

MFUKO WA MAENDELEO YA JAMII-TANZANIA
TANZANIA SOCIAL ACTION FUND
(TASAF)

ORODHA YA VIGEZO VYA ATHARI ZA MAZINGIRA KWA MAJENGO YA JAMII k.m. SHULE, KITUO CHA AFYA, n.k.

ENVIRONMENTAL CHECKLIST FOR PUBLIC BUILDINGS e.g. SCHOOLS, HEALTH CENTRES.

IJAZWE NA KAMATI YA MRADI
(TO BE FILLED BY THE CPC)
(IJAZWE NAKALA TATU)
(TO BE FILLED IN TRIPLICATE)

Utaratibu wa Kujaza Fomu hii
Procedure to fill this form

Jaza kwenye viboksi viliv yopo kwenye Fomu hii kwa kutumia nambari zifuatazo pale inapohitajika

- Ufunguo:** **0 = Hakuna athari (Mfiko Hasi)**
Negative impact
- 1= Athari kidogo**
Mild impact
- 2= Athari wastani**
Moderate impact
- 3 = Athari kubwa**
Significant impact

Zingatia: Kwenye safu wima ya tatu na nne, weka alama ya vema (►) sehemu husika

Vifaa vitakavyohitajika kwa ujenzi: Maji, matofali, mbao, mchanga, saruji, rangi, mabati, mawe, nguvu kazi

Materials needed for construction: Water, bricks, timber, sand, cement, paint, iron sheets, stones, labour

| Shughuli zitakazo-takiwa kufanywa <i>Activities to be done</i> | Matokeo na Athari <i>Output and Effects</i> | Mbinu/Mikakati inayoweza kutumiwa kuzuia uharibifu wa mazingira, k.m. <i>Mitigation measures (for example)</i> | Wahusika wakuu <i>Responsible parties</i> |
|---|--|--|--|
| <p>1. Kabla ya ujenzi kuanza <i>Before construction starts</i></p> <p>1.1. Kufyatua matofali <i>Brick moulding</i></p> <p>1.2 Kuchoma matofali <i>Brick curing</i></p> <p>1.3 Ufyatuaji wa matofali ya saruji <i>Moulding of cement blocks</i></p> | <p>1. Usumbufu kwa makazi <input type="checkbox"/> <i>Disturbance of habitats</i></p> <p>2. Upotevu wa Ardhi <input type="checkbox"/> <i>Loss of land</i></p> <p>3. Uchakavu wa ardhi <i>Land degradation</i></p> <p>4. Uchafuzi wa hewa kutokana na vumbi <input type="checkbox"/> <i>Air pollution from dust</i></p> <p>5. Ongezeko la matumizi ya maji kwa vyanzo vya maji <input type="checkbox"/> <i>Pressure on existing water resources</i></p> <p>6. Ukataji wa miti/misitu <input type="checkbox"/> <i>Deforestation</i></p> <p>7. Uchafuzi wa hewa kutokana na moshi. <input type="checkbox"/> <i>Pollution from smoke</i></p> <p>8. Vumbi la saruji <input type="checkbox"/> <i>Cement dust</i></p> <p>9. Mashimo kutokana na kuchimba mchanga (uharibifu wa ardhi) <input type="checkbox"/> <i>Pit formation from sand mine (Land degradation)</i></p> | <p>1. Kupewa ardhi nyingine ya kulima <input type="checkbox"/> <i>Reallocation of farming land</i></p> <p>2. Kutengeneza matofali ya saruji na yale ya udongo <input type="checkbox"/> <i>Use of cement blocks as an alternative</i></p> <p>3. Kuwepo kwa mradi wa visima vya kuchimba. <input type="checkbox"/> <i>Provision of boreholes project</i></p> | <p>1. Mwenyekiti wa Kijiji <input type="checkbox"/> <i>Village Chairperson</i></p> <p>2. Jamii/Jumuia <input type="checkbox"/> <i>The Community</i></p> <p>3. Jamii/Jumuia <input type="checkbox"/> <i>The Community</i></p> <p>4. Kamati ya mradi <input type="checkbox"/> <i>Community Project Committee</i></p> |

| | | | |
|---|--|--|--|
| <p>2. Ujenzi <i>Construction</i></p> <p>2.1 Majengo <i>Civil works building</i></p> <p>2.2 Useremala <i>Carpentry</i></p> <p>2.3 Wafanyakazi/watu <i>Labourers</i></p> | <p>1. Kelele na uchafu wa hewa <i>Noise and Air pollution</i> <input type="checkbox"/></p> <p>2. Ongezeko la matumizi ya maji kwa vyanzo vya maji. <i>Pressure on existing water resources</i> <input type="checkbox"/></p> <p>3. Kuwepo kwa mashimo / machimbo (ya mchanga na udongo mfinyanzi) <i>Creation of barrow pits</i> <input type="checkbox"/></p> <p>1 Ukataji wa miti <i>Deforestation</i> <input type="checkbox"/></p> <p>2. Kelele <i>Noise</i> <input type="checkbox"/></p> <p>1. Vinyesi/uchafu wa aina nyingine <i>Feacal / other wastes</i> <input type="checkbox"/></p> | <p>1. Kutengeneza vyanzo zaidi vya maji ya bomba au kisima <i>Establishment of additional possible water sources.</i> <input type="checkbox"/></p> <p>2. Kutengeneza ardhi kwa kuweka matuta <i>Landscaping</i> <input type="checkbox"/></p> <p>1. Kununua mbao kutoka kwa wauzaji halali <i>Purchase of timber from approved commercial dealers</i> <input type="checkbox"/></p> <p>2. Inapobidi kutumia chuma kwa fremu za madirisha na milango <i>Use of steel where appropriate for windows and door frames</i> <input type="checkbox"/></p> <p>3. Upandaji wa miti kwa shule na jamii <i>Afforestation –school woodlots, community based woodlots</i> <input type="checkbox"/></p> <p>1. Kujenga vyoo <i>Provision of latrines</i> <input type="checkbox"/></p> | <p>1. Jamii/Jumuia <i>Community</i> <input type="checkbox"/></p> <p>2. Kuwasaidia kupata visima vilivyo karibu <i>Help them with accessible borehole</i> <input type="checkbox"/></p> <p>1. Jumua na wakandarasi <i>Community and Contractors</i> <input type="checkbox"/></p> <p>2. Kamati ya Mradi <i>Community Project Committee</i> <input type="checkbox"/></p> <p>3. Mwenyekiti/Jamii <i>Village Chairperson? Community</i> <input type="checkbox"/></p> <p>1. Wakandarasi <i>Contractors</i> <input type="checkbox"/></p> |
| <p>3. Uendeshaji <i>Operations</i></p> <p>3.1 Utoaji wa Madawati / samani <i>Provision of desks/furniture</i></p> <p>3.2 Utupaji wa uchafu/takataka za madawa <i>Disposal of medical waste</i></p> | <p>1. Ukataji miti kwa ajili ya mbao <i>Deforestation</i> <input type="checkbox"/></p> <p>1. Uchafuzi wa mazingira na maambukizi kwa mazingira ya karibu/husika <i>Contamination and Pollution in surrounding environment</i> <input type="checkbox"/></p> | <p>1. Kutumia samani zilizotengenezwa kwa chuma <i>Use steel furniture</i> <input type="checkbox"/></p> <p>2. Kununua mbao kutoka kwa wauzaji halali <i>Purchase timber from authorized dealers</i> <input type="checkbox"/></p> <p>1. Ujenzi wa sehemu za kutupia uchafu/takataka iwe sehemu ya mradi <i>Include as part of project incinerators</i> <input type="checkbox"/></p> | <p>1. Kamati ya mradi <i>Community Project Committee</i> <input type="checkbox"/></p> <p>2. Kamati ya mradi/mkandarasi <i>Community Project Committee / Contractors.</i> <input type="checkbox"/></p> |

4 Uthibitisho:

Verification:

Ni nani aliyejaza Fomu hii?

Who filled this form?

Jina:

Name:

Saini:

Signature:

Tarehe:

Date:

Mahali:

Place:

MALAWI SOCIAL ACTION FUND

Red Cross House
Area 14
Capital City
LILONGWE 3
MALAWI

Private Bag 352
Capital City
Lilongwe 3
Tel 732 666
Fax: 732 339



The Peoples Fund for Community Development

21 November 2002

Ref.FO/4/8/H

The Manager,
«PROJECT_BANK_NAME»
«PROJECT_BRANCH_NAME»
«BANK_ADDRESS_1»
«BANK_ADDRESS_2»

Dear Sir/Madam

OPENING OF CURRENT ACCOUNT: «PROJECT_TITLE»

The community of «LOCATION_VILLAGE», TA/STA «LOCATION_TASTA», in «LOCATION_DISTRICT» district will be receiving a grant from the Malawi Social Action Fund for the execution of a «PROJECT_TYPE» project. The Project Management Committee will be directly responsible for the management of these funds. According to the principles of MASAF, communities must operate project accounts under current account terms in order to facilitate easy transactions. The account will initially bear three signatories by the following community members:

The Project Secretary «SIGNITORY_2»

The Project Treasurer «SIGNITORY_3»

One Committee Member «COMMITTEE_MEMBER»

The Zone Officer «ZONE_OFFICER», «LOCATION_ZONE» Zone Office

The procedure for issuing of cheques will be as follows:

| | |
|--------------------|---|
| Up to K5,000 | Any two signatories |
| K5,001 to 150,000 | Three signatories |
| K150,001 and above | Four signatories including Zone Officer |

The total estimated contribution of MASAF to this project is MK«Expr1» which will be allocated in approximately four tranches. Each new tranche is dependent on a proper justification by the project committee of the previous expenditures. This justification will require up to date bank statements, which will be requested from time to time by the project committee. The project is expected to take no more than 12 months from provision of the first tranche of funds until closure.

Standing Instructions

You are expected to be providing three copies of bank statements without vouchers for this «PROJECT_TITLE» **Bank Account** every month even in times of little or no activity and should be distributed as follows

- i. MASAF Headquarters
Private Bag 352
Lilongwe 3
Attention: Head of Finance
- ii. The Zone Officer
Malawi Social Action Fund
«LOCATION_ZONE» Zone Office
«LOCATION_ZONE»
- iii. The Chairman («SIGNITORY_1»)
«PROJECT_TITLE»
«ADDRESS_1»
«ADDRESS_2»
«ADDRESS_3»

The cost should be charged to the project bank account. The usual bank statement with paid cheques or vouchers must be sent directly to the Chairman of the Project except where you are specifically requested by the Project Manager or the Head of Finance.

(a) The Project Manager and the Head of Finance shall also be signatories to these accounts in order to enable them request any information deemed necessary for the control and smooth implementation of projects at community level. Specimen signatures will be sent to you in due course.

(b) Cash withdrawals in excess of MK 5000.00 at any point in time by Project Committee Members who are signatories to the account should not be allowed.

(c) This account should never be allowed to be OVERDRAWN.

We will be most grateful if you can assist the project management committee to open a current account in the name of the project mentioned above.

Yours faithfully,

Sam Kakhobwe

PROJECT MANAGER

CC: «SIGNITORY_1», The Project Chairman
«PROJECT_TITLE»
«ADDRESS_1»
«ADDRESS_2»
«ADDRESS_3»

CC: Head of DEC
«LOCATION_DISTRICT» District

MALAWI SOCIAL ACTION FUND

Red Cross House
Area 14
Capital City
LILONGWE 3
MALAWI

Private Bag 352
Capital City
Lilongwe 3
Tel 732 666
Fax: 732 339



The Peoples Fund for Community Development

THE MALAWI SOCIAL ACTION FUND COMMUNITY PROJECT FINANCING AGREEMENT

This **FINANCING AGREEMENT** has been made and entered on this day of

....., 199..... at between the Government of Malawi through the Malawi Social Action Fund (MASAF) and the Project Management Committee for the «PROJECT_TITLE».

1. **WHEREAS** the Government of Malawi desires to assist communities in carrying out projects to help them alleviate their own poverty and has set up the Malawi Social Action Fund as one means for providing such assistance, and
2. The community of «LOCATION_VILLAGE», located in TA/STA «LOCATION_TASTA» of «LOCATION_DISTRICT» district has applied to the Malawi Social Action Fund for assistance with the following project:
Title : «PROJECT_TITLE»
3. The project has been appraised by the MASAF zone office and relevant district government authorities, reviewed and recommended by the MASAF management unit and approved by the MASAF steering committee on «DATE_OF_PSC_APPROVAL»,
4. **THEREFORE** the Malawi Social Action Fund and the Project Management Committee hereby agree the following:
5. The «PROJECT_TITLE» «PROJECT_NUMBER» shall consist of the following components:

| Component | Number | Activity |
|-------------------------|--------|----------|
| (Please see attachment) | | |
6. The total estimated cost of carrying out the project, based on current prices is: MK «Expr2». The respective contributions of the community and of MASAF to the total project shall be as set out in the attached schedules of quantities for materials, labour, transport and other inputs. Based on current prices, the value of these contributions are estimated as:
From MASAF: MK «Expr1»
From the Community: MK «COMMUNITY_CONTRIBUTION»
7. The Project Management Committee has opened a current account special for this project in the: «PROJECT_BANK_NAME» at «PROJECT_BRANCH_NAME» with the name of the account being «PROJECT_TITLE» and provided MASAF with the account number and names of signatories. If an account could not be opened prior to the launch ceremony this will be done

immediately thereafter and the account number and signatories provided to MASAF. This current account shall only be used for deposit of MASAF contributions prior to their use in the project.

BANK ACCOUNT NUMBER.....

BANK ACCOUNT NAME.....

8. The MASAF contribution to the project will be provided in four tranches (with a supplemental tranche if needed). The first tranche of MK..... shall be provided either in the form of a cheque to the project committee after the signing of this Financing Agreement or will be deposited directly in the project Bank account within seven days of the signing of this Agreement.
9. The second and subsequent tranches shall be effected upon fulfillment of the conditions stated below:
 - 9.1. receipt of a written request from the Project Committee stating the intended use of the tranche, consistent with the terms of this Agreement.
 - 9.2. receipt of an up-to-date Monthly Progress Report from the Project Committee by the Zone officer assigned to the project.
 - 9.3. proper and justified utilisation of at least 75% of the previous tranche and 100% of any prior tranche as evidenced by a Project Financial Report submitted by the Project Management Committee to the MASAF Management Unit in Lilongwe along with original receipts and a recent bank statement.
10. Prior to the fourth tranche, MASAF will review with the Project Management Committee the remaining material and other requirements of the project. If all procurement has taken place in accordance with MASAF guidelines, and there are no serious problems with the project, the amount of the fourth tranche will be adjusted to allow completion of the project in accordance with the original Bills of Quantity and other required inputs. This allows for price inflation. In exceptional cases a supplemental tranche will be added for the same purpose.
11. The Project Management Committee is responsible for keeping adequate records of all project related financial transactions, use of materials and labour and community contributions, and for adequate safe -keeping of materials.
12. The Project Management Committee is responsible for procuring all goods, materials, labour, transport and other inputs for the works. Quantities of goods, materials, labour, transport and other inputs should not exceed those indicated on the schedules attached without prior written approval of the Zone Officer.
13. Unit and total prices paid should not exceed those indicated in the attached schedules including the schedule of Basic Price List for materials. In order to get the best price for purchases of less than MK 150,000 in value, the Project Management Committee will be guided by the Basic Price List and shall obtain quotations from three sources whenever practical. Three written quotations are required if there are any single purchases costing MK 150,000 and up to and including MK450,000 at any one time. For cheques in excess of MK150,000 in value will be endorsed by the Zone officer.
14. Self-help contracting will be followed. The Project Management Committee will directly hire both a supervisor for construction works and skilled labourers.
15. The Project Management Committee agrees to complete the project in not more than twelve months from the date of signing this agreement. The expected completion date is
16. The Project Management Committee is not permitted to use the funds provided by MASAF for activities or works other than the agreed project components.

17. The Project Management Committee shall provide complete information regarding the progress of the works or any related aspect or any matter relating to this agreement on a regular basis to the entire community, to designated representatives of the district executive committee and to MASAF.
18. MASAF and designated representatives of the district executive committee will monitor the execution of the work.
19. Acceptance of the works at the time of completion will be effected in the presence of representatives of MASAF, the Project Management Committee and any others concerned. The work will be reviewed and if found satisfactory by the MASAF representative, provisional acceptance will be effected.
20. MASAF can stop and suspend the works if it become evident that the Project Management Committee is not performing its works satisfactorily as per the terms of this Agreement. If there are serious problems such as financial irregularities, misappropriation, lack of physical progress, failure to report, or lack of community support MASAF can recommend to the Project Steering Committee that the project be cancelled.
21. This Agreement may be amended or cancelled by mutual consent of MASAF and the Project Management Committee in writing.
22. If during implementation of the works, any dispute arises between MASAF and the Project Management Committee relating to any aspects of this Agreement, the Parties shall first attempt to settle the dispute through mutual and amicable consultation. If the dispute is not settled through such consultation, the matter may be referred for arbitration under the Arbitration Act (chapter 6:03).
23. This Agreement shall be governed by the Laws of Malawi.

24. **SIGNATURES:**

For MASAF: Title:

For the Community (Project Management Committee)

..... Chairman

..... Secretary

..... Treasurer

Attachments:

1. Bills of Quantities (Materials, Equipment/furniture Administration)
2. Plan Drawings for components

GOVERNMENT OF SRI LANKA: MAHAWELI AUTHORITY OF SRI LANKA

Mahaweli Restructuring and Rehabilitation Project

Village Self-help Learning Initiative (Pilot)

Umbrella Financing Agreement

Date: August 14, 2002

This FINANCING AGREEMENT has been made and entered on this
Day of 2002 at between the
Mahaweli Authority of Sri Lanka (henceforth called simply Authority) through the Village Self
Help Learning Initiative (VSHLI) fund and the Village Company (henceforth called
Management Committee) for {Name of the Village}

1. WHEREAS the Mahaweli Authority of Sri Lanka (Authority) desires to assist communities in carrying our Village Development Plan to help them alleviate their own poverty and has set up Village Self Help Learning Initiative Fund as one means for providing such assistance, and
2. The community of (Name of Village)..... located in (Name of District) district has applied to the Village Self Help Learning Initiative Fund for assistance with the following Village Development Plan

Title :
Number :
3. The Village Development Plan has been appraised and cleared by the VSHLI Technical Advisory Committee and , reviewed and recommended by the VSHLI Hub team, and approved by the Village General Body on
4. The community has registered the village organization under (Companies Act/Societies Act etc) and has been accorded the following registration number
5. THEREFORE, the Authority and the Management Committee of the Village hereby agree to the following:
6. The (Village Name) Village Development Plan shall consist of the following components:

Component

- A. Capacity Building & Training;
- B. Community & Social Infrastructure Activities;
- C. Matching Grants to the Poor.

7. For each of the above components, a separate addendum to the financing agreement will be prepared and will cover (a) the total estimated cost of carrying out the activity based on current prices; (b) the respective contributions of the community and of VSHLI Pilot to the total project; (c) the payment installments required linked with milestones of physical achievement and the community contributions required at each milestone. This will not apply to Component A & C, where no community contributions are envisaged. The Authority has delegated the authority to sign the addenda agreements to the Project Director, VSHLI Management Unit, Authority on the condition that the activities remain within the guidelines of VSHLI .
8. The Management Committee has opened a separate bank account – a current account - special for the project funds provided by with the name of the account being (Name of Account) and provided by VSHLI. In addition, the Management Committee has opened a savings bank account to maintain self-generated revenues (member fees etc.) and savings from the project. The Management Committee has provided VSHLI with the account numbers and names of signatories. If the accounts could not be opened prior to the launch ceremony this will be done immediately thereafter and the account numbers and signatories provided to VSHLI. This current account shall only be used for deposit of VSHLI contributions prior to their use in the project. The Management Committee should inform the Authority, in writing, of any changes in the signatories.
10. The Management Committee is responsible for keeping adequate records of all project related financial transactions, use of materials and labour and community contributions, and for adequate safe keeping of materials. Such accounts shall be available for inspection by the Authority or any other visiting Team deputed for the purpose.
11. The Management Committee is responsible for procuring all goods, materials, labour, transport and other inputs for the works. Quantities of goods, materials, labour transport and other inputs should not exceed those indicated on the schedules attached without prior written approval of the Hub Office.
12. Unit and total prices paid should not exceed those indicated in the attached schedules including the schedule of Basis Price List for materials. In order to get the best price for purchases of less than Rs. 50,000/- in value, the Management Committee will be guided by the Basic Price List and shall obtain quotations from three sources whenever practical. Three written quotations are required if there are any purchases above Rs. 50,000/- in value. Purchases above Rs. 200,000/- in value will only be undertaken with the assistance of the Hub Office through competitive bidding.
13. The Management Committee will directly procure goods, services and works and follow the procurement process as agreed in the Guidelines.
14. The Management committee agrees to complete the VDP activities in accordance with the agreed date and Guidelines.

15. The Management Committee is not permitted to use the funds provided by VSHLI for activities or works other than the agreed project activities.
16. Any savings from the VDPs can be deposited in the Savings account set-up for this purpose by the Management Committee. The savings can be utilized by the Management Committee after seeking the approval of the General Body (at least 66% members present; out of which 50% should be women) for: (i) future improvement/expansion of the activity; (ii) operation and maintenance for the said activity; or (iii) any new activity that will benefit the majority of beneficiaries.
17. The Management Committee shall provide complete information regarding the progress of the works or any related aspect or any matter relating to this agreement on a regular basis to the entire community, to designated representatives of the Hub office and local officials and to the Authority.
18. The designated representatives of the Hub and key officials will monitor the execution of the work.
19. Certification of completion will be issued only after Hub Office has verified compliance with technical, social, financial and procurement procedures.
20. The Authority can stop and suspend the works if it become evident that the Management Committee is not performing its works satisfactorily as per the terms of this Agreement. If there are serious problems such as financial irregularities, misappropriation, lack of physical progress, failure to report, or lack of community support, or environmental concerns, the Authority can recommend to the Project Steering Committee that the agreement be cancelled.
21. This agreement may be amended or cancelled by mutual consent of the Authority and the Management Committee in writing.
22. If during implementation of the works, any dispute arises between the Authority and the Management Committee relating to any aspects of this Agreement, the Parties shall first attempt to settle the dispute through mutual and amicable consultation. If the dispute is not settled through such consultation, the matter shall be referred to appropriate judicial arbitration.
23. The Management Committee will arrange to get the accounts of the Village Company audited by a firm of chartered accountants and submit the audit report as well as the audited financial statements to the Authority within six months of the close of the financial year. In addition to the external and statutory audit, the Village Company is encouraged to set up and train an internal audit committee from within its members to undertake self evaluation or undertake peer reviews.
24. This Agreement shall be governed by the Laws of Sri Lanka.

25. SIGNATURES:

For Mahaweli Authority of Sri Lanka/VSHLI **Title:**

For the Community (Project Management Committee)

..... Chairperson

..... Secretary

..... Treasury

Witnesses:

Attachments:

Attachment One: Certificate of Incorporation

Attachment Two: Village Development Plan and Schedule (Addendum on each activity with bill of quantities, milestones, cost sharing arrangements)

Attachment Three: Basic Price List

Attachment Four: Details of two Bank Accounts (name of account, account number) and names & designation of the signatories

**Addendum 1 – Component A – Capacity Building & Training
Financing Agreement 1**

This Addendum for Component A for Capacity Building and Training activities is being entered into on this Day of 2002 at between the Mahaweli Authority of Sri Lanka (henceforth called simply Authority) through the Village Self Help Learning Initiative (VSHLI) fund and the Village Company (henceforth called Management Committee) for **{Name of the Village}**

1. WHEREAS the Mahaweli Authority of Sri Lanka (Authority) has entered into an umbrella agreement datedwith(name of the Village Company, as registered) and
2. The Village Managing Committee has prepared an action plan for the capacity building activities (such as, (i) training in management and leadership, financial management and accounting, procurement, exposure visits, dissemination of the VSHLI guidelines among the community members etc. setting up of the Village Company offices (basic furniture, office infrastructure etc; (ii) setting up of information and monitoring system) and included the same in the approved Village Development Plan (VDP). Separate budget for the capacity building activities are attached to this document.
3. Under this financing agreement, the Authority will provide an amount of Rs.....(Rupees) to the Managing Committee as per the agreed budget and for the agreed activities.
4. It is understood that the funds provided for Capacity building and training activities will not include any recurring costs of the office (including salaries of the staff) and will not be used for any other activities under the VDP, for which separate funds will be provided by the Authority. On signing of this agreement, the Authority will transfer an amount of Rs.(20% of the total budget) to the Village Managing Committee solely for the purposes of this component.
5. The second and subsequent tranches shall be effected upon fulfillment of the conditions stated below:
 - 1.1 receipt of written request from the Management Committee stating the intended use of the tranche consistent with the terms of this Agreement and Guidelines;
 - 1.2 receipt of an up-to-date Monthly Progress Report from the Village Management Committee by the Hub Office assigned to the pilot;
 - 1.3 Proper and justified utilization of at least 75% of the previous tranche and 100% of any prior tranche as evidenced by a Project Financial Report submitted by the

Management Committee to the Hub Office along with a copy of the latest bank statement.

6. SIGNATURES:

For Mahaweli Authority of Sri Lanka/VSHLI **Title:**

For the Community (Project Management Committee)

..... Chairperson

..... Secretary

..... Treasury

Attachments:

- Attachment One: Description and Budget for Capacity Building & Training activities
- Attachment Two: Action plan and time line for implementation of Capacity building and Training Activities and Milestones.
- Attachment Three: Procurement Plan (what is to be procured, who will procure and when will it be procured)
- Attachment Four: Certification Procedures and Responsibility Table

**Addendum 2 – Component B – Community and Social Infra-structure Activities
Financing Agreement 2.1**

Sub Project:

This Addendum for Component B for Community and Social Infra-Structure activities for**(name of sub-project)** is being entered into on this
Day of 2002 at between the Mahaweli Authority of Sri Lanka (henceforth called simply Authority) through the Village Self Help Learning Initiative (VSHLI) fund and the Village Company (henceforth called Management Committee) for **{Name of the Village}**

1. WHEREAS the Mahaweli Authority of Sri Lanka (Authority) has entered into an umbrella agreement datedwith(name of the Village Company, as registered).
2. The Village Management Committee has finalized the sub-project proposal with (a) detailed breakdown of activities, (b) implementation schedule and (c) an operation and maintenance plan in the agreed format.
3. The detailed sub-project proposal will cover the following:
 - 3.1 objective of the activity (within the overall VSHLI guidelines)
 - 3.2 beneficiaries of the activity
 - 3.3 cost schedules (the cost will include 10% of the total sub-project costs as service fee paid to the Village Management Committee to help the Company to meet the administrative costs).
 - 3.4 Activity Milestones and fund requirement (installments) at each milestone. The installments will be calculated to provide funds to complete each milestone and an additional amount of 10% of the total VSHLI share of project funds as a buffer until the release of the next installment. The 10% of the total amount provided as a buffer will be adjusted in the final installment).
 - 3.5 community contributions (in kind or cash) required at each milestone, including upfront contribution
 - 3.6 procurement plan
 - 3.7 operation and maintenance plan for at least 3 years post completion of the sub-project.
4. The sub project proposal has been approved by the General Body of the Village Company (with minimum 66% of representation – half of these should be women).
5. The sub project proposal prepared as per the above guidelines, has been cleared by the Technical Advisory Committee.

6. The agreed amount of up-front cash contribution of Rs..... has been deposited in the current bank account on(date) and is evidenced by a copy of the bank pass book or deposit slip attached.
7. Work completion milestones have been agreed as below:

| Milestone/Activity (description of the milestone) | Amount (in installments) | Project Share | Community Contribution (in cash) | Community Contribution (in kind/labour) |
|--|-------------------------------------|--------------------------|---|--|
| Upfront Contribution (cash) | | | | |
| Milestone 1 – (description of physical indicator/s) | | | | |
| Milestone 2 – (description of physical indicator/s) | | | | |
| Milestone 3 – (description of physical indicator/s) | | | | |
| | | | | |
| Total | | | | |

8. On signing of this addendum, the Project Director, VSHLI will arrange to release the funds to the Village Management Committee as per the following funding plan:

| Installment number and amount* | Activity/Milestone to be completed before release of installment amount |
|--|---|
| Installment 1 – 10% of the estimated project cost plus cost of the Milestone 1. | a) signing of this addenda to Umbrella Financing Agreement b) Community cash contribution for Milestone 1 has been deposited into project bank account. |
| Installment 2 – cost of the Milestone 2. | a) Certification of completion of Milestone 1; b) Community cash contribution for Milestone 2 has been deposited into project bank account and all other contributions (labour and material) have been mobilized; c) Satisfactory financial reports have been submitted to Hub office. |
| Installment 3 (final) – cost of the Milestone 3 minus 10% of the total estimated project cost. | a) Certification of completion of Milestone 2; b) Community cash contribution for Milestone 3 has been deposited into project bank account and all other contributions (labour and material) have been mobilized; c) Satisfactory financial reports have been submitted to Hub office |
| | |
| Total | Total |

*Amount refers to the portion of the total cost which the Authority agrees to provide.

9. On completion of the each milestone as agreed above, the Management Committee will submit a status report (both financial and physical) to the Operations Manager, Hub certifying completion of the milestone in accordance with the technical and quality standards and VSHLI guidelines) and request for release of the next installment of the project share of funds as per the above schedule.
10. The Managing Committee will inform the Village General Body about the status of the sub-project activity and the financial progress.
11. On receipt of the status report, the Operations Manager, Hub will arrange for technical evaluation of the completed milestone(s) within ten days, and arrange to release the next installment of project funds to the Managing Committee.
12. On successful completion of the sub-project, the Managing Committee will submit a Completion Progress Report giving complete details on the achievement of the sub project objectives, monitoring indicators as well as physical and financial report. The completion report will be ratified by the Village General Body – at least 66% membership certifying completion of the activity in accordance with the agreed VSHLI principles and guidelines and breakdown of the actual costs. The final report will also show savings (if any), and evidence that the savings have been transferred to the Village Savings Account with an agreement that these funds will be used for future operation and maintenance of the village assets created under the sub-project.
13. It is understood that the funds provided for sub project activity will not include any recurring costs of the office and will not be used for any other activities under the VDP, for which separate funds will be provided by the Authority.
14. SIGNATURES:

For Mahaweli Authority of Sri Lanka/VSHLI **Title:**

For the Community (Project Management Committee)

..... Chairperson

..... Secretary

..... Treasury

Attachments:

- Attachment One: Sub project proposal with all required attachments and Activity Milestones
- Attachment Two: Copy of bank statement providing evidence of deposit of up-front cash contribution into project bank account
- Attachment Three: Procurement Plan (what is to be procured, who will procure and when will it be procured)
- Attachment Four: Certification Procedures and Responsibility Table

**Addendum 3 – Component C – Matching Grants to the Poor
Financing Agreement**

This Addendum for Component C Matching Grants to the Poor for income generation activities is being entered into on this Day of 2002 at between the Mahaweli Authority of Sri Lanka (henceforth called simply Authority) through the Village Self Help Learning Initiative (VSHLI) fund and the Village Company (henceforth called Management Committee) for {Name of the Village}

1. WHEREAS the Mahaweli Authority of Sri Lanka (Authority) has entered into an umbrella agreement datedwith(name of the Village Company, as registered).

2. The Village Management Committee has met the conditions required by VSHLI rules and guidelines to become eligible for the Matching Grant funds and confirm by a certificate/report to be verified by the Operational Manager, Hub office that the following actions have been taken:
 - 2.1 Set up guidelines for selection of the poor women and youth and two separate categories of beneficiaries for potential entrepreneurs as identified by the General Body: (a) poorest women; and (ii) the poor families
 - 2.2 That the guidelines have been approved by the General Body (66% of the members, out of which minimum 50% are women) and the list of eligible beneficiaries for the funds;
 - 2.3 The Village Company has elected a women’s representative to the Board of Directors to identify women’s issues and development of income generation activities affecting them;
 - 2.4 The Management Committee has set up an Matching Grants Subcommittee headed and managed mostly (minimum 75%) by women;
 - 2.5 That the guidelines include criteria for disbursement of funds and rules for the management of the funds;
 - 2.6 The information about the eligibility of the funds and rules for implementation of the activities has been displayed in the village community center and other places.

3. Consequent to the above actions, the Authority will provide the Village Management Committee with total funds amounting to Rs..... (Rupees.....) with an objective to help women and youth generate income by supporting the development of a sustainable business support system for micro and small enterprises. In addition, villages that satisfy the VSHLI guidelines of equity and transparency, plan and implement the activities on time; that the Management Committee has transferred the funds on a timely basis to the Matching Grants Sub-committee; and has developed and managed a

village banking system at the end of the third year will become eligible to receive an additional 10% of the Matching Grant component as a reward.

4. The first advance of 10% of the total funds will be released to the Village Management Committee on confirmation through certificate/report provided by the Company and verified by the Operational Manager, Hub office, on completion of the following activities:

- 4.1 The Matching Grants sub committee members have been trained in book keeping, accounting and reporting for management of savings and credit schemes;
- 4.2 A Memorandum of Understanding (MoU) has been signed between the Matching Grants sub-committee and the Management Committee, setting forth the role and responsibilities of the Sub-Committee (evidenced by copying a copy of the MoU);
- 4.3 A separate bank account (SB A/C Noin (name of the bank) has been opened for income generation activities to be managed by the Matching Grants Sub-Committee;
- 4.4 The Management Committee has hired services of a marketing/finance/business development specialist on an `on call' basis to evaluate the income generation activity proposals to ensure that they meet VSHLI principles and agreed guidelines and are economically viable and sustainable.

5. The first tranche of 30% of the total funds will be released to the Managing Committee on confirmation through certificate/report provided by the Management Committee and verified by the Hub Office, on completion of the following activities:

- 5.1 The Matching Grants Sub-Committee has submitted monthly progress reports to the Managing Committee and the Hub Office;
- 5.2 X number of beneficiaries have submitted application for funds;
- 5.3 X number of beneficiaries have been selected based on established selection criteria;
- 5.4 The Management Committee has hired technical help to develop the village banking services;

6. The second tranche of 40% of the total funds will be released to the Management Committee on confirmation through certificate/report provided by the Company and verified by the Hub Office, on completion of the following activities:

- 6.1 75% of the funds have been utilized and the Matching Grants Sub-Committee has submitted monthly progress reports to the Management Committee and the Hub Office;
- 6.2 X number of IGA activities have started after review and obtaining clearances from the financial and marketing specialist(s);
- 6.3 X number of beneficiaries have generated income by the said activities;

- 6.4 The technical help hired is providing required services to the community and submitting monitoring/progress reports to the Managing Committee and the Hub office every three months;
 - 6.5 The recommendations of the independent review of the Matching Grants component carried out by the Authority have been incorporated in the revised rules and guidelines for the management of the Matching Grant activities.
7. The third and final tranche of 20% of the total funds will be released to the Management Committee on confirmation through certificate/report provided by the Management Committee and verified by the Hub Office, on completion of the following activities:
 - 7.1 75% of the funds have been utilized and the Matching Grants Sub-Committee has submitted monthly progress reports to the Management Committee and the Hub Office;
 - 7.2 X number of income generation activities have started after review and obtaining clearances from the financial and marketing specialist(s);
 - 7.3 X number of beneficiaries have generated income by the said activities;
 - 7.4 The technical help hired is providing required services to the community and submitting monitoring/progress reports to the Management Committee and the Hub office every three months;
 - 7.5 The recommendations of the independent review of the Matching Grants component carried out by the Authority have been incorporated in the revised rules and guidelines for the management of the matching grants activities.
8. The claim for 10% of the total funds as Special Award can be made by the Management Committee through certificate/report provided by the Management Committee and verified by the Hub Office on completion of the following activities:
 - 8.1 70% of the funds have been disbursed to the selected beneficiaries identified as the poorest;
 - 8.2 provide evidence of having satisfied the principles of transparency by dissemination of information on the matching grants activities throughout the implementation;
 - 8.3 rules and guidelines are understood by a majority of the beneficiaries and is confirmed by independent monitoring review that will be carried out every six months;
 - 8.4 a sustainable banking system has been developed and is managed by the community members (measured through 100% repayments, % of savings mobilized, management costs borne by Matching Grants sub-committee, simple accounting and banking procedures developed etc.).
9. It is understood that the funds provided for the Matching Grant component will not be used for any other activities under the VDP, for which separate funds will be provided by the Authority.

10. SIGNATURES:

For Mahaweli Authority of Sri Lanka/VSHLI **Title:**

For the Community (Project Management Committee)

..... Chairperson

..... Secretary

..... Treasury

- Attachment 1: Detail of a Bank Account (sub-account) giving name of account, account number and names and designation of the signatories
- Attachment 2: Guidelines on Matching Grants to the Poor
- Attachment 3: List of Potential Micro-entrepreneurs: (i) Poorest women; and (ii) Poor Families

Wednesday, August 14, 2002

MALAWI SOCIAL ACTION FUND



Community Project Monthly Report

Instructions. This form must be sent to the Zone Officer for your project every month without fail. Attach additional information as needed where this form does not provide enough space.

Progress report for the month of: _____

Project name: _____ Project number: _____

Village/Area: _____ District: _____

PHYSICAL PROGRESS: (List all the project components and the progress to date. (e.g. schoolblock one-walls finished. Schoolblock two-slab poured).

Component

Description of progress to date

1.

2.

3.

4.

etc.

COMMENTS ON PROJECT PROGRESS: (Report if there have been any problems that require the attention and assistance of the District or Zone Office).

SIGNATURE:

Date:

Signature: (Chairman)

Nambari ya Mradi

Application number

Example: SHIN1/CDI/990



MFUKO WA MAENDELEO YA JAMII – TANZANIA.
TANZANIA SOCIAL ACTION FUND
(TASAF)

RIPOTI YA FEDHA NA UTEKELEZAJI WA MRADI

(Ripoti hii iwasilishwe kila awamu ya mchango wa fedha toka TASAF kumalizika)

COMMUNITY PROJECT FINANCIAL AND PHYSICAL REPORT

(This Report should be submitted for each Tranche)

IJAZWE NA KAMATI YA MRADI

(To be filled by the CPC)

IJAZWE NAKALA TATU

(To be filled in triplicate)

Maelekezo: Ripoti hii iwasilishwe kwenye Ofisi ya Wilaya ya TASAF pamoja na risiti halisi, taarifa ya benki (taarifa za muda za benki zitakubalika tu endapo zitakuwa na viambatisho vya matumizi), ikionyesha mchango wa TASAF, hati za malipo na salio la Benki kwa kipindi husika, hundi zilizolipwa, na maelezo kuhusu hundi ambazo hazijalipwa.

Instructions: This report should be handed to the TASAF District Office along with all original receipts, bank statements (Interim Bank statements are acceptable only if they include detailed transactions), showing contribution from TASAF, payments and bank balance for the period, paid cheques, and a note explaining any outstanding cheques.

Jina la Mradi: _____

Project name:

Kijiji/Kata: _____

Village/Ward:

Wilaya: _____ Namba ya Ripoti: _____

District:

Report No.

Tarehe ya Kuwasilishwa: _____

Date of Submission:

Maendeleo ya Utekelezaji Dhahiri (Orodhesha sehemu zote za mradi na utekelezaji wake hadi sasa. Onyesha kiwango cha utekelezaji kilichofikiwa hadi sasa)

PHYSICAL PROGRESS (List all the project components and the progress to date. (Indicate the level of activity reached to date).

| Sehemu <i>Component</i> | Maelezo kuhusu Maendeleo ya Utekelezaji hadi sasa <i>Description of progress to date</i> | |
|----------------------------|---|-------------------------------------|
| | Iliyopangwa <i>Planned</i> | Utekelezaji Halisi <i>Actual</i> |
| 1. | | |
| 2. | | |
| 3. | | |
| 4. | | |
| 5. | | |
| 6. | | |

(Endelea kuorodhesha nyuma ya fomu hii kama ni lazima)
(Continue on the back of this form if necessary)

Uhalalisho wa Matumizi ya Fedha za TASAF

TASAF EXPENDITURES JUSTIFIED

| Matumizi <i>Expenditures</i> | Jumla ya Awali <i>Previous Total</i> | Ripoti Hii <i>This Report</i> | Jumla ya Limbikizo jipya <i>New Cumulative Total</i> |
|--|---|----------------------------------|--|
| 1. Ununuzi wa Vifaa (bila ya Samani) <i>Materials purchases (not including furniture)</i> | | | |
| 2. Usafirishaji wa Vifaa <i>Materials transport</i> | | | |
| 3. Gharama za Mkandarasi <i>Contractor charges</i> | | | |
| 4. Vifaa vya Ufundi/samani <i>Equipment/furniture</i> | | | |
| 5. Gharama za Utawala <ul style="list-style-type: none"> • Posho • Uendeshaji <i>Project administration</i> <ul style="list-style-type: none"> • Allowances • Operations | | | |
| 6. Zana za Mradi <i>Project Tools</i> | | | |
| TOTAL | | | |

Fedha toka TASAF: Jumla hadi sasa: Tshs. _____

Funds From TASAF: Total to date:

Salio la Akaunti ya Benki: _____ **Fedha mkononi:** _____

Bank Account Balance:

Petty Cash Balance:

Mwenyekiti: _____ **Saini:** _____ **Tarehe:** _____

Chairperson:

Signature:

Date:

Katibu wa Kamati: _____ **Saini:** _____ **Tarehe:** _____

Secretary (check):

Signature:

Date:

Mweka Hazina: _____ **Saini:** _____ **Tarehe:** _____

Treasurer:

Signature:

Date:

Msimamizi wa Ufundi (Uhakiki) _____ **Saini:** _____ **Tarehe:** _____

Technical Supervisor (Certify):

Signature:

Date:

Afisa TASAF Wilaya: (Idhinisha): _____ **Saini:** _____ **Tarehe:** _____

TASAF District Officer (Approve):

Signature:

Date :

Tafadhali ambatisha stakabadhi zote za awali kwa malipo yote

(Please attach all original receipts for all expenditures.)

Toa maelezo kuhusu maendeleo ya mradi: Toa taarifa kuhusu tatizo lolote linalohitaji ushauri na/au msaada toka Ofisi ya TASAF ya Wilaya.

Comment on project progress: Report any problem that require the attention and/ or assistance of the District TASAF Office.