

**PUBLIC UTILITIES REGULATORY COMMISSION**



**GUIDELINES AND PROCEDURES FOR ACCESSING PRO-POOR WATER FUNDS**

**Application Guidelines**

March, 2018

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# 1 Introduction

Public Utilities Regulatory Commission (Amendment) Act, 2010 (Act 800) imposes a levy on electricity and natural gas transmission services for various applications. Section 35A (4) specifies 20% of the levy for Public Utilities Regulatory Commission pro-poor water programmes.

This project design document is therefore prepared to outline the implementation of the Public Utilities Regulatory Commission (PURC) pro-poor water programme component of the levy.

There is no question that, for many populations in developing countries, like Ghana, the need for safe water is paramount on the government agenda for its citizens. . The ultimate solution for the problem is to provide systems of piped, treated water, but this approach is expensive, time-consuming, and will take decades to realize. To address immediate needs, other approaches are required while progress is made in improving infrastructure.

The PURC Pro Poor Water Project is anchored in PURC's commitment in providing a leadership role in the resolution of pro-poor issues in the urban water sector, as enshrined in the PURC social policy and strategy for water regulation. It is also in line with its regulatory mandate to protect the interest of consumers, as well as Government poverty reduction objectives.

The Commission is undertaking pro poor water projects to improve accessibility of water to communities facing challenges with potable water supply. These projects are based on pilot projects carried out by the Commission in three localities in Accra to test community management of 'bulk water supply' through community reservoir(s) in water-deprived areas. This in addition tested the feasibility of adopting supply and financing arrangements for low-income communities. Though there were a lot of challenges during implementation and operations, the pilots seem to have achieved some of the objectives set out in the project concept paper. The pro-poor water interventions are mainly **pipeline extensions and drilling & mechanization of boreholes.**

## 1.1 About the PURC

The Public Utilities Regulatory Commission of Ghana is an independent body set up to regulate and oversee the provision of the highest quality of electricity, water and natural gas services to consumers.

In summary, PURC's key functions are to:

- Provide guidelines for rates to be charged for the provision of utility services.
- Examine and approve water and electricity rates;
- Protect the interest of consumers and providers of utility services;
- Monitor and enforce standards of performance for provision of utility services;
- Promote fair competition among public utilities;

- Receive and investigate complaints and settle disputes between consumers and public utility.
- Advise any person or authority in respect of any public utility.

## **1.2 The Vision of PURC**

To be a model utility regulatory institution in Africa.

## **1.3 The Mission Statement of PURC**

To build a credible and sustainable utility regulatory regime that protects the stakeholders' interest.

## **1.4 Framework of Policy.**

The framework and objectives of the policy for PURC Pro-poor Water Fund (PWF) Procedures Guidelines for the allocation of the PWF are:

- **Rigorous Selection and Assessment:** The policy requires PWF grants to follow a transparent selection procedure based on a thorough screening, review and approval process.
- **Recipients.** PWF will only be provided to local communities in which access to potable water is a challenge. In all cases, a proposal will be required. The Proposed project based on due diligence carried out by PURC's team, to ensure the proposed Community meets PURC's requirements.
- **Exclusions.** Grants will not be extended for activities normally supported by other NGOs or Foreign donors.
- **Consultation/Coordination** PWF proposed for interventions in a specific district or community require full consultation and close coordination with the concerned community involved in the proposed project.
- **Approval Mechanism.** All amounts earmarked for disbursement under the PWF require the approval of the PURC Board.

## **1.5 Other Guiding Provisions:**

- The implementation period of small water systems (contract sum not exceeding GHC300, 000.00) interventions will not exceed six Months from date of signing contract.
- The implementation period of large water systems (Contract sum exceeding GHC300, 000.00) interventions will not exceed 12 Months from date of signing contract.

- All requests for PWF financing of successive phases of an intervention financed previously will include explicit reference to 1) achievements of previous phase objectives; 2) rationale for and value of continued investment; and 3) a Complete Evaluation of the preceding phase.

The PURC's Pro-poor Water Programme mechanism guidelines are based on funds available to the PURC at time of implementation.

### **1.6 Overall goal and objective of projects**

The overall goal of the pro-poor water interventions is to reduce the burden for those who face the greatest deprivation in water supply, particularly those spending a high proportion of their household income on water purchased from secondary and tertiary suppliers.

The pro-poor goal can be achieved through:

- Sustainable provision of reliable water supply with active community involvement;
- Targeting those spending a high proportion of their household income on water purchased from secondary suppliers.
- Providing choice of access route for individual households and stable income for alternative providers in areas where supply and collection by the utility would otherwise be difficult or uneconomic.
- Promotion of sector capacity building for pro-poor services delivery through training.
- Support training of sector personnel in pro-poor project planning including development of curricula and training materials

### **1.7 Attributes of PURC Funding for Pro-poor water**

The PWF is used by PURC to provide interventions in potable water supply to Districts, Communities and Institutions in line with PURC's Social Policy and Strategy for Water Regulations.

Funding of the Pro Poor interventions takes place within the parameters of PURC's policy and strategic frameworks and may take place as a stand-alone initiative or in conjunction with other government support.

The intervention is based upon the assumption that PURC will not be involved in the details of individual initiatives funded by PWF.

When funds are provided at the district or community level, PURC plays no role in the initial identification, design, or implementation of the specific programs or initiatives to be implemented, but rather provides resources through its PWF to undertake the intervention based on PURC's assessment of the suitability of the District/Community for project eligibility.

The PWF funding is not to be used for operations and overheads. This is expected to be borne by the beneficiary District, Community and Institutions. When funding is provided by PURC in the form of a grant, due diligence and monitoring is done at the institutional level and includes the need to verify the continuing eligibility of the recipient district or community to receive funding.

The Pro-poor Water Funds (PWF) is accessible on a yearly basis, but may vary on availability of funds. The deadline for receiving proposed applications is 31 March of the project year.

### **1.8 PURC/PWF Target**

PURC selects its projects based on demonstrated potential of communities to produce sustainable development projects focusing on sanitary, clean drinking water and the improvement in the lives of vulnerable poor people and communities.

## **2 General Eligibility Criteria**

Prospective projects must meet the following eligibility criteria in order to be considered for PURC/PWF financial support.

- **Appropriate size and stage of development**

The income levels of the community should be low (based on the Ghana Living Standards Survey). PURC's aim is to identify communities at a relatively early stage in their development programs.

- **Direct involvement with poor rural communities, children and women.**

Prospective applicants must work directly with poor communities that include children and women. PURC does not support groups engaged exclusively in advocacy or research.

- **Capable management**

Prospective applicants must have systems and processes for ensuring responsible management of funds. At a minimum, a community must have basic accounting and reporting systems as well as phone and email access.

- **Local leadership**

Prospective applications must be led by individuals who live and work in the community.

- **Community Involvement**

A prospective applicant must be a recognised Community Based Organisation (CBO). PURC does not provide start-up funding for the creation of new organizations or group.

### **2.1 Selection Guidelines**

Beyond these basic eligibility criteria, PURC/PWF uses the following selection guidelines in identifying communities that are truly exceptional.

- **A focus on the most vulnerable poor rural communities**

PURC/PWF interventions reach communities who are economically and socially outside the reach of mainstream services and support and depend on secondary and tertiary suppliers.

- **Rural Community involvement**

PURC prioritize applications that are rooted in their community and operate with community input, grassroots organization involvement, embracing the community as an integral part of their success.

- **Effectiveness**

PURC prioritize applications that can demonstrate sustained, meaningful improvement in the lives of the rural communities, especially women and children.

- **Empowerment**

PURC prioritize applications that engage rural communities' populations of women and children as active participants in their own growth and development, rather than as passive recipients of services.

- **Innovation and creativity**

PURC prioritize applicants that tackle old problems in new ways, demonstrating innovation and creativity in their program strategies and approaches to support local communities with concrete programs and results.

- **Strong leadership**

PURC prioritize applicants that have committed, respected, and dynamic leadership with a vision for change and focusing on the implementation of sustainable development.

- **Adaptability**

PURC prioritize applicants that generate models, methodologies, and practices that can be adapted and applied to similar issues and challenges in other communities locally, and nationally.

- **Potential for sustainable development programs to rural communities**

PURC prioritize applications that have a strategy for ensuring the long-term sustainability of their programs, through donor diversification, mobilization of government funding, community investment, income-generating activities, and other creative measures to implement its objectives.

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## **2.2 Eligibility**

To be eligible:

- The project must take place in water deprived areas in either urban, rural and peri urban or established low cost areas.
- The issue of use of land must be clear, at least MOU signed with any land owner on which interventions are provided.
- The project must take into account existing infrastructure for the delivery of the intervention.



- The project must sensitize the community and demonstrate the involvement of recognised community groups at the design stage. A participatory approach to selection of options.
- The applicant must provide evidence for sustainability of the intervention.
- The project should consider experience and capacity of the provider to implement.
- **Duration.** Project implementation should not exceed an implementation schedule agreed at the beginning of the process with all stakeholders. Must have duration of not more than 18 months.

### **3 ASSESSMENT CRITERIA**

PURC's PWF support to pro-poor initiatives is based on a detailed assessment of a proposal using the criteria below:

#### **3.1 Technical Criteria**

- Degree to which the proposal appears technically sound and feasible.
- Using appropriate methodology and approach
- High probability of achieving predicted outputs, outcome and impact? (take into account approach, timeframe, budget).

#### **3.2 Value for Money**

- Is the proposed budget appropriately related to the objectives and does it reflect an efficient cost structure.

#### **3.3 Management Criteria**

- Degree to which the community/management team appear to have satisfactory capacity to (a) undertake the proposed project; and (b) comply with PURC's PWF guidelines and other reporting requirements.
- Presence of institutional framework to support capacities of relevant local institutions e.g., CBO's?

#### **3.4 Innovation and Learning Criteria**

- Is the proposal innovative in terms of processes (demand-driven, participatory, institutional arrangements) and in terms of outputs (impact-oriented, and potential for mainstreaming, policy driven)?

- Are learning objectives clearly outlined, and how potentially effective are the mechanisms for learning/sharing of knowledge?

### **3.5 Eligibility**

The PURC's PWF projects are intended to assist districts, communities and Institutions working with local communities in providing potable water to the people.

Priority is given to projects taking place in rural and peri-urban communities that will have an immediate impact on the people.

### **3.6 Who Can Apply.**

All applicants for funds should be community based and the project must benefit the Community. The PURC may not consider applications from individuals.

Applying communities must:

- Be recognised or a known CBO, or in the absence of that communities can apply through their respective District Assembly.
- demonstrate accountability and good governance;

*In assessing applications, the PURC PWF will give additional priority to applications From deprived districts/communities and those which have not previously received funding from the PURC.*

The PURC does not give funds to support individuals and political parties.

## **4 Application Process**

The Commission accepts applications for funding throughout the year. To be considered for implementation in a given year, applications must be received by March 31. The deadline for is March 31 each year.

Applicants should not apply for funding for an activity that takes place less than six weeks after the application deadline. PURC does not provide funds for interventions has been carried out.

### **4.1 Information Needed to Assess an Application**

Applicants are expected to fully complete the Application form for Pro Poor Water Fund and fill in all sections of the form. Applications not made on this form will not be considered for evaluation. The application forms are available as appendix 1.

PURC is unable to process proposals entirely by e-mail. If an application is made by fax or e-mail, a hard copy, on the applicant's letter head, should also be sent by post to:

The Executive Secretary,  
Public Utilities Regulatory Commission,  
P. O. Box CT 3095,  
Cantonment-Accra.

## **4.2 Decision Making Process**

All eligible applications will be approved by the Board subject to recommendation by the pro poor Committee.

All successful proposals will be advertised in the National Print media for open competitive bidding.

Unsuccessful applicants will receive communication informing them of the outcome of their application and the reasons for rejection.

## **5 Reporting**

All successful applicants are expected to submit monthly progress report on the activity for which funding was requested. All reports should demonstrate the impact of the activity and any plans emerging for future collaboration and follow-up activities, particularly at local and national level. The reporting template is available as appendix 2.

Grant beneficiaries are also expected to be contacted by the PURC/GWCL Team or their consultant up to a year after the activity for which funding from PWF has taken place. The PURC Team will be keen to learn of any long term impact the activity may have had. Post construction and completion monitoring will be undertaken by the PURC/GWCL (Pro Poor Committee) team or their consultant.

### **5.1 Attribution**

It is mandatory for all successful applicants to acknowledge the support of the PURC activities in all documents or announcements associated with the activity for which funding is provided.

This includes all written documents (reports, publications, press releases) or public announcements (speeches and addresses).

In addition:

- Both PURC and GWCL logos should be included in all printed material including the website if this is applicable.
- all beneficiaries of districts/communities of the funding should be informed of the source; and
- the PURC should be sent copies of all documentation produced in association with the activity of PWF program.

## 6 Grant Seeking Procedure

### 6.1 Background information

Successful fund raising proposal involves solid advance planning and preparation. It takes time to coordinate your planning and research, organize, write and package your proposal, submit your proposal to the funder, and follow-up.

Organize your proposal, pay attention to detail and specifications, use concise, persuasive Writing, and request reasonable funding.

Clearly understand this guidelines before you write your proposal.

Make sure the PWF goals and objectives match your grant seeking purposes.

Preparation is vital to the fund raising proposal process. Solid planning and research will simplify the writing stage. A well-written proposal follows the basic steps outlined below.

- Establish that you have a significant need or problem in your proposal.
- Deliver an answer to the need, or solution to the problem, based on experience, ability, logic, and imagination throughout your proposal.
- Make sure your proposal describes a project for change. Reflect planning, research and vision throughout your proposal.
- Research Pro-poor programme, including funding purposes and priorities, and applicant eligibility.
- Determine whether the PURC's goals and objectives match your grant seeking purposes.
- Target your proposal to Pro-poor appropriate project, but do not limit your funding request to one source. Contact the PURC, before you write your proposal, to be sure you clearly understand the PURC's guidelines.
- Present your proposal in the appropriate and complete format, and include all required attachments.
- State your organization's needs and objectives clearly and concisely. A well-written proposal is a key factor in the Pro-poor Committee decision-making process.
- Be clear about why you are seeking a grant, what you plan to do with the money, and why you are a good fit with the Pro-poor priorities. Prepare an interesting, persuasive and unique proposal.
- Always cover the following important criteria: project purpose, feasibility, community need, funds needed, applicant accountability and competence.
- Demonstrate project logic and outcome, impact of funds, and community support. Be specific about broad goals, measurable objectives, and quantified outcomes.
- Always follow the exact specifications of the application requirements, (Requests for Proposals [RFPs] and guidelines).

Be sure to establish a connection between your proposal's goals and the PURC's priorities, and focus on detail, clarity, and conciseness, while conveying the impact your proposal will make on the need or problem you are addressing as follows.

## **6.2 COVER LETTER:**

Your inquiry cover letter should condense all of the key information into the following main elements:

- District/Community Overview/Purpose
- State Reason for and Amount of Funding Request
- Describe Needs or Problem (including target population, statistics, examples)
- Describe Project or Program
- List other Project Funders (prospective and committed)
- Request Funding Application

Typical inquiry letters, usually a maximum of 2-3 pages, include the following components:

## **6.3 COVERSHEET:**

District/Community Name, Address, Town, Region, Contact Name, Title, Telephone, Fax, E-mail, Address;

## **6.4 FINANCIAL INFORMATION**

For project funding requests, you will need to submit a project budget. This budget should be detailed enough to help in the assessment of the proposal.