

ANNEX 7. AUTONOMOUS RURAL WATER SUPPLY AND SANITATION- IMPLEMENTATION CYCLE

NOTE: In coordination with the World Bank team, the latest edition of this Manual with appendices will be adopted as an “Initial Guide” to ensure flexibility of approaches in creating community drinking water organizations (CDWOs). Subsequently, after piloting of the first drinking water supply subprojects with creation of CDWOs, adjustments would be made on the Manual based on the experience gained in the implementation process.

*This Document has been developed by and agreed between ACTED/
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Contents

ACRONYMS AND ABBREVIATIONS	3
BACKGROUND	4
MAIN ACHIEVEMENTS EXPECTED	4
1. DESIGN GUIDELINES AND INCORPORATION OF CLIMATE CHANGE AND RESILIENCE TO CLIMATE CHANGES	5
1.1. Climate Change Effects to Consider	6
1.2. Suggested Strategies to Mitigate Risks from Climate Change.....	6
2. ROLES AND RESPONSIBILITIES OF KEY STAKEHOLDERS /ACTORS.....	7
3. COMMUNITY INVOLVEMENT ACTIVITIES FOR IMPLEMENTATION OF DRINKING WATER SUB-PROJECTS	9
A. Establishment of CDWOs.....	9
B. Activities during Operation and Maintenance of Drinking Water Systems	9
3.1. FLOW DIAGRAM OF ACTIVITIES SYNCHRONIZED WITH RIDP IMPLEMENTATION CYCLE	10
3.2. PRELIMINARY ACTIVITIES FOR ESTABLISHMENT OF CDWO	12
3.3. ESTABLISHMENT OF CDWO	18
3.4. CDWO REGISTRATION PHASE	26
3.5. CONSTRUCTION PHASE ACTIVITIES AND ACTIVITIES DURING THE COMPLETION, HAND-OVER AND START UP.....	31
3.6. ACTIVITIES DURING OPERATION AND MAINTENANCE OF WSS	32
3.7. RIDP-AWSS IMPLEMENTATION CYCLE: TIME FRAME	39
LIST OF ANNEXES	42

ACRONYMS AND ABBREVIATIONS

CDWO	Community Drinking Water Organization
CMM	Community Mobilization Manual
CPMT	Community Participatory Monitoring Team
FPS	Facilitating Partner(s)
GA	General Assembly
GoU	Government of Uzbekistan
HH	Household(s)
MB	Management Board
MCA	Mahalla Citizen's Assembly
MDU	Mahalla Development Unit
NNO	Non-governmental Non-commercial Organization
NRW	Non-Revenue Water
O&M	Operation and Maintenance
PIU	Project Implementation Unit
POM	Project Operation Manual
QDP	Qishloq Development Plan
QE	Qishloq Engineer
QF	Qishloq Facilitator
RC	Revision Committee
RIDP	Rural Infrastructure Development Project
SES	Sanitary and Epidemiological Services
WBA	Well Being Analysis
WHO	World Health Organization
WSS	Water Supply and Sanitation

BACKGROUND

As mentioned in Appendix-A, Component-2 of the Terms of Reference, the Government of Uzbekistan is willing to support the scaling up of innovative, alternative models for rural water supply and sanitation service provision through the RIDP as envisaged by the Presidential Decree Number 4040 dated November 30, 2018. The key approach is that if the communities, within the scope of RIDP, select drinking water sub-subprojects, the RIDP will finance the goods, works and services required to implement rehabilitation of existing or construction of new water supply and sanitation systems. Further on, based on the RIDP community mobilization activities done and Qishloq Development Plans approved, these systems have to be managed and operated, so they become sustainable. There are two options suggested:

1. Operation and Maintenance by **Community Drinking Water Organization (CDWO)** that will be established and registered as a public funded Nongovernmental Noncommercial Organization (NNO), using the structures already formed during the RIDP community mobilization processes. This approach will be followed only after consent is received by the majority of the Qishloq citizens.
2. Operation and Maintenance by regional Uzsvtaminot. This approach will be followed only if there is no consent by the majority of the Qishloq citizens. Regional Uzsvtaminots may apply the approach described hereinafter.

Further **below** are described all activities needed and achievements expected if the Community decides to autonomously **manage** the water supply system (WSS). There are two main groups of activities:

A. Institutional Activities

The main goal here is to assist rural population in decentralized management of water supply systems by setting up independent community drinking water organizations. These organizations will be in charge of operation and maintenance. With establishment of such organizations also training tools will be provided in order to achieve a more gender-balanced representation of women in decision making bodies.

B. Technical Activities

The goal of these activities is to impart adequate knowledge to the CDWO on the need to participate as well as the feeling of ownership of the water systems starting from the very beginning of the process - subproject design and construction activities.

MAIN ACHIEVEMENTS EXPECTED

The following achievements are expected upon completion of the planned activities:

- Positive change in people's attitude towards management of drinking water systems.
- Water committees trained and able to operate their water systems effectively and independently.

- Active participation of women and youth in establishment of CDWO and water system management processes.
- High collection rate of water tariff for sustainable operation of the water systems.
- Sharing of experience and best practices among drinking water organizations.

1. DESIGN GUIDELINES AND INCORPORATION OF CLIMATE CHANGE AND RESILIENCE TO CLIMATE CHANGES

In this section are described the guidelines that can be used by the design companies and PIU (GoU) as information sheet when preparing Technical Design and Environment and Social Impact Evaluation Plan.

- Climate change is now recognized as one of the defining challenges for the 21st century. More frequent and intense extreme weather events have resulted in a higher incidence of floods and droughts around the planet. The ensuing adverse impacts of climate change on water and sanitation services constitute a clear and present danger for development and health. Ensuring optimal resilience of water and sanitation services in a globally changing climate context will be crucial for maintaining the momentum of making progress in health and development. Climate variability is already a threat to the sustainability of water supplies and sanitation infrastructure.
- Flood occurrences continue to cause shocks for the affected population and to challenge water and sanitation managers. In many places, they are likely to become more frequent with intensification of climate change, thus;
 - Floods can have catastrophic consequences for basic water and sanitation infrastructure. Such damage can take years to repair.
 - On a smaller scale, drinking-water infrastructure can be flooded and be put out of commission for days, weeks or months.
 - Where flooding of sanitation facilities occurs, there may not only be a break in services, but the resultant flooding may distribute human excreta and its attendant health risks across entire neighborhoods and communities.
- Droughts occur unpredictably, worldwide. In many places they are likely to become more frequent and more widespread with climate change. For example:

Falling groundwater tables and reduced surface water flows can lead to wells drying up, extending distances that must be travelled to collect water, and increasing water source pollution. In response, drilling rigs – which would otherwise be used to increase access – may be redeployed to renew or replace out-of-service wells, slowing the actual progress in extending access.

- Since climate change is likely to affect water sources and infrastructure in Uzbekistan, it must be taken into consideration (i.e. ensure enhanced adaptation capacity) in design, operation and maintenance of water and sanitation infrastructure or subprojects. Globally,

climate change studies are coordinated by the United Nations Framework Convention on Climate Change (UNFCCC) and the Inter-Governmental Panel on Climate Change (IPCC). Accordingly, designers should therefore use the latest information, data and model predictions available and include a statement on what measures, if any, have been allowed for in order to cope up with (or adapt to) the climate change within the time frame of their subproject design (i.e. design life).

1.1.Climate Change Effects to Consider

Climate changes have significant effects on the available sources of water, as well as on the competing demands on its use. Small water utilities have to be alert to these effects as they pose threats on their long-term viability and sustainability.

a. Climate Change Effects:

1. Increased saline intrusion into groundwater aquifers;
2. Water treatment challenges: increased bromide; need for desalination;
3. Increased risk of direct storm and flood damage to water utility facilities.

b. Effects of Warmer Climate:

1. Changes in discharge characteristics of major rivers due to upstream changes;
2. Changes in recharge characteristics of major groundwater aquifers due to upstream changes;
3. Increased water temperature leading to increased evaporation and eutrophication in surface sources;
4. Water treatment and distribution challenges;
5. Increased competing demands for domestic and irrigation;
6. Increased urban demand with more heat waves and dry spells;
7. Increased drawdown of local groundwater resources to meet the increasing water demands.

c. Effects of More Intense Rainfall Events:

1. Increased turbidity and sedimentation;
2. Loss of reservoir storage;
3. Water filtration or filtration/avoidance treatment challenges;
4. Increased risk of direct flood damage to water utility facilities.

1.2.Suggested Strategies to Mitigate Risks from Climate Change

Within the capabilities of small water utilities are some strategies that they can implement either as part of their day-to-day operations, or as special measures in response to external developments.

a. Water Conservation Measures:

1. Meter all production and connections.
2. Reduce non-revenue water (NRW).
3. Use tariff design to manage demand.
4. Disseminate water conservation tips to consumers.

b. Design of Facilities

1. If possible have at least 2 sources of supply at different locations.
2. Build superstructures above high flood line level.
3. Adopt energy-efficiency programs and, where possible, select facilities which require less power consumption.
4. Utilize renewable energy sources.

c. Reforestation of Watersheds:

1. Join or initiate community programs for watershed reforestation. Enlist assistance from NNOs and the MDU units.
2. Enlist the support of the community in protecting the watersheds.

d. Mitigation of Disaster Effects

1. Form Disaster Response Committee.
2. Network with multi-sectoral organizations.

For further reference on climate-resilient water safety plans, the detailed WHO guidelines could be followed: <https://www.who.int/publications/i/item/9789241512794>

2. ROLES AND RESPONSIBILITIES OF KEY STAKEHOLDERS /ACTORS

The Roles and responsibilities of key stakeholders have been thoroughly described in Chapter II of the POM. In order to achieve a sustainable life of the new or rehabilitated water supply systems (WSS), the following organized and trained actors have been added **additional responsibilities and duties**, as a part of the process of CDWO establishment.

Community Drinking Water Organization (CDWO)

Community Drinking Water Organization will be registered as a Non-Government Organization (NNO). The Organization will be established as an Association of physical persons operating on the basis of the Constitution, the civil code, the “Law on NNOs”, “Guarantees of NNO activity” and other acts of regulations of the Republic Uzbekistan. The Organization will carry out their activities, guided by the principles of self-management, legality and publicity. ***The Organization’s main objective is to ensure the regular functioning of drinking water supply system and promotion of a healthy way of life. It will be in charge of daily operation and***

maintenance of the system, under the supervision of MCA.

The main responsibilities of CDWO will include:

- To conduct oversight of all works related to the rehabilitation of, or construction of a new WSS with support from the FPs,
- To organize operation and maintenance services and necessary repairs of drinking water supply systems,
- To carry out constant monitoring of the water quality supplied to the population,
- To take measures to accumulate financial resources and means for maintenance to ensure regular functioning of drinking water supply system,
- In cooperation with MDU and MCA members, to promote healthy way of life, hygiene and sanitation practices among the population,
- To carry out constant interaction with state structures, NNOs etc. in order to meet the qishloq population's requirement for drinking water,
- To co-operate with non-governmental non-commercial organizations (NNOs), state structures, mass media and the international organizations,
- To carry out information exchange, publishing (in conformity with the Law «About the Press» in Republic of Uzbekistan), other joint subprojects with mass media.

Facilitating Partners (FP)

The Facilitating Partners will assist in the process of establishing Community Drinking Water Organizations (CDWOs) ***by providing training and capacity building to MDUs*** prior to, during and after construction to ensure sustainable operations.

Mahalla Development Unit (MDU)

Mahalla Development Unit is the leading body for the establishment of a sustainable CDWO as well as for the organization and management of the WSS. It has been established already and trained adequately during RIDP mobilization process (as described in the POM). The members have been chosen so they are the leaders in solving of village problems. They should be willing to work for free for the benefit and prosperity of their village. They are active leaders of the village having a considerable experience working with social issues.

Community Participatory Monitoring Team (CPM)

The existing Community Participatory Monitoring team will be additionally trained to perform different monitoring activities during the construction and procurement phases of the WSS subproject as well as to monitor the operations and maintenance of the new WSS that is being carried out to ensure the safe, efficient, and long-term functioning of the public facilities that are being built with RIDP funds.

Mahalla Citizens Assembly (MCA)

Mahalla Citizens Assembly Executive Committees, shortly MCA, consist of a chairperson, a secretary, and an advisor. MCA represents the government and will be the owner of the water system, at the same time will be in charge of public services. CDWO will be in charge of daily operation and maintenance of the system, under the supervision of MCA.

3. COMMUNITY INVOLVEMENT ACTIVITIES FOR IMPLEMENTATION OF DRINKING WATER SUB-PROJECTS

In this section **below** are listed the activities to be performed by the community for establishing, operation and management of the CDWO as well as implementation of drinking water subprojects.

A. Establishment of CDWOs

(i) Preliminary activities

- Consensus on subproject components and modality of implementation
- Orientation on household consent
- Consensus building on formation of CDWOs
- Orientation meetings on elements of the structure of CDWOs
- Orientation on need for payment of monthly water tariff
- Focused training and field visits for MDU members
- Training of local health and hygiene workers and school teachers

(ii) Set up of CDWOs

- General assembly meetings
- Management board meetings
- Executive committee

(iii) CDWO registration activities

- Submission of registration documents
- Obtaining certificates of registration
- Obtaining seal, stamp, and tax ID number
- Opening of bank account

(iv) Construction phase activities

- Monitoring of construction works
- Selection and training of CDWO staff on organization and management, financial and administrative matters including selection and on-the-job training of water and sanitation technicians
- Resolution of local level disputes

(v) Activities during the completion, handover and startup

- Participation in testing of the system
- Acceptance and handover of the system, documentation of the process
- Startup of the system

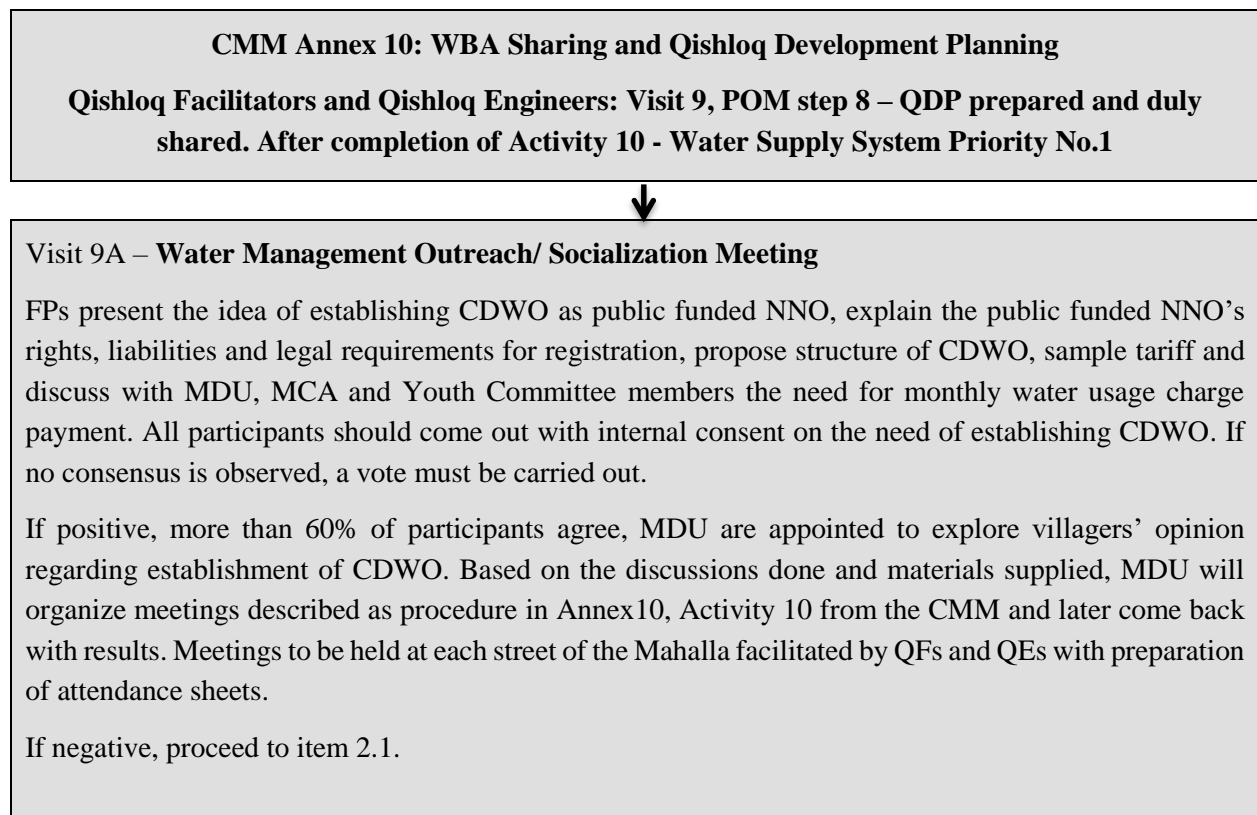
B. Activities during Operation and Maintenance of Drinking Water Systems

- Agreement of delegation of authority

- Following up rule of operation and technical specifications
- Endorsement of dynamic water tariff structure and collection of tariff
- Drinking water service contract
- Preparation and submission of financial reports
- Regular meetings of the CDWO bodies
- Linkage with service providers
- Capacity building (trainings and exchange visits)

3.1. FLOW DIAGRAM OF ACTIVITIES SYNCHRONIZED WITH RIDP IMPLEMENTATION CYCLE

In line with the current RIDP Roll-up plans for community mobilization and social training practices described in CMM, the steps for implementing the prioritized in the QDP as No.1 water subproject are marked as “Visit #A” whereas the number shows the visit number according to the CMM latest version 23rd Jan 2022 and the letter “A” shows the relation of the visit with the implementation of the water subproject. The idea is to get better understanding and to be related to the current activities, thoroughly explained in the CMM and the best possible timeframe for implementation.



CMM Annex 12: Finalize QDP and Share with Community
Qishloq Facilitators and Qishloq Engineers Visit 12 - Water Supply System Priority No.1 confirmed for execution under RIDP

Visit 12A – MDU shares the results:

1. Qishloq citizens reach agreement and take a decision for establishment of CDWO for WSS O&M.

2. Qishloq citizens do not agree for establishment of CDWO for WSS O&M

1.1. FPs prepare official letter to PIU, informing the result. FPs give households consent form to MDU members asking to get the relevant signatures. MDU are requested to represent members of General Assembly (GA) until next visit (process as mentioned above in Visit 9A).

2.1. FPs prepare official letter to PIU, informing the result. Suvtaminot to be responsible for WSS O&M.

Visit 13 – Households consent forms ready. MDU ready with GA members. MDU, FP and MCA chairman agree on appointment of 1st GA meeting date

Visit 14 – 1st GA meeting – Introduce structure of CDWO to all members; The role of Drinking Water Organization (Executive Committee); The role of General Assembly and other relevant bodies inside the GA; Introducing the approximate cost of the monthly charge for water system operation and maintenance, explaining that the final amount will come out only after construction is completed and consensus on CDWO staff structure and expenses is confirmed.

Visit 15 – 2nd GA meeting: Explanation of the role of the Management Board; (Chairman is to be elected from members of GA); Election of the Chairman of the Management Board, Secretary and other members; MCA would be requested and discussed, to bear the initial expenses, if possible.

Visit 16 – 3rd GA meeting - Introduce the Recruited Executive Director to the General Assembly; General Assembly should confirm his position as Executive Director of Executive Committee.



Visit 17 – 4th GA meeting – Express gratitude to members of General Assembly; Introduction of CDWO Executive Committee members to Construction Company, who will conduct the monitoring of construction works. Present the weekly and monthly construction works progress forms.

In order to avoid future complaints due to peoples’ higher expectations on the final result of RIDP investment in water sub-projects, it should be clear before final approval of QDP and Water Supply System Priority No.1 confirmation, what will be covered by the finding as scope and limitations. That is, the newly rehabilitated or constructed system will be executed up to the street supply point or individual yard and house stand posts with water meters. In this respect it is suggested, during discussions with community, envisaged in CMM¹, this topic to be discussed and the result to be included in the Final QDP as a community decision.

3.2. PRELIMINARY ACTIVITIES FOR ESTABLISHMENT OF CDWO

STEPS	
1. INPUTS	At least 90% of MCA/MDU and youth sub-committee are participating. The FP presents the idea of establishing CDWO as public funded NNO, explaining the public funded NNO’s rights, liabilities and law requirements for registration, proposed structure of CDWO, sample tariff and discusses with MDU/MCA and youth sub-committee members the need for monthly charge payment for WSS safe O&M. The FP also presents the household consent form and discusses the text.
2. MAIN ACTIVITIES	<ul style="list-style-type: none"> • Discussion of the idea of establishing CDWO, sample tariff, monthly water users’ charges, structure of CDWO as NNO, definition of the term “water user”; • Population agrees to have a new CDWO; • Training of the MDU on the steps for establishment of CDWO as NNO; • Involvement of the local health workers and education sector for the hygiene trainings and sanitation;
3. OUTPUTS	<ul style="list-style-type: none"> • The roles, responsibilities and modalities of CDWO management and operation are clarified; • Internal agreement for CDWO

¹ CMM version 23rd Jan 2022, Annex-10, Activity- 10

	<ul style="list-style-type: none"> • Preliminary Consent Document based on households agreements
4. OBJECTIVES	All local actors agree on the idea of establishing own CDWO and modalities of operation, maintenance and monthly charges;
5. ACTORS	MCA, MDU, QFs and QEs, CPMT
6. RESOURCES, TOOLS AND METHODS	<ul style="list-style-type: none"> • Sample structure of CDWO • Structure of monthly tariff • Household Consent Agreement form

A. Objectives

At the end of this phase: all local actors agree on the need of establishing own CDWO, modalities of operation, maintenance of WSS and the structures that need to be formed.

B. Expected outputs

This phase is closed with the development and approval of a Preliminary Consent Document that contains all relevant information on:

- the structure of the new CDWO
- the structure of the NNO
- consent on the need of monthly tariff charges
- the roles, responsibilities and modalities of management and operation

C. Activities

a. Discussion of the idea of establishing CDWO, sample tariff structure, monthly water users charges, structure of CDWO as NNO

The first step of establishing CDWO that will be responsible for management and operation of the WSS in the village, is to explain to all MDU, MCA and youth committee members, their role in initiating, set up and registration and the requirements, rights and obligations of public funded NNOs, stipulated in the “Law for NNOs”². This is considered as one of the important mechanisms of the whole process. If this mechanism initially is well established and clear then the operation and institutional functioning of the CDWO will be self-sustainable in terms of internal links and agreement between members of the structure.

There must be an emphasis on the need of change in the process of operating and maintenance of the village WSS, comparing the centralized system results up to date with results of decentralized systems that are operating in other villages. All members will be presented the structure of CDWO and the steps to achieve it. It will be noted that the way to decentralized working scheme is totally

² 14.04.1999 г. N 763-I, Annex N 1 from 09.02.2017 N 66

dependent on the consent received from the majority of village citizens and their willingness to pay the monthly water charges for the safe operation and maintenance of the WSS systems.

The second step is to present the sample tariff structure of the future water supply system which would cover the required costs for its successful operation and maintenance. It should be explained how the tariff has been prepared and what it consists of (e.g. RIDP investment costs, materials and equipment market prices, legal minimum wages etc.) ***and it needs to be clearly mentioned that this tariff is in its preliminary state and the final actual cost will be calculated when all works due are completed and the WSS is handed over to the CDWO.*** Members might suggest adding or deleting certain entries in the tariff structure, but finally a consensus should be reached.

Following to tariff structure and approximate monthly charges expected, all participants must discuss and agree, who will be defined as “water user”, all people living in the village or with exclusion of disabled and small children. Also, it is important that everybody understands the way of estimating the used water volume and the price each water user will pay. One possibility is the monthly water volume registered on the source water meter, corresponding to the water volume paid as an optimal way, but as far as there are always leakages and unforeseen losses, the percentage of non-revenue water (NRW) must be deducted. Then, from the main water source volume, the volume readings from households with private water meters will be deducted and the remaining volume will be divided among the remaining users. Another possible way is the fixed monthly charge covering the operation and maintenance costs of the system, distributed among water users. People may come up with other alternative ideas as well, but finally the discussions, proposals and considerations should lead to consent.

It will be recommended for discussion by FPs that the people proposed and selected for CDWO employees, are assigned as construction works supervisors. The engagement with contracts for these activities is believed to bring more responsible attitude towards this extremely important part of the subproject’s implementation. This will influence the development of ownership feeling in the future staff and will be good experience to know in details, from the very beginning of the works, the WSS they will manage and operate.

All participants are members of leading bodies from the beginning of RIDP implementation process. The way they had been elected, following the procedures developed and described in the POM and in the CMM, guarantees the transparency, equity and legitimacy of their decisions.

The members of the MCA, MDU and youth sub-committee are people with dedication to the village problems and their solving. They are willing to work for free for the benefit of their village. They are active representatives of the village having gained a considerable experience working with social issues throughout the RIDP community mobilizing activities, the resource map development and are well acquainted with most important needs of the village summarized in the Qishloq Development Plan.

Finally, after all participants fully understand the idea, aspects and topics discussed, they will have to make a formal decision to start the CDWO process. Decision making might go through voting, if there is no consensus reached. The CPM team will be invited in order to monitor the eligibility to participate. After decision is taken FPs’ representatives will

formally document and announce it.

If the decision is positive, then the Facilitating Partner will supply MDU members with Households Consent Forms and will explain that the whole community should be informed and asked for their consent. Procedures described in Community Mobilization Manual³, should be followed. Further on, FP will prepare an official letter to PIU and regional Khokim, informing that the WSS will be managed and operated by newly established CDWO.

If decision is negative, FP will prepare an official letter to PIU and regional Khokim, informing that the Regional Uzsvtaminot will have to continue O&M of the WSS.

Please, refer to Annex 1.1 (part 1.1.1, 1.1.2 and 1.1.3) for a sample water users monthly tariff and Annex 1.2 for sample household consent agreement

b. Qishloq population reaches agreement or rejects the option of having autonomous organization to manage and operate qishloq's WSS

After all above mentioned members have been informed and they have reached an agreement to follow the decentralized scheme of WSS management, the next step is to get the populations' consent or denial. This process is fundamental for continuing the next steps in fulfilling the establishment of autonomously managed water supply system. Following the procedure described in the CMM, the MDU member will visit and organize separate street/neighborhood/hamlet meetings, and explain what are advantages and disadvantages of establishment of CDWO (required structure of CDWO, sample monthly water tariff and the need for regular payments, who will be defined as water user, how the volumes will be calculated and etc.). As this activity is extremely important, fundamental and time consuming, it will be supported and facilitated by the FP's staff. After all people are well informed, they will be asked to fill the HH Consent form. 95% of the street households have to be reached through and if some people are not able to come on the appointed time of the meeting, a second or third visit may need to be organized until the percentage is reached. Finally, all MDU members will come back with positive or negative household consent list, following the results in signed HH consent forms. FPs together with the MDU, MCA, and youth members will check and evaluate the results during a special meeting. The CPM team will monitor respectively. If more than 60% of the households support the idea and are positive, then the FPs will prepare the Preliminary Consent Document, based on HH Consent forms that contain all relevant information on:

- the structure of the new CDWO
- the structure of the NNO
- consent on the need of monthly tariff charges
- the roles, responsibilities and modalities of management and operation

This document will be the starting point of the legal activities for CDWO establishment. It will be placed at a venue where everybody can see it. Based on that document the FPs will prepare an official letter to regional PIU, DPC and Khokimiyat, announcing the decision of the Qishloq to register its own CDWO.

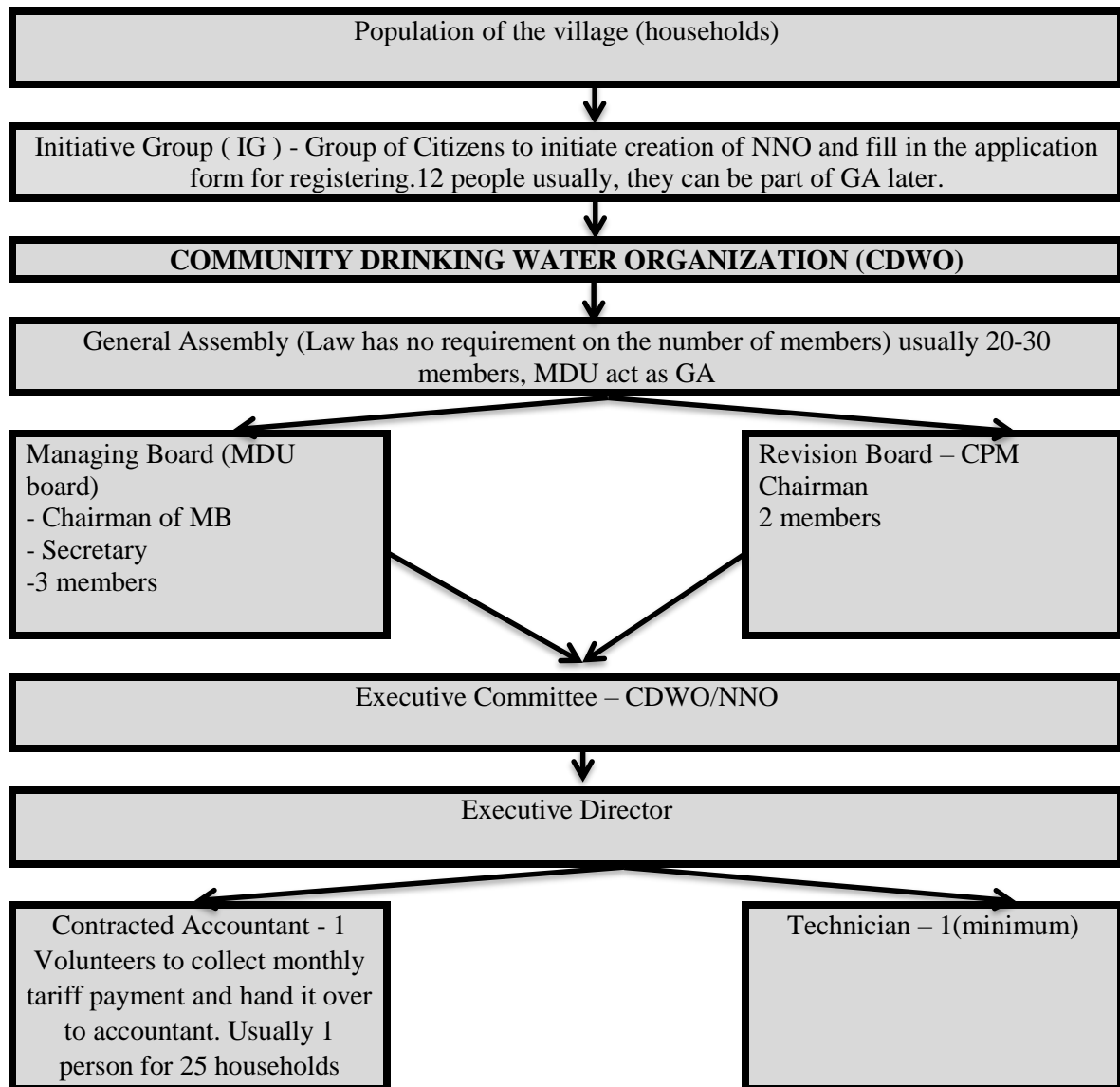
³ CMM version 23rd Jan 2022, Annex10, Activity 10

At this point, the General Assembly members must be agreed. FPs will propose that the active members of MDU may act as GA members.

If there are less than 60% positive households, then the FPs will prepare an official letter to regional PIU, DPC and Khokimiyat, announcing the decision of the Qishloq to continue with the old system of operating and maintenance of the WSS.

c. Training of MDU members on the steps for establishment of CDWO as public funded NNO.

MDU members need to be trained so that they can conduct the whole CDWO setup process. The training will include exchange visits to other villages that already have a decentralized water supply scheme, training on the different steps explained in this manual, training on roles and responsibilities of the various actors – including governmental structures, health and education sector, and bodies included in the NNO structure.



The proposed structure of the Executive body is preliminary and may differ, depending on the size of the village population and its WSS. For example, the scheme shown above is prepared for a village with population between 2000-2500 people. Consequently, the GA will discuss and decide the structure and number of staff, taking into account the unique characteristics and specificities of each village.

The FPs will provide training to MDU, which is very important at this stage. The quality of the overall management and control of the process depends on the quality and accuracy of these trainings. The training of the MDU might be divided into several parts: field visits to the villages with existing decentralized water system, training on delegation of the responsibilities to all actors involved in the sub-subproject implementation, etc.

Training visits to similar Water Organizations: The FPs with the assistance of RPIU, DPC and regional Khokimiyats may organize visits to qishloqs where similar water systems already operate. This could be a very useful part of the training for all members of the MDU and for future staff members of the Community Drinking Water Organization. Visiting an operational organization, they would be able to ask questions and gain understanding of the practical operations: they will be able to study not only the technical aspect, but social and financial aspects of the hosting village, finding technical, financial and social specialists, share their experience in management of such system. All advantages and disadvantages, tips and difficulties might be discussed during the meeting.

Such visits could be organized during and after the construction activities. It is important that host organizations are also well prepared and organized for these meetings.

Training on delegation of responsibilities: This training is important, because the MDU members will have to understand the responsibilities and activities to be carried out. During these training sessions, the members will be informed in greater detail about the requirements, listed in the “Law for NNOs”, for registering and managing a public funded NNO. Discussions will be conducted on the need of new members’ election for Initiative Group, General Assembly, Managing Board and Revision Board – structures that are required by the Law. All these structures and their members will act voluntarily, based on their will to make the village a better place for living. It will be suggested in order to ease and speed up these processes, the existing trained members of MDU, CPM and Youth sub-committee to perform these duties. Verbal agreement should be reached, or additional activities for new members of these structures should be carried out. Exchange visits could also be a practical source of information, for the way WSS are managed and operated, based on the experience, villages with autonomous system running, have gained.

d. Involvement of the local health workers and education sector in the hygiene and sanitation trainings; development of a sanitation training program with them.

Hygiene is a very important component in water supply and sanitation. Hygiene promotion must be included in the training process. Villagers must be specifically trained on development and stimulation of hygiene and sanitation. Another important element is that health and sanitation specialists assist during the further procedures of surveys, where data on health indicators from

health care centers of the village will be collected.

The MCA either can reach the Regional or District Health and Education Departments asking for trainers to visit and train the villagers on interactive methods of education and hygiene promotion or ask the FP or specialized in this sphere NNO, to help and perform such activities.

If these activities cannot be funded by different government or non-government programs, the MCA together with MDU and youth sub-committee will discuss and decide to hire such specialist or organization for fee.

Please, refer to Annex 1.3 and 1.4 for sample special services agreement and questionnaires for hygiene and sanitation survey respectively.

3.3. ESTABLISHMENT OF CDWO

STEPS	
1. INPUTS	<ul style="list-style-type: none"> • Household Consent Document • Service contracts developed
2. MAIN ACTIVITIES	<ul style="list-style-type: none"> • Organizing General Assembly meetings • Define function description for all members • Define responsibilities of CDWO staff • Agreement discussions between MCA and future CDWO
3. OUTPUTS	<ul style="list-style-type: none"> • General Assembly meetings organized • CDWO established • The structure of Association is defined
4. OBJECTIVES	The CDWO is established according to planning, regulations and contractual obligations
5. ACTORS	MCA, MDU, YC, CDWO, FP, District and Regional Khokimiyats
6. RESOURCES, TOOLS AND METHODS	<ul style="list-style-type: none"> • Protocol of meetings • Workshop for trainees

A. Objectives

At the end of this phase, CDWO is established following the structure and organizational principles.

B. Expected outputs

- *General Assembly meetings organized*
- *CDWO established*
- *The structure of Association is defined*

C. Activities

a. Organize General assembly meetings.

This management structure of the drinking water system consists of: General Assembly, Management Board, Revision Board and Executive Committee including staff that is directly responsible for operation and maintenance of the drinking water system in the village. The setup of this structure will be based on the community development already completed throughout the RIDP mobilization activities. In case MDU, CPT and youth sub-committee, as a whole or separate members, had expressed unwillingness to perform these activities, new members have to be elected. MDU or newly elected members will act as the General Assembly, MCA will be the legal owner, CPM team or new members will act as Revision Board. The set up requires significant period of time and certain procedures to follow to get the organization registered⁴. The MDU Office Bearers or newly elected IG, under the supervision of the Chairman of MCA and the support of QFs and QEs, is supposed to organize four General Assembly meetings during RIDP mobilization period for water subproject implementation.

- Organizing the 1st General Assembly Meeting in the village

The First General Assembly meeting is informational in order to present water subproject implementation progress and prior to Election of President/Chairman of the General Assembly. MDU may vote either the acting MDU Chairman to be in this role or a new member to be elected. If the results are for a new one, then proposals should be collected and a new vote should be done. The meeting is officially organized by the MCA Chairman and MDU members.

Activities:

- Definition of the role of the Community Drinking Water Organization/Executive Committee;
- Definition of the role of the General Assembly and other relevant bodies inside the GA;
- Introducing the approximate cost of drinking water system. In case subprojects estimated documentation is ready, it will be very close to the real cost. If not, it will be explained that amortization costs are calculated based on the RIDP average investment cost per capita per village and it should not deviate more than 10% from the final one;
- Discussion on the type of water system connections to the households – street/yard/house tap or faucet. This discussion is needed only if it is not mentioned explicitly in the final approved QDP and since the detailed design is not ready at that point regarding what will

⁴ The concrete procedure is an annex to this [manual](#).

be the final line of rehabilitation works i.e. up to the street taps or all houses will be supplied with yard/house taps with water meters. It is suggested that the RIDP would include in its scope of investment the civil construction works up to the household connection points along the household distribution pipeline. Later, the individual households would, on a step-by-step basis with their own resources, connect the remaining portion of the pipeline up to their yards with compulsory installation of a water meter.

- Definition of “water user” term. Who will be charged as water user? It is recommended children up to 7 years and disabled not to be considered as “billable” water users.
- Discussion and decision on the need of compulsory installment of water meters in all households already having private yard or house water system taps and all public buildings, if it is not included in the sub-projects scope of works.
- Proposals of people who will be selected to collect monthly water charges from his/her section (streets) and discussions on the type of remuneration - voluntarily or paid basis
- Agreement on the date for the next meeting.

Note:

The General Assembly is to be carried out only if there are 60% of the invited members present. In case there is less than 60%, the General Assembly is scheduled for a different time.

- Organizing the 2nd General Assembly Meeting in the village

The Second GA meeting is to be conducted two weeks after the first General Assembly meeting. During the Second GA meeting, the members have to elect the members of Management board and members of Revision committee. It will be suggested by FPs, that the current leading members of MDU office bearers may be elected as Management Board of the new CDWO. The Revision committee consists of Chairman and two members – it is recommended that they have qualification in accounting and book-keeping, if possible. In case the Management board is elected, two Management board meetings will be conducted until next GA. The Management board meetings will be conducted to recruit an Executive Director of the CDWO. During this management board meeting, the members of the MB have to review the potential candidate/s for the position of Executive Director. Candidates proposed by the Management board should be interviewed by the Management Board and the MCA.

Activities:

- Explanation of the role of the Management Board (Chairman is to be elected from members of GA);
- Election of the Chairman of the Management Board, Secretary and other members;
- Announcement of the date for the next meeting.

Note

The General Assembly is to be carried out only if there is 60% of the invited members are present. In case there is less than 60%, the General Assembly is scheduled for a different time.

- ***Organizing the First and Second Management Board meetings***

The members of the Management Board are elected from the members of the General Assembly. The Management board consists of a Chairman, secretary and three members. As already mentioned, the Management Board members could be the leaders of MDU – MDU Chair, Vice-chair, secretary and youth committee’s leaders. They are elected by the General Assembly for a two years term. After two years they may be re-elected by the General Assembly. In case a person withdraws to be a member of the MB, the General Assembly will open the issue in order to review another candidate to fill the position.

After the second General Assembly meeting elected Management Board members should conduct a meeting only for the members of the MB and the MDU. During this meeting they need to propose the candidate/s for the position of an Executive Director of CDWO. The MB is responsible to propose, recruit and release the Executive Director. It is advised that several candidates are considered and interviewed during the meeting of the MB. There are some specific questions that have to be considered for the Executive Director interview.

Purpose: Recruitment of the Executive Director Activities:

- Review the list of candidates;
- Selection of candidates;
- Recruitment of the Executive Director
- Candidates should be aware of the various task involved in being a Executive Director.
- The MB should ensure the Executive Director is recruited to have the right skills and capacities to fulfill these tasks.
- The MB should work on recruiting the right candidates with skills and capacities needed to carry out activities.

- ***Organizing the 3rd General Assembly Meeting in the village***

During the third General Assembly meeting the Management Board officially announces the Executive Director to the members of the General Assembly. The recruited Executive Director will be in charge of hiring the staff of the Executive committee of DWO (e.g. accountant and sanitation technician).

Objective: Introduction of the recruited Executive Director to the General Assembly

Activities:

- Introduction of the recruited Executive Director to the General Assembly; the General Assembly should confirm his/her position as an Executive Director of the Executive Committee
- Announcement of the next meetingNotes:

Note: The General Assembly is to be carried out only if 60% of the invited members are present. In case there is less than 60% presence, the General Assembly is scheduled for a different time.

- ***Organizing the 4th General Assembly Meeting in the village***

The Fourth General Assembly is the last meeting during subproject implementation. This meeting is held prior to beginning of the construction works, or if they have been started immediately after the 3rd GA meeting. During this meeting the chairperson of the GA announces the end of the CDWO establishment process and the readiness to start oversight of construction activities, if all procedures listed in RIDP Project Operations Manual are completed together with the selection of the construction company. He/she will introduce the members of the Executive Committee to the construction company. This meeting needs to be conducted when all construction preparation process has been completed and the company is ready to start the civil works.

Activities:

a. Introduction of the Executive Committee members to the construction company to conduct the monitoring.

Note: The General Assembly is to be carried out only if 60% of the invited members are present. In case there is less than 60% presence, the General Assembly is scheduled for a different time.

Please Refer to Annex 1.5 for sample protocol of the GA meetings and Annex 1.6 for sample employee admission form for CDWO staff.

b. Define function description for all members:

Functions of the General Assembly:

- To confirm the Charter of Organization and introduce annexes and amendments.
- To elect the Members of the Management board
- To elect the Chairman of the Management board
- To elect the Members of the Revision Committee
- To confirm organization's general rules, annual work plans, financial business plan and relevant financial reports.
- To vote decision about the determination and re-organization of the whole structure of organization.
- Other related issues mentioned in the norms/ regulation of Republic of Uzbekistan
- All decrees of the General Assembly are to be taken with majority of voting members and confirmed by the protocol of the General Assembly meeting.
- All decisions that have been confirmed by the General Assembly are obligatory for all members of the GA.

Functions of the Management Board:

- Elaborates the organization's work plan and confirms it.
- Monitors the activity of the Executive Committee.
- Makes proposals to the General Assembly to introduce changes or additions to

the Charter of the Organization.

- Elaborates internal discipline rules of organization and presents the organization members to the General Assembly.
- Recruits and releases the Executive Director.
- Reports the activity of the Executive Committee to the members of the General Assembly.
- Confirms the list of employees to the Executive Committee.
- Confirms and allocates the daily work plan of the organization.
- Prepares a report about the organization and presents it to the General Assembly.

The Management board consists of 5-7 members.

Functions of the Revision Committee

The Revision committee is considered to be responsible for conducting the internal audit of financial situation of the organization. The members of revision committee are selected for two years at a General Assembly meeting and consist of 3 members including the Chairman of committee. The Revision committee is managed by the Chairman selected by General Assembly for two-year period. As per the “Law for NNOs”, RC will:

- Prepare the annual report of the organization balance and present it to the General Assembly and Management Board.
- Hire an independent auditor to conduct an audit of the organization. The payment for the audit is by the organization.

c. Responsibilities of the CDWO staff

A Community Drinking Water Organization is a voluntary body selected by the community to represent it in discussions and decision making about all aspects of local drinking water management. Only Executive Committee members are paid because they will be directly responsible for operation and maintenance of the drinking water system. If a CDWO is going to function in order to meet the needs of the community, then the committee should represent all segments of the community better off and poor, men and women, people living in different areas of the village as per RIDP guidelines.

The Community Drinking Water Organization is responsible to:

- To structure community discussions around water system management and operation
- To ensure effective and safe use of drinking water facilities
- To decide the structure and appoint the staff who will maintain and operate the water supply system and oversee the collection of monthly tariff charges.
- To discuss with staff how to best rehabilitate the water system to meet the changing needs of the qishloq population.
- To oversee and monitor the procurement during the construction of drinking water supply system rehabilitation and to provide participation in, and supervision of all works and

activities carried out during subproject's execution as described in POM – RIDP implementation cycle., CDWO, as representative of village community, will be in charge for safe O&M in future, which makes it the most interested body to perform these activities.

- To make sure the village community is informed about the decisions taken in the meetings.

The responsibility of the Executive committee members are listed below:

Executive Director

The Executive director is recruited by the Management Board and works full time in accordance with the relevant norms and regulation. He/she is responsible for registration of the Drinking Water Organization. The Executive Director also:

- Elaborates the organization's work plan, implements the activities in accordance with the workplan and monitors the activity of organization.
- Concludes the contracts within the framework of organization and bears responsibility for organization's assets and inventory.
- Drafts the suggested list of employees that will be working on the basis of employment contract and submits it to the MB and RB for approval. Same procedure will be followed in case some of the employees have to be released and changed with new ones.
- Runs the financial and operational issues and external affairs of the organization.
- Presents and protects the organization's rights in front of state and court institutions.
- Opens a bank account.
- Issues and signs the documentation to employ and release an employee of the organization, after confirmation from MB and RB.
- Assists the financial officer to submit financial and other relevant reports to government institutions and bears full responsibility

He/she will have:

- At least 5 years' experience in management field or work experience on leading positions in government structures
- Been part of village development activities either funded by GoU or organized by village initiatives
- Good recognition by most of the village communities.

Accountant/Financial Officer

The accountant of the organization is formally recruited by the Executive Director, after relevant confirmation, and works full time in accordance with norms and regulation. The salary of accountant is part of the annual budget of the organization. The responsibilities of the accountant/financial officer are:

- To develop the payroll of the employees.
- To present all accounting and tax reports to tax and statistic departments.
- To present social insurance, funds, and tax reports in time.
- To prepare financial report and run the accounting.
- To prepare monthly accounting reports.
- To record monthly tariff collection.
- To run income and expenditures.
- To prepare the report of organization's financial activity.
- To record daily collected tariff payments in registry book by receipts order.
- To record the tariff collection rate, in %.
- To safe storage of organization's assets and inventory.
- To hand over daily collected financial means to bank account of organization.
- To perform payment for the procurement of goods which are necessary for needs of organization.

Cashiers

The cashiers are recruited by the Executive Director based on the GA decision and selection. They could be either volunteers or will work for certain payment. Their responsibilities are:

- To collect monthly tariff payments for the consumed water.
- To hand over the cash collected to the main account of the organization for further transfer to bank account.
- To report quarterly to the Executive director of the organization.

Sanitation technician

The Sanitation technician is formally recruited by the Executive Director and works full day on the basis of norms and regulations. The salary of san technician is included in annual budget of organization. San technician is obliged to pass a medical examination every 6 months.

The Sanitation Technician is fully responsible for operation and maintenance of the drinking water system. He also has the following duties:

- Operates the pump(s) of the drinking water system
- Responsible for inventory and technical tools of the water system.
- Responsible for safety and maintenance of the borehole and water system network.
- Responsible to eliminate the major problems occurring during the system operation and reports to the Executive Director about the situation of the drinking water system
- Responsible to report during staff meetings on the technical condition of whole drinking water system.
- Responsible for correct functioning of the pump and water tower and storage of technical tools.
- Responsible for the preparation of water supply/distribution time schedule.
- Responsible to maintain log-book to record on a daily basis indication of power meter and water flow meter (Ref. Annex 1.7: Sample daily water production log-book).
- Responsible every 6 months under supervision of representatives of SES to conduct the flushing and disinfection of the drinking water system network with chlorine.

d. Discussion on Agreement between MCA and CDWO.

As already mentioned MCA represents the government and will be the owner of the water system, at the same time, will be in charge of public services. The CDWO will be in charge of daily operation and maintenance of the system, under the supervision of MCA. Thus, an agreement for management between MCA and CDWO, should be discussed, prepared and signed. This agreement defines the scale of ownership of the system, as well as management responsibilities and the period it will be in force.

The period for management of the WSS will be agreed between all actors in the community, but should not be less than 5 years. After the designated period expires, the community members will either decide to renew the agreement or will stipulate on a new way of WSS management.

3.4. CDWO REGISTRATION PHASE

STEPS	
1. INPUTS	<ul style="list-style-type: none"> – Standard formatted documents from Tax and Statistics Department – Name for CDWO – Sketches of the seal and stamp – List of initiative group (MDU) – Prepared office for CDWO
2. MAIN ACTIVITIES	<ul style="list-style-type: none"> – Submitting documents to Justice Department for registration of organization – Obtaining of Certificate from Justice Department – Obtaining of Stamp and seal – Get registered at the local tax and statistics department – Obtaining Electronic Digital Signature at the local Center for Public Services – Opening bank account for CDWO – Inauguration and startup of the water supply system according to the Khokimiyat’s Decree
3. OUTPUTS	<ul style="list-style-type: none"> – CDWO opens a bank account – Detailed budget – CDWO registered – Delegation agreement from Mahalla Committee authorizing CDWO to run the WSS under the supervision of the MC
4. OBJECTIVES	All preconditions are put in place for the CDWO to start-up the WSS
5. ACTORS	MCA, MDU, CDWO, FP, District and Regional Khokimiyats
6. RESOURCES, TOOLS AND METHODS	<ul style="list-style-type: none"> – Letter of request to Justice Department, Tax department; – Protocols of meeting – Standard forms – Contracts – List of CDWO board members

A. Objectives

At the end of this phase: all preconditions are put in place for the CDWO to start-up the

management of the WSS.

B. Expected outputs

- *MCA opens a bank account for CDWO needs*
- *CDWO is registered*
- *Delegation agreement from MCA authorizing CDWO to run the WSS under the supervision of the MC*

C. Activities

a. Submitting documents to Justice Department for registration of the organization

A Drinking Water Organization established with this structure is obliged officially to be registered in order to perform its activity as juridical organization. There are specific rules and requirements to register as organization following procedures and steps. The most appropriate way to register is registration as a public funded Non-governmental Non-commercial Organization (NNO). This type of organization would create more positives for further function of organization and opportunities to work in transparent manner, in compliance with regulations and norms in Uzbekistan. The local Justice Department is the responsible body for registering and there are steps and procedures for submitting the documents to the Justice Department for registration as NNO.

The following documents are requested to be submitted:

1. Reference letter from the Executive Committee to the Head of Justice Department
2. Charter of the Organization
3. Protocol of Management board
4. List of Initiative Group (MDU) members
5. List of Revision committee
6. List of Management board
7. Letter from MCA providing the CDWO with separate room for office (address)
8. Payment of state levy to Justice Department
9. Procedures to start the preparation of initial documents:

The management board meeting is organized with the participation of MDU members and members of Management board. This meeting is dedicated to the registration process of the already established CDWO. Before organizing this meeting, the Charter of the organization needs to be drafted. This Charter reflects full function of the organization to be registered with further activity to perform within the framework of the Charter. This Charter needs to be confirmed by protocol on this meeting. The Executive committee members are responsible to submit all necessary documents to local Justice Department.

- An application for state registration of an NGO in the form, in accordance with Appendix No. 1 to this Regulation, is submitted to the registering authority within two months from the date of the founding general meeting. An application for state registration of a public association is signed by at least three members of the Executive Committee.
- The Charter of Organization needs to be prepared in Uzbek language in two copies and confirmed by the protocol of the meeting. The charter must be numbered, stitched and certified by the signature of the Executive Director of CDWO (ref. draft of the charter)
- The list of Initiative Group members which consist of 10 people. The list should indicate the name surname, date of birth, work position, address of each member (see a sample).
- The list of elected members of Initiative Group with their name, surname, date of birth, address and work position. In addition, in accordance with the Regulation of the Cabinet of Ministers No. 57 dd. 10.03.2014 the following docs are also required:
 - Founders Agreement
 - a document confirming the right of ownership or use of real estate (office space), intended to be used as the postal address of the NGO
 - a document confirming the formation of initial funds (certificate from the bank on depositing funds to temporary savings accounts)
- The list of elected members of Management board with their name, surname, date of birth, address and work position

The Makhalla committee (MCA) may provide the Executive Committee with separate room to use as an office with juridical address of the organization location in the area (to be stamped and signed by MCA authorities).

- A letter shall be drafted during in the meeting indicating the origin of the name of the organization and a reason behind this specific name.
- Final document to submit is a receipt of official payment done to Justice Department. This payment needs to be done either by cash or money transfer through Makhalla committee bank account.

All above mentioned documents need to be accurately prepared and packed. The Executive Director should, submit personally, all these documents to the Justice Department and receive the letter of notification of the receipt.

Note: Refer to [Annex 1.8](#) for a sample letter of reference from CDWO to the head of the Justice Department; [Annex 1.9](#) for a sample charter of CDWO, [Annex 1.10](#) for a sample protocol of the CDWO Management Board Meeting, [Annex 1.11](#) for a sample list of the CDWO Initiative Group Members, [Annex 1.12](#) for a sample list of Management Board, [Annex 1.13](#) for a sample list of Revision Committee, [Annex 1.14](#) for a sample letter confirming provision of office to CDWO, and [Annex 1.15](#) for a sample letter confirming the origin of name of CDWO.

b. Obtaining Certificate for Registration from Department of Justice

After the above listed documents are submitted to Local Justice Department, the Executive committee is obliged to follow up the process of revision by Justice Department experts. The Justice Department has the right to review the documents for a term of one⁵ months from the date of submission and return the documents back at any time with notification letter indicating any missing elements that are necessary to register. Before submission of the documents to Justice Department it is recommended to cross-check documents by assistance of a lawyer or any other expert dealing with such kind of juridical formalities. If required, any missing documents would be prepared and submitted as per reference to the letter from the Justice Department.

After completion of registration process as a Nongovernmental Noncommercial Organization, the Department of Justice issues a license to the organization with a status as NNO. After this registration is issued, a second step would begin which is the formation of the organization as a formal one. In accordance with the licensee of DoJ a Decree from District Hokimiyat should be issued and Registration certificate with Charter for CDWO to be obtained.

c. Obtaining Seal and stamp for organization

After obtaining the Registration Certificate, Charter of the Drinking Water Organization and a Decree from the Justice Department, it is necessary to get the official stamp and seal for the association. This procedure is completed in the Department of Internal Affairs/Police Department. The following documents must be provided:

- Copy of Registration Certificate
- Charter of the association
- Sketch of the seal and the stamp

Sketches should be taken to the special service provider, which prepares the stamps and seals and gets the sketches confirmed there. Later, the confirmed copy of the paper with sketches should be attached to the reference letter to the police department.

Please Refer to **Annex 1.16** for the sample of letter to the Department of Internal Affairs (to obtain stamp and seal).

d. Obtaining ID number at Tax department

The next step is obtaining the ID number from the Regional Tax Department and the Certificate for it. The following documents must be provided:

- Copy of the Charter
- Registration Certificate from the Justice department

e. Opening bank account for organization.

For financial management the CDWO has to open a bank account.

⁵ After amendments of the NNO Law in 2014

For this procedure a set of documents including these will be required:

- STIR Certificate (Tax Registration)
- Letter of requirement
- Contract for the opening of the bank account

For all bank transactions and in cash payments, the rule “two signatures” will apply. This rule requires that all financial documents need to be signed by both of the ED and the accountant.

f. The water system is officially inaugurated and the water service starts up.

The district Khokimiyat issues a decree on official permission to start the water system based on the statement which was issued by the Committee.

When all the activities are carried out it is the time to organize an official inauguration ceremony when the CDWO is officially considered opened.

Representatives of District Khokimiyat, Justice Department, Construction Company and etc. should be invited to this event. It is recommended to write a letter to each organization inviting them to the inauguration ceremony.

Please Refer to **Annex 1.17** for the sample invitation letter for opening ceremony.

g. Signing of Delegation agreement between MCA and CDWO

Final step in the phase of registration is signing of the agreement between the MCA, the owner of the water system, and the newly established and registered CDWO for an authority to run and manage the water supply system.

Please Refer to **Annex 1.18** for a sample delegation agreement.

3.5. CONSTRUCTION PHASE ACTIVITIES AND ACTIVITIES DURING THE COMPLETION, HAND-OVER AND START UP

During this stage focused training activities will be organized for the CDWO staff. Such trainings could be WSS focused training for MDU members, training for future water and sanitation technicians, and management training for CDWO staffs.

(i) Construction phase activities

- Monitoring of progress of construction works: without interfering with the role of PIU technical supervisors, MDU members with responsibility assigned for specific tasks would carry out *visual monitoring* of the day to day construction activities, timely reporting of any undesired issue to the concerned site supervisor or supervision engineer of the contractor; participation in progress meetings conducted at local level; etc.
- Selection and training of CDWO staff on organization and management, financial and administrative matters including selection and on-the-job training of water and sanitation technicians

- Resolution of local level disputes: the community through their MDU representatives can positively assist in timely resolution of various disputes which are of the following nature:
 - (a) *land-related disputes* such as existing borehole sites and the sanitary zones as well as proposed borehole drilling sites and reservoir tower sites fully or partially occupied by the local residents, dual ownership of land site planned to be used for water system structures, encroachment of unpaved village roads creating difficulty in pipeline alignments, etc.
 - (b) *control of vandalism* of pipeline structures during the construction
 - (c) disputes between construction workers and local residents, etc.

(ii) Activities during the completion, handover and startup

Representing the community, the MDU members are expected to actively participate in the following activities:

- Testing of the system
- Acceptance and handover of the system and documentation of the process
- Startup of the system

3.6. ACTIVITIES DURING OPERATION AND MAINTENANCE OF WSS

STEPS	
1. INPUTS	<ul style="list-style-type: none"> - Total number of population - Fixed price for electricity - Standard formats
2. MAIN ACTIVITIES	<ul style="list-style-type: none"> - Train CDWO to operate the water service according to the technical prescriptions, and the Rules of Operation - Finalizing the tariff - Elaborate and sign the “service contract” between CDWO and each water customer - Tariff collection - Financial reports - Meetings of GA, MB and RC.
3. OUTPUTS	<ul style="list-style-type: none"> - Tariff structure is built - Tariff is collected - Regular technical, financial and administrative reports from CDWO

	<ul style="list-style-type: none"> - The water supply system works properly according to the “Rules of operation” and all interruptions are solved within normal delay - Meetings of GA are organized timely
1. OBJECTIVES	Water service runs according to the technical, social, financial and administrative standards and sustainability is guaranteed
2. ACTORS	PIU, SCS, DPC, MCA, MDU, CDWO, FP, District and Regional Khokimiyats
3. RESOURCES, TOOLS AND METHODS	<ul style="list-style-type: none"> - Operation and Maintenance Guide - Report forms - Standard Formats for tariff collection - Protocol of meetings

A. Objectives

During this phase: water service runs according to the technical, social, financial and administrative standards and its sustainability is guaranteed.

B. Expected outputs

Regular technical, financial and administrative reports from CDWO.

The water service works properly according to the “Rules of operation” and all water supply interruptions are fixed within an agreed time frame.

C. Activities

a. Train CDWO to operate the water service according to the technical prescriptions, and the Rules of Operation

In order to maintain the water system sustainability, it is important to train the CDWO staff on how to organize the operation and maintenance of the water service according to the technical prescriptions and the Rules of Operation. These activities are recommended to be organized and supervised by a special team, appointed especially for training, from the local staff of the regional Uzsvtaminot with the help of regional DPC and PIU.

One of the important activities is the elaboration of the basic Rules of Operation for the water services. This must be discussed between MDU, Director of the CDWO, the technician and trainers. The discussion should cover issues of service hours (the service time should be set according to the needs and requirements of the population), tariff plan (the price for water should include such costs as electricity cost, salary for the staff of CDWO, amortization cost, etc), rights and duties of villagers in using the water system.

Please Refer to **Annex 1.19** for a sample Manual on Rules of Water System Operation.

b. Finalizing the tariff

Once the water sub-projects have been identified in the QDP as priority projects, it is important to start interaction with the community about tentative monthly water tariff level that needs to be paid by the users and the elements that the tariff covers. Understanding this motivates people to pay and offers them opportunities to pose questions and make suggestions as well. It should be ensured that the discussions will lead to a written agreement between Community Drinking Water Organization and the community (water users) in which it should be clearly indicated what the people will be paying for.

Cost recovery

Construction of new water supply sub-projects or rehabilitation of the existing structures requires capital investments and their daily operation and maintenance requires financial resources as well. The government is providing capital investments from its own resources in combination with donor funding as is the case in RIDP. However, recurrent costs for operation, maintenance and depreciation are cover costs involved in extending the drinking water system in the case of a growing population or a demand for higher service levels.

Apart from financial resources needed for daily O&M, they are also required for extension and upgrading of the system in future. Lack of adequate funds for operation and maintenance will lead to water systems failure. If operating costs cannot be covered, the water system will remain under-used and the delivery of water of sufficient quantity as well as quality is at stake. If maintenance and repair costs cannot be recovered, more breakdowns are likely, since pressure on those parts of the systems that are still functioning becomes too high. If depreciation costs are not recovered, any renewal of the system or major repair cannot take place without external funds.

Short term expenses are: monthly payments for electricity consumption, monthly repairs of private connection or prevention of waste leakages, office running and salaries of employees. Long term expenses are: amortization cost of the assets in the water system (pump, pipes, fittings, civil works, and borehole).

For the sustainable operation of the project, it's suggested that the initial investment costs be recovered after a certain period of time taking into consideration constant operation of the water system and amortization of the assets. These funds can be used for the replacement of the components and extension of the service area in future. Following time-frame has been proposed for depreciation:

Pumps	:	8 Years
Boreholes	:	20-25 Years
Main valves	:	5 Years
Civil works including pipes and fittings	:	25-30 Years

Note:

The level of monthly water tariff depends on several variable parameters such as population size, population density, elements depreciated and number of years proposed for amortization, water

system complexity and the economy of scale, etc.

Discussions and explanations on the tariff's adequacy and importance may be supported by describing practical and real life cases to the community. For example a pump's useful life time is going to expire after 8 years of operation and has to be renewed. In order to renew it in that time CDWO should have significant amount of financial means in their bank account to procure it. Another sample is borehole which is considered as main water source for the water system which also has life time of usage from 20 to 30 years. If a borehole by any chance gets damaged then there is not any source of water in the water system. Therefore, all these cases should be taken into consideration in the process of final tariff set up. The tariff is expected to incorporate all possible elements of the water system that would have effect on the short term and the long term expenses associated with the operation and maintenance of the system.

A well-conceived tariff is expected to be able to even meet the needs for urgent repairs when major failures occur on the system and heavy equipment and special tools are required. It is recommended that the CDWO staff concludes a service contract with the regional Uzsuvtaminot for such services or with domestic companies possessing such equipment.

Tariff items include:

The Tariff term is defined as an official payment for the service that has been provided by Community Drinking Water Organization by delivering a significant volume of drinking water to the consumer through water system network. The tariff consists of electricity power consumption, amortization of assets (pump, pipes, fittings, construction works, and borehole), spare-parts procurement, office running cost, and salaries of employees.

After the setting of tariff, CDWO needs to develop a system for a monthly collection. However, it needs to be clear to all users how tariff is made up. Users should understand that the tariff is paid for the services and convenience of having a safe drinking water supply system, which can be upgraded and renewed in future.

When calculating a fair price of tariff for water service one should not under-budget. A realistic target should be set for how much money is to be raised every month or every year. There will always be cases of unexpected expenses and people who do not or cannot pay. It is extremely important that the CDWO is transparent about the way the tariff has been worked out and set up. Furthermore, the Drinking Water Organization is obliged to report about the financial situation to Revision Committee of Drinking Water Organization which is directly responsible to conduct an audit of internal financial situation of organization for further justification in front of GA members.

It might be beneficial to review and update the tariff plan on a yearly basis.

Refer Annex 1.1 sample Tariff structure (Part 1.1.1, 1.1.2 and 1.1.3)

c. Elaborate and sign the “service contract” between CDWO and each water customer

The final procedure of this step is elaboration and signing a contract between CDWO and each

household for provision the water services. This contract is also suitable for health centers, schools and public enterprises. It is recommended to start making the list on a street by street basis so each household will get a *Personal ID Number* and this way it would be easier to define the number of contracts for water supply and checking the payment of tariff.

The final activity in this phase is filling the contract forms by the people who will join the system and pay for its operation. While concluding contracts, it is important to identify the number of people in the household (it is recommended to check it from the house passport - “*domovaya kniga*”). The number of water users in the household and the unit price for public water users will be documented in the contract. The number of the contract concluded with the household is the *Personal ID Number* of the household. If there is a water meter installed in the household, then the contract will be concluded upon unit price per cubic meter of water used.

In the contract or in separate agreement, it must be clearly described how the monthly usage data will be recorded and charges calculated. From the monthly water volume readings on the central water source meter installed, the readings from all private water meters will be deducted and then divided by the number of street stands public water users.

Refer [Annex 1.20](#) sample Service Contract between CDWO and each of the users.

d. Tariff collection

According to UNICEF/WHO publication: The Measurement and Monitoring of Water Supply, Sanitation and Hygiene (WASH) Affordability - A Missing Element of Monitoring of Sustainable Development Goal (SDG) Targets 6.1 and 6.2 (May, 2021), the United Nations Development Programme (UNDP), the World Bank, the Organization for Economic Cooperation and Development (OECD), the European Commission and the African Development Bank have all defined a threshold of expenditure as a proportion of income (or expenditure) for water to be affordable, all lying between 3% and 5%. As such, ideally the tariff for the “in need” should be no more than 5% of estimated income (or expenditure) for these households⁶.

As mentioned earlier, the variable number of population plays a significant role in fixing a level of monthly unit household tariff. An analysis of tariff for various population sizes shows that the higher the number of population in a specific water sub-project is, the lower will be the unit monthly tariff per household. Moreover, to keep the range of tariff affordable for all beneficiaries in the RIDP water sub-projects, a final decision regarding an inclusion or exclusion of a particular civil work component as well as the number of years of amortization for a particular component under the heading “amortization” has been left open.

Experience with past projects in the Fergana valley has shown that a tariff set with the probable

⁶ Based on the well-being analyses carried out in the villages during RIDP community mobilization activities, the average monthly income of “in-need” households, as per data, is between 450,000-600,000 Uz Soums, so the ideal tariff would fall in the range of 22,500-30,000 Uz Soums. Taking an average of 5 persons per household, tariff per person per month is expected to fall in the range of 4,500-6,000 Uz Soums. The WBAs were done January – March 2022

collection rate at a level of 85-90% of the beneficiary population would adequately serve the functional needs of the water systems and the water needs of the beneficiary community as a whole.

In cases when people are not willing to pay it is important to find out the cause behind it and to ensure that the action is taken to solve the problem. It may be useful to discuss the possibilities of income generating activities to cover the cost either by poor individual households or by the community at large or with support of local authorities like MCA.

It is also very important to distinguish between willingness to pay and ability to pay since some people maybe willing to pay but not able while others may be able, but not willing. Since the CDWO is an autonomous body built up by the community legally, it can find means and ways to address the needs of the vulnerable section of the community.

If people are not willing to pay, the CDWO needs to find out the reasons. The service level may be too low or breakdown may not be repaired quickly enough. When attempting to increase the people's willingness to pay, these problems need to be solved with support of locals.

There is another individual approach to collect monthly charge from these households that do not pay even if they are able enough. In this case Executive Director should visit these households to clarify the reason and to explain why they have to pay and for what, by showing the tariff table. If this is not sufficient then the last decision that needs to be taken is to claim to judge referring to contract between the household and CDWO. Then, this problem will be solved in the Domestic Court.

e. Financial reports

Organizing the accounting and financial matters of the CDWO is an important work. Usually this activity is carried out by the accountant, who usually is the staff member of the CDWO. The following steps must be taken for a better organization:

- Registering and certifying of income invoice book and financial journal of each villager. These documents must be stamped, certified and each invoice must be numbered accordingly.
- Registered and certified income invoice books must be given to the cashiers (a special journal must be organized where cashiers put their signature whenever they take or return the income invoice books).
- Cashiers fill in the registry form with internal receipt and present it to the accountant.

The Accountant is responsible to present a quarterly and yearly report of financial documentation to regional tax and statistics department (information on incomes, expenses, tax, amortization and etc. must be included).

Primary documents which are used in the accounting include:

- Order of incomes

- Order of expenses
- Timesheet form of staff members
- Invoices
- Documents on bank transfers

Documents of registry include:

- Book for registration of incomes and expenses orders
- Cashier book
- Registry journal for salary
- Journal for financial documents concluded with the water users
- Journal for financial documents concluded with other organizations (tax department, SES, Electricity department, Pension fund, etc.)
- Journal for inventory and fixed assets of the CDWO

General ledger: a journal for including memorial order operations as a summary. A report is prepared on the balance, which is left over at the General ledger to the regional tax, statistics departments, pension funds.

Preparation of the balance: Before preparing the balance the accountant must finish all financial operations and define the sum of all expenses.

Preparation of the budget: Budget consists of two parts- incomes and expenses.

- Expenses – all of the expenses as electricity cost, amortization cost, repair works, indirect costs, daily costs, office expenses and taxes must be considered.
- Income – is all the money received from the population or from any other defined type of activity. It is easy to calculate the balance by comparing these two parts.

Taxes and other mandatory payments

Type of payment	%
Single social payment	12%
Bank commission	up to 2%
Single tax	8

Reports:

- a) To statistics department: by the 3rd calendar day of each month:

- 1T – form – labor report and a form for paid services of population is prepared. Taking into consideration that these forms might change their appearance, accountants should check for updates each month at the Statistics department.

b) Regional Tax Department: by the 10th day of each month:

Payments from the employees’ salary:

- Single social payment – 12% from the salary fund
- Income tax from the salary of the staff
- Social fund payment – 4% - from the salary of the staff
- Pension fund – 1% from the salary (to be reduced from the income tax)

By the end of the year it is required to prepare the full balance of the organization and present them to the regional Tax Department. Taking into consideration that the forms might be changed, accountant should check for updates of forms at local Tax Departments.

Please Refer to **Annex 1.21** for a sample quarterly report form to Regional Justice Department

Please Refer to **Annex 1.22** for sample monthly report form to District Statistics Department

f. Meetings of the General Assembly, Management Board and Revision Committee

Frequency of the GA meetings:

From the beginning of drinking water subproject implementation in the village, the four General Assembly meetings are conducted in a definite period of time and this is necessary to keep people involved and informed during the subproject implementation process. It is for strengthening cohesion among population which has positive impact on further operation and maintenance of water system. Before conducting the General Assembly meeting, Initiative Group members are supposed to prepare and distribute the invitation card to selected members personally. Each member of General Assembly is obliged to deliver the correct detailed message from the meeting to other neighbors. It allows other people in the village to be aware about the decision taken by the elected members of the General Assembly.

Regarding the frequency of the GA meetings, CDWO members might discuss and set it depending upon whether any task has changed overtime or the present CDWO members feel they can still handle everything, or whether somenew members have to be selected. Management requires a set of rules and regulations. This is an important factor for further operation and maintenance of drinking water system sustainability.

3.7. RIDP-AWSS IMPLEMENTATION CYCLE: TIME FRAME

The Table below summarizes the key steps in the RIDP-AWSS implementation cycle associated with the institutional activities together with the required forms, timelines for implementation, and the key/responsible entity for implementation of each step in the RIDP implementation cycle.

S. No.	AWSS Institutional Activities	Associated Form	Expected Timeline	Responsible Entity
1.	<i>PRELIMINARY ACTIVITIES FOR ESTABLISHMENT OF CDWO</i>		<i>Months 5-10</i>	
	(a) Discussion of the idea of establishing CDWO, sample tariff, monthly water users charges, structure of CDWO as NNO	Annex 1.1, structure of CDWO		FPs, MCA, MDU
	(b) Train MDU the steps for establishment of CDWO as NNO			QEs, QFs, MDU
	(c) Population agrees to have a new CDWO	Minutes, Annex 1.2		QEs, QFs, MDU
	(d) Involve the local health workers and education sector for the hygiene trainings and sanitation	Annex 1.3,1.4		Health workers, School teachers, QFs
	(e) Preliminary Consent Document	MCA Forms		MCA, QEs, QFs, MDU
2.	<i>ESTABLISHMENT OF CDWO</i>		<i>Months 5-10</i>	
	(a) <i>Organizing General Assembly meetings</i>	Minutes		MDU
	(b) <i>Function description for all staff members</i>	Minutes, Annex 1.5		MDU
	(c) CDWO Organization Set up	Minutes, Annex 1.6		QEs, QFs, MDU
	(d) <i>Agreement discussions between MCA and future CDWO</i>	Minutes		QEs, QFs, MDU
3.	<i>CDWO Registration Phase</i>		<i>Months 8-24</i>	
	(a) Submission of documents to DOJ	Annex 1.8 - 1.15		MCA, CDWO
	(b) Obtaining certificate from DOJ	Certificate		CDWO

	(c) Obtaining seal and stamp	Annex 1.16		CDWO
	(d) Obtaining ID number from Tax Department	ID Number		CDWO
	(e) Opening bank account of organization	Bank account		CDWO
	(f) Agreement on delegation of authority between MCA and CDWO	Annex 1.18		MCA, CDWO
4.	<i>CONSTRUCTION PHASE ACTIVITIES AND ACTIVITIES DURING THE COMPLETION, HAND- OVER AND START UP</i>			
	(a) WSS focused training for MDU members			
	(b) Training for future Watsan technicians			
	(c) Management training for CDWO staffs			
5.	<i>Operation and Maintenance</i>		<i>Months 25-36 and onwards</i>	
	(a) Operation of system as per technical prescriptions and rules of operation, official inauguration and start-up	Annex 1.19		Uzsuvtaminot training team, QEs, CDWO
	(b) Tariff collection	Annex 1.1; tariff plan		QEs, GA, CDWO
	(c) Signing of service contract between CDWO and water customer	Annex 1.20		CDWO, population
	(d) Organizing accounting and financial reports	Annex 1.21, 1.22		CDWO
	(e) Meetings of general assembly, management board, and revision committee	Minutes		CDWO, MCA, GA

LIST OF ANNEXES

- Annex 1.1 : Sample water users' tariff
- Annex 1.2 : Sample household consent agreement
- Annex 1.3 : Sample special services agreement
- Annex 1.4 : Sample questionnaires for hygiene and sanitation survey respectively
- Annex 1.5 : Sample protocol of GA meetings
- Annex 1.6 : Sample employee admission form for CDWO staff
- Annex 1.7 : Sample daily water production log-book
- Annex 1.8 : Sample letter of reference from CDWO to the head of the Justice Department
- Annex 1.9 : Sample charter of CDWO
- Annex 1.10 : Sample protocol of the CDWO Management Board Meeting
- Annex 1.11 : Sample list of the CDWO Initiative Group Members
- Annex 1.12 : Sample list of Management Board
- Annex 1.13 : Sample list of Revision Committee
- Annex 1.14 : Sample letter confirming provision of office to CDWO
- Annex 1.15 : Sample letter confirming the origin of name of CDWO
- Annex 1.16 : Sample of letter to the Department of Internal Affairs (to obtain stamp and seal)
- Annex 1.17 : Sample invitation letter for opening ceremony
- Annex 1.18 : Sample delegation agreement
- Annex 1.19 : Sample Manual on Rules of Water System Operation
- Annex 1.20 : Sample Service Contract between CDWO and each of the users
- Annex 1.21 : Sample quarterly report form to Regional Justice Department
- Annex 1.22 : Sample monthly report form to District Statistics Department