

Successful Implementation of Public Private Partnership Model for Water Supply and Sanitation in Nepal

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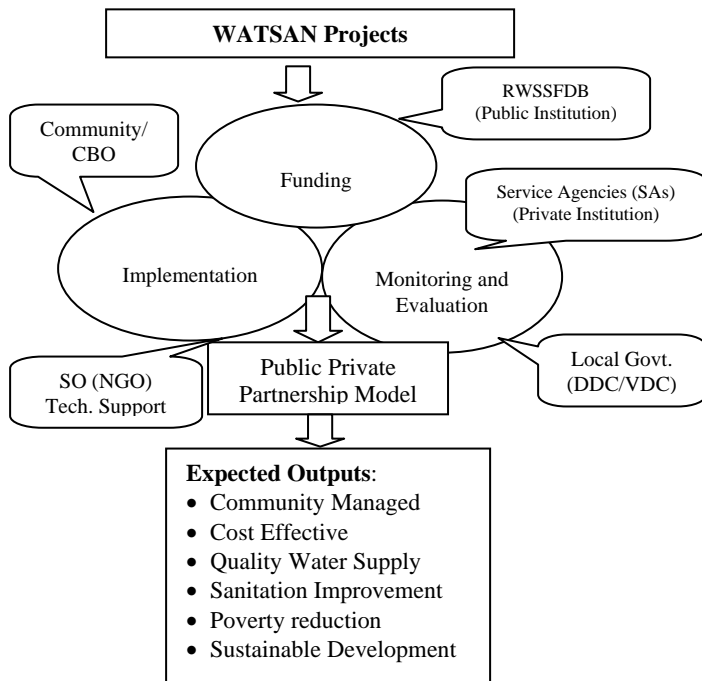
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1. Introduction

To bring fundamental changes in rural water and sanitation service delivery mechanism, a demand driven participatory approach was introduced by the Rural Water Supply and Sanitation Fund Development Board (RWSSFDB, here after referred as The Board) in 1996. Water supply and sanitation (WATSAN) projects undertaken by the Board are executed with the institutional, technical and operational support of its public sector partners namely: community based organizations (CBOs), non-governmental organizations (NGOs) and engaging private sector consultancy firms known as service agencies (SAs). Rural communities in all the 75 districts of Nepal are the primary target groups of which the project initiatives have been spread in 60 districts, covering 0.1 million households so far (The Board, 2005). The objective of this paper is to provide an overview of the principles, modalities and outcomes of this innovative approach of public private partnership (PPP) in demand driven WATSAN program being successfully implemented in Nepal.

2. PPP Model in WATSAN Sector

A conceptual framework illustrating the positions and responsibilities of various agencies in public private partnership (PPP) module is shown in Fig 1. Similarly, participatory or bottom-up features of the model, in which the demands are first placed by community to the NGOs also called Support Organizations (SOs) are listed in Box 1. SOs then verifies the demand and affordability of community. The request of the community and reports of the SOs are closely monitored by the SAs.



Box 1: Key features for successful demand driven and participatory approach:

a) Community members make informed choice about;

- When and how their service are delivered (depicted as **Community Action Plan or CAP**)
- Where to **participate** in the project
- Technology and **service level options** based in willingness to pay and cost sharing
- How funds are managed and accounted for (Community financing and **community procurement**)
- How their services are **operated and maintained** (Community's responsibilities on O&M).

b) An adequate flow of information is provided through social intermediation process to the community and procedures are adopted for facilitated **collective action decision** with the community.

Figure 1: Conceptual Frame work of PPP Model

While comparing with the traditional supply driven, top-down and bureaucratic approach, the projects implemented adopting PPP model were proved to be better in terms of cost effectiveness, quality of services and sustainability.

3. Description of Activities and Outputs

3.1. Community Action Plan (CAP)

Water and Sanitation User Committees (WSUCs) the representative body of the water and sanitation user groups themselves prepare their Community Action Plans (CAPs) covering all activities to be executed under a WATSAN scheme (Table 1). A typical water supply scheme in the hills and mountains has following features: Population covered 700 (115 households), households covered per tap – 10, yield of a tap 0.15 lps, development cost - NRs 700,000 (US\$ 9,722). The water supply schemes are designed to meet a domestic water demand of 45 liters per capita per day. Necessary institutional, technical and operational supports to execute the schemes activities are provided by the SOs to the WSUCs.

Table 1: Summary of CAP A1-A14	
A1:A scheme layout plan	A2:A sanitation plan, including the possible/optional use of the revolving sanitation fund.
A3:A plan for health education support to mother and child groups	A4:A plan for household and village environmental improvement
A5:A plan for women's technical support services	A6:A plan for non formal education activities
A7:A plan for environmental Management	A8:A plan for local material collection
A9:A community cost contribution plan	A10:A community procurement plan
A11:A community manpower plan	A12:A SO manpower plan
A13:A plan for operation and maintenance	A14:A plan for the community monitoring and evaluation
The WSUCs and SOs are encouraged to include School Health Promotion Plan and Conflict Management Plan	

Communities have shown their willingness and affordability to make the program sustainable by completing 946 schemes under First Rural Water Supply and Sanitation Project (RWSSP – I) and benefiting about 0.1 million households and 0.6 million population. Similarly 334 schemes of RWSSP - II with partnership model are currently being implemented in 60 districts (Table 2). This has been assessed as a significant contribution to achieve Millennium Development Goals (GoN/UNDP, 2005). The WSUCs are strengthening the communities' capacity in project identification, planning, implementation and maintenance of the schemes and therefore, they have been institutionalized grass root level institutions. WSUCs are playing a role of major CBOs in Nepal and widely recognized a key player in the development landscape.

Table 2: Partnership Involvement by region

Description	Eastern	Central	Western	Mid Western	Far Western	Total
Scheme/CBOs	113	619	434	69	46	1280
SO/NGOs	15	49	38	14	12	110
SA/Private Form	2	3	1	1	1	8
VDC/Local Govt.	144	539	449	71	43	1246
DDC/Local Govt.	12	19	12	9	8	60

3.2. Community Participation and Social Mobilization

Emphasis has been accorded on community mobilization throughout different program phases. Involvement of community people in the proposed activities focuses on promotion of genuine participatory decision-making in community initiatives. The beneficiary community is sensitized, mobilized, organized and prepared for implementation and management of projects including resolving community level conflicts as well. Due to inclusive nature of the program, it is

conscious to mainstreaming poor, women, indigenous people (IP) and Dalit (so called untouchable caste) in the program for their active participation in decisions making and benefit sharing. Women are encouraged equally to participate in the decision making process right from the planning stage to implementation, monitoring, evaluation, operation and maintenance of the schemes and associated program activities (WB, 2004). Table 3 provides a glimpse of the share of women's role and involvement in the program.

Table 3: Participation of Women in Program

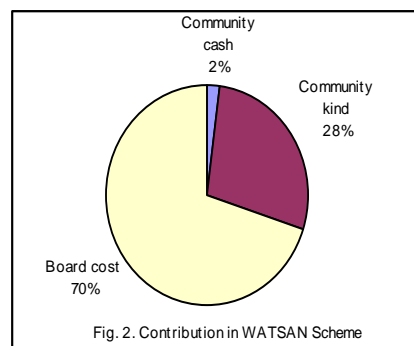
No of WSUC (CBOs)	WSUC members	% Female WSUC members	%Female treasurer in WSUC	No of Village Health Promoters	No of Mother tap stand ¹	Non Formal Education graduate	WTSS ² Group	WTSS members
1280	14326	27	83	976	12766	16637	1366	49114

¹Mother tap stand group refers to a particular tap which is taken care of by a group of mother getting benefits out of it.

²WTSS refers to Women Technical Support Service group formed by women in each scheme to executive income generation activities.

3.3. Communities Mobilization with Service Level Options

Communities share the cost of water supply and sanitation services right from the beginning in a transparent way. The community identifies different options and makes technical choices and service level options. Some critical decision making points include public or private household tap connection and provision for future expansion, type of tap stand and toilets. On an average community contributes at least 2 % cash and around 28 % kind for a gravity water supply scheme (Fig. 2). The community opens a joint account with SO. This is the account where the Board disburses the funds essential for the execution of the WATSAN schemes.



3.4. Transparency in Financial Management

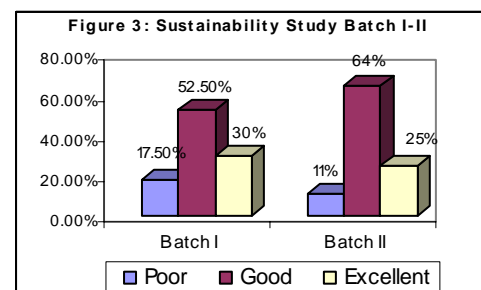
The beneficiary community is made responsible for the procurement of non-local materials and fund management while implementing the scheme. The Board disburses essential funds in joint account with SOs which is opened with up-front contribution raised for construction. The account is used to procure and transport non-local materials and pay for skilled labor. The SO as a joint signatory supports community to ensure quality of materials procured. Community implements schemes under a tripartite agreement which takes place between the Board, SO and the community. Public auditing is conducted two times- first at the time of construction of the scheme and the second after its completion. Display board with funding source including contributions raised for the scheme and expenditure is placed at the public place in each scheme site.

3.5. Participatory Monitoring and Evaluation

Monitoring and evaluation takes place at different levels. The community monitoring includes monitoring of perceptions of community (i.e. users, WSUC members) on the services provided by the facilities initiated by the project. The users also monitor the benefits obtained with the use of self-assessment tool. The process monitoring is conducted by the third party consultants to examine the suitability and effectiveness of community processes. Compliance and process monitoring which is conducted on a regular basis, focuses on completion of activities as per plan and provides feedback to improve quality of services. Local government bodies namely the District Development Committees (DDCs) and Village Development Committees (VDCs) involve from the selection stage of the schemes (The Board, 2003). These local authorities are also involved in regular monitoring of the scheme and share the lessons learned. On top of the periodic monitoring and supervision, the Board also conducts materials quality spot check to ensure the compliance with prescribed norms and guidelines.

3.6. Operation and Maintenance of the Completed Schemes

The responsibility of the operation and maintenance of the scheme is assumed by community. Communities establish operation and maintenance fund by collecting up-front cash. The operation and maintenance fund is regularly institutionalized by mobilizing contribution from the users. Sustainability studies carried out after 3 years of scheme completion show that schemes are fully functional and well sustained (Fig. 3) (The Board, 2005). The Board provides backstopping support to ensure the efficient and effective delivery of the services.



3.7. Coordination and Linkages

Partnership, coordination and linkage are the main pillars of the program. The program is fully aware of the importance of coordination at the central and local levels. The program activities are harmonized with regulations and guidelines of local self-governance act. The Board enters into partnerships with SOs to work with the communities in program activities. Community and SOs establish linkages with Business Development Services (BDS) and Micro Finance Institutions (MFIs) to obtain supports for their income generation programs. The Board has strengthened its relation with communities, local NGOs, SOs, SAs, local government, ministry, donors and other leading sector agencies.

4. Conclusion

A decade long history of the Board in carrying out the development efforts with the real demand of community in public private partnership model is a show case example from Nepal. The program has contributed in improving the quality of life of the individuals in the rural communities. Following the example of the Board in utilizing PPP model in rural water supply, various other agencies like: Poverty Alleviation Fund, Community Based Water Supply and

Sanitation Program, Road Board are replicating the same model in Nepal. Similarly, the frame work has also been replicated in other countries like India, Sri Lanka and Pakistan. The key of the success is to internalize the community attributes from the early stage of the program and consider the grass root institutions as a key to social change and development.

5. References

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