

MEMORANDUM OF UNDERSTANDING BETWEEN

..... District Development Committee (DDC),

And

**Department of Local Infrastructure Development and
Agricultural Roads (DoLIDAR)**

For the

Implementation of Sanitation and Hygiene Programme Supported by RWSSP-WN II

1. GENERAL

With the objective to support Government of Nepal to achieve **improved health, socio-economic status and fulfillment of the equal right to water and sanitation for the inhabitants of the Project area** an agreement between the Government of Nepal and the Government of Finland was signed on September 16, 2013 (Bhadra 31, 2070) to support District Water Supply, Sanitation and Hygiene (WASH) Programs through “Rural Water Supply and Sanitation Project in Western Nepal, Phase II (RWSSP-WN-II)” for five years (September 2013 to September 2018). RWSSP-WN supports the WASH sector development and implementation in 9 districts of Nepal: Myagdi, Baglung, Parbat, Syangja, Tanahun, Nawalparasi, Rupandehi, and Kapilvastu in the Western Development Region and Pyuthan in the Mid-Western Development Region. In addition, Sanitation and Hygiene Support for ODF and Post ODF shall be implemented in Gulmi, Mustang, Rolpa, Palpa and Arghakhanchi districts. The project is jointly financed by the Government of Nepal (GON) and the Government of Finland (GOF) (grant) and anchored in the Ministry of Federal Affairs and Local Development (MFALD)/ Department of Local Infrastructure Development and Agricultural Roads (DoLIDAR).

DoLIDAR and the District Development Committee (DDC) of District have signed this Memorandum of Understanding (MoU) to agree the main principles of Sanitation and Hygiene sector implementation support provided in theDistrict.

The funding principles, fund channeling, reporting regarding fund, rules and roles presented in the RWSSP-WN Project Document (March 2013) and approved by the Project Supervisory Board and provided separately to the DDC, are to be followed.

Funds from the Governments of Finland and Nepal to the District will be decided annually by DoLIDAR based on the performance evaluation system established for Sanitation and Hygiene support as mentioned in Annex 1.

2. ROLES AND RESPONSIBILITIES OF DDC

At the district level, DDC, in coordination with DWASHCC, political parties and other sector agencies, is responsible for implementation of ODF/Post ODF activities in the district. The following are the responsibilities of DDC:

- 2.1 DDC shall follow the National Sanitation and Hygiene Master Plan while implementing sanitation and hygiene programs (ODF and Post ODF) in the district. DDC agree to implement the decisions and directives made by supervisory board and steering committee.

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- 2.2 As provisioned in the Project Document each DDC shall formulate Monitoring Task Force which shall develop its ToR and carry out monitoring of activities in regular basis at least annually.
- 2.3 DDC in technical support of DTO shall entirely be responsible to implement the decisions made by DWASHCC. DDC shall manage required trainers and human resources for program implementation. District Technical Office is responsible of all technical aspects of construction activities under the agreement.
- 2.4 To fulfill the demands and set targets of Sanitation and Hygiene sector of the District, the DDC hereby agrees to co-finance district and to ensure funding from other stakeholders in Sanitation and Hygiene activities as follows;

Components		Sanitation and Hygiene Software Activities	Public Toilets	School Toilets
Government of Nepal*		30%	Minimum 25%	Minimum 34.5%
Government of Finland		Maximum 66.5%	Maximum 25%	Maximum 34.5%
District Development Committee		Minimum 1%	50%	4%
Village Development Committee		Minimum 2.5%		6%
Users	Cash	0		1%
	Kind	0		20%
Appropriate operation and maintenance mechanism for school and public toilet will be ensured before implementation support.				
* For FY 2070/071 Government of Finland will cover Government of Nepal Contribution Part as well.				

- 2.5 To ensure the effective implementation of DDF the DDC should follow the existing policies, bylaws, guidelines, directives and decisions provided by MFALD/DoLIDAR/Project Steering Committee/Supervisory Board.
- 2.6 DDC should implement, control and get audited of DDF as per the GON rules.
- 2.7 Required funds to construct public/school toilets should be transferred from DDF to Users' Committee (UC) accounts as per the separate agreement signed between DDC, VDC and UC. Scheme level procurements will be done by UCs.
- 2.8 DDC shall provide a copy of expenditure statement of DDF use to RWSSP-WN Project Coordination Office (PCO) on a monthly basis using the Standard Reporting Formats. The report shall include contribution from GOF, GON, DDC, VDC and UC. DDC shall allow external monitoring of DDF records and accounts to an authorized representative of donor as part of financial monitoring. Report of such monitoring will be agreed on site and a copy shall be forwarded to respective authorities.
- 2.9 DDC shall be responsible to maintain transparency of all the financial transactions that released from district WASH fund to UCs and Service Providers. DDC shall ensure all the expenditures made according to the agreed provisions.
- 2.10 Performance Based Evaluation System of service providers (NGOs, Consulting Firms and Individual Service Providers) will be carried out and reward and punishment system shall be applied.
- 2.11 DDC shall arrange regular update of district WASH MIS. The information in this MIS will be accessible to all sector stakeholders.

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- 2.12 DDC should also coordinate the use of available resources from the district based line agencies such as Water Supply and Sanitation Division Office, District Education Office, Women Development Office and District Public Health Office to fulfill the human resource needs.
- 2.13 To ensure the sustainability of ODF and Post ODF support, DDC shall mobilize different human resources.
- 2.14 DDC should take a lead role and provide necessary technical support in the preparation of Strategic District WASH Plan.
- 2.15 DDC should assign one “focal person” for overall management, coordination and reporting of the activities.
- 2.16 DDC should provide necessary feedback to DoLIDAR and RWSSP-WN in policy improvement for the efficient implementation of the District WASH activities.
- 2.17 It is mutually realized that development and implementation of harmonized, aligned, and integrated District WASH is possible only with joint efforts of all stakeholders and agencies involved in this sector. Therefore it is important to bring all these stakeholders and agencies under one umbrella by utilizing the authority given to DDC by the Local Self Governance Act. DDC is to effectively coordinate the use of all available human, natural, public and private resources.

3. ROLES AND RESPONSIBILITIES OF DOLIDAR

- 3.1 DoLIDAR is responsible for the provision of all necessary technical and managerial support to local government institutions, as well as for the coordination of all infrastructure development activities
- 3.2 DoLIDAR will support the district in liaising with central government agencies, discharging various government policies, rules and regulations to the Districts as well as to the RWSSP-WN.
- 3.3 DoLIDAR facilitates timely allocation and release of the GON funds to the District.
- 3.4 DoLIDAR appoints a National Project Director, who will be stationed in DoLIDAR with responsibility for planning, budgeting, progress review and monitoring at the central level.
- 3.5 DoLIDAR will also appoint a National Project Coordinator, who will be stationed in PCO Pokhara for day to day implementation of the project and will also co-chair Project Management Team (PMT) for effective support to the districts in WASH implementation.
- 3.6 The WASH and Building Section of DoLIDAR is the focal section for central level coordination and reporting.

4. ROLES AND RESPONSIBILITIES OF RWSSP-WN, PHASE II

The RWSSP-WN will provide support to the DDC in development, coordination and implementation of District WASH programs. The RWSSP-WN has two wings: (i) Project Coordination Office established by DoLIDAR and led by the National Project Coordinator. This office is responsible for the coordination, supervision, monitoring and evaluation of the RWSSP-WN. (ii) Project Support Unit (PSU) established by the International Consultant on behalf of the Government of Finland and led by the Chief Technical Adviser to provide technical assistance to the Districts in WASH implementation. The following will be the key roles and responsibilities of the RWSSP-WN:

- 4.1 Provide consultancy support on capacity development concerned with development of the water supply, sanitation and hygiene within the district as mentioned in the Project Document.
- 4.2 Provide technical support to DDC in preparation of gender sensitive, inclusive, harmonized and coordinated District and VDC WASH plans.

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- 4.3 Compile periodic progress reports (physical and financial) of the District WASH programs supported by RWSSP-WN based on the reports submitted by the district.
- 4.4 Maintain effective coordination between districts supported by RWSSP-WN to ensure uniformity, transparency and strengthen relationship among districts and with MLD/DoLIDAR
- 4.5 Provide necessary support in monitoring of the activities. Provide sector specialists' support for monitoring of the activities and capacity building carried out at different level.
- 4.6 Organize training programs, workshops and tours to strengthen the capacity of the district to implement District WASH programs effectively and efficiently in a coordinated and harmonized manner including women, poor and excluded.
- 4.7 Support in the orientation and training programs for effective implementation of ODF and Post ODF programs.
- 4.8 Support and advise DDC in the development of WASH guidelines, strategies, plans and promotion of water, sanitation and hygiene And related monitoring and reporting at the district level.
- 4.9 Support DDC to transfer skill and knowledge required for WASH related information management at the district level. Provide technical support to strengthen the capacity of District Information and Documentation Centre (DIDC).

5. COMMITMENT TOWARDS GENDER AND SOCIAL INCLUSION

- 5.1 Make progress towards gender and social inclusion in staffing, opportunities, duties, and ensure human resource policy within the organization as gender and social inclusion sensitive
- 5.2 Contribute to gender and social inclusion friendly environment that acknowledge the importance of diverse groups at all levels.
- 5.3 Ensure that all diverse groups are involved and benefit from the sanitation program and share in a equitable manner.

6. MISCELLANEOUS

- 6.1 DoLIDAR has right to withhold fund release, deduct annual budget if the activities in the district are not carried out according to approved standard or the MoU.
- 6.2 Annual performance evaluation of the DDC shall be carried out each year by joint team nominated by DMC of the district and PMT of the project. The evaluation shall be one of the basis for annual budget allocation and other supports to the district. The evaluation criteria shall be as follows. Detail scoring sheet is provided in Annex 1.

Sn	Indicators	Score	Source of Verification
1	Planning Vs Achievements	20	AWP and APR, DWASH Unit
2	DDC contribution on District WASH Fund	20	APR, DDC Account Section,
3	Monitoring and Reporting	15	Reports
4	DMC Meetings	5	DMC Meeting Minutes
5	Utilization and Transparency of District WASH Fund	20	APR, DDC Account Section,
6	Institutional Capacity	20	APR, DMC Minutes
	Total	100	

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6.3 This MoU will remain effective till the end of Fiscal Year 2071/072. If competent authorities decide to extend activities in district as in other core districts, the MoU shall be revised accordingly. In the case DDC agrees to run WASH program independently establishing DWASH Unit without support of D-WASH Advisor of the project.

6.4 If any clause of this MoU requires further clarification, addition, revision or deletion, both parties in a mutual consensus can do so. However, in case of any other disagreement and unsolved dispute, the cases will be forwarded to the RWSSP-WN Supervisory Board for decision; this decision will be the final.

Date:

Place:

Signatures

On behalf of DDC

Signature:

Name:

Position: Local Development Officer Seal

On behalf of DoLIDAR

Signature:

Name: Jeevan Kumar Shrestha

Position: Deputy Director General/National Project Director Seal

Witnessed by:

On behalf of RWSSP-WN II Seal

Signature:

Name: Sanna-Leena Rautanen

Position: Chief Technical Adviser

Signature:

Name: Narayan Prasad Shrestha

Position: National Project Coordinator

Witnessed by:

Active Political Parties of the District

Sn	Name	Political Party	Position	Signature

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Annex 1: Annual Performance Evaluation Criteria of DDCs

S.N	Parameter	Indicator	Total Score	Scoring	Means of Verification	Source of Information
1	Annual Planning v/s Achievement (20)	1.1 Percentage of annual plan activities are physically completed in the last fiscal year	10	More than or equal to 80% are completed Score=10 70-79% are completed, score=7 60-69% are completed, Score=5 Less than 60% are completed, score=0	Analysis and verification of approved plan and annual report	DDC reports
		1.2 Percentage of expenditure against budget in the last fiscal year	10	90% or more expenditure achieved against to planned capital development budget, Score= 10 80-89% expenditure is achieved, Score=7 70-79% expenditure is achieved, score=5 Less than 70% expenditure is achieved, Score=0	Analysis of actual expenditure against capital development budget.	Account and Planning section, DDC reports
2	Contribution of DDC in D WASH Fund (25)	2.1 DDC has contributed its fund in last fiscal year as per Annual Work Plan	20	100% contribution (deposited in D WASH Fund), score=20 75-99% contribution, score=15 Less than 75% only contribution , score=0 No Contribution = -10	Analysis and audit of D WASH account	Account/Finance section
		2.2 Expenditure of released fund in the same fiscal year	5	100% expended in the same fiscal year = 5 More than 75% expended = 3 Less than 75% expended = 0	Analysis and audit of DWASH Fund account	Account/Finance section
3	Monitoring and Reporting (25)	3.1 Monitoring of activities regularly by Monitoring Task Force.	15	Monitored as planned, Score=15 80 – 90% visits made = 5 60 – 79% visits made = 0	Analysis of Monitoring Report	DDC reports
		3.2 All the required reports submitted regularly	10	All reports regularly submitted = 10 Reporting was irregular = 0	Submitted Reports	PCO record/DDC reports
4	DWASHCC Meeting (10)	Regularity of DWASHCC Meeting	10	Regular DWASHCC meeting each month = 10 Irregular meeting but minimum 12 in a year = 7 6 or more but less than 12 meetings in a year = 5 Less than 6 meetings in a year = 0	DMC Minutes	DDC reports/DDC
5	Utilization of District WASH Fund (20)	Proper utilization of District WASH Fund in specified headings	20	WASH Fund expended only for specified heading and expenditure statement made public in DDC notice Board = 20 WASH Fund expended only for specified heading and expenditure statement not published = 10 WASH Fund expended in other headings than planned/agreed and reimbursed within recommended time period (0) WASH Fund expended in other headings than planned/agreed and not reimbursed within recommended time period (-10)	Financial record of DDC office WASH Fund monitoring report	DDC account section
			100			