Rural Water Supply and Sanitation Project in Western Nepal (RWSSP-WN)

Completion Phase (Phase II)

Project Document

June 10, 2014

FACT SHEET

Project name	Rural Water Supply and Sanitation Project in Western Nepal, Phase II
Sector	Rural Water Supply, Sanitation and Hygiene
Type of the project	Second Phase (Completion Phase)
Competent Authorities	The Government of Nepal; Ministry of Finance The Republic of Finland; Ministry for Foreign Affairs
Project Agreement signing date	16th September 2013
Project budget code number	Not available
Starting budget year	July 2013
Termination budget year	July 2019
Project status	On-going
Project area	Western Development Region Dhawalagiri zone: Districts of Baglung, Myagdi, Parbat, and sanitation only for Mustang Gandaki zone: Districts of Syangja and Tanahu Lumbini zone: Districts of Kapilvastu, Rupandehi, Nawalparasi, Gulmi, and for sanitation only: Palpa and Argakhanchi Mid-Western Development Region Rapti zone: Districts of Pyuthan and for sanitation only Rolpa
Project implementation organisation	Government of Nepal: Ministry of Federal Affairs and Local Development; Department of Local Infrastructure Development and Agricultural Roads District Development Committees of participating districts Village Development Committees WUSCs, users Government of Finland Ministry for Foreign Affairs of Finland Embassy of Finland in Kathmandu Consultant
Project Budget	The Government of Nepal: equivalent to MEUR 5.85 (27%) The Government of Finland: MEUR 13.7 (63%) District Development Committees and Village Development

	Committees: Equivalent to MEUR 0.8 (4%) Users: Equivalent to MEUR 1.55 (7%)	
Foreign currency source	Grant	
Strategy and approach	Alignment, decentralisation, downward accountability, human rights based approach, institutional and human resource capacity development, gender and social inclusion mainstreaming, post construction services development, ownership and behavioural change approach	
Coordination and supervision	Supervisory Board	Supervision, management
	Steering Committee	Monitoring and policy guidance
	Project Management Team	Management, monitoring and supervision
	District Development Committees	Management and execution
	District WASH Coordination Committee	Coordination and harmonisation
	Village Development Committees and VDC WASH Coordination Committee	Coordination, facilitation, supervision, funding
	Water Users' and Sanitation Committees, Citizen Forum, Institutional Management Committee	Implementation and management

ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
CBO	Community Based Organisation
CCA	Climate Change Adaptation
CHSAC	Community Hygiene and Sanitation Action Committee
CLTS	Community Led Total Sanitation
CTA	Chief Technical Advisor
DAG	Disadvantaged Group(s)
DDC	District Development Committee
DDF	District Development Fund
DoLIDAR	Department of Local Infrastructure Development and Agricultural Roads
DRR	Disaster Risk Reduction
DTO	District Technical Office
D-WASH-CC	District Water Supply, Sanitation and Hygiene Coordination Committee
DWIG	District WASH Implementation Guideline
DWSS	Department of Water Supply and Sewerage
DWSSDO/WSSDO	Drinking Water Supply and Sanitation Divisional Office
FEDWASUN	Federation of Water Supply Users Nepal
GESI	Gender Equity and Social Inclusion
GoF	Government of Finland
GoN	Government of Nepal
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
HRBA	Human Rights Based Approach
iDE	International Development Enterprises
IMC	Institutional Management Committee (for Sanitation and Hygiene)
LDO	Local Development Officer
LGCDP	Local Governance and Community Development Program
Lpcd	Litres per capita per day
LSGA	Local Self Governance Act
M	Million
M&E	Monitoring and Evaluation
MFA	Ministry for Foreign Affairs of Finland
MIS	Management Information System
MOF	Ministry of Finance
MoFALD	Ministry of Federal Affairs and Local Development
MoUD	Ministry for Urban Development
MTR	Mid Term Review
NGO	Non-Governmental Organisation
NMIP	National Management of Information Project
NPC	National Project Coordinator
NWSSC	National Water Supply and Sanitation Committee
O&M	Operation and Maintenance
ODF	Open Defecation Free
PCO	Project Coordination Office
PCS	Post-Construction Services
PMT	Project Management Team
PSU	Project Support Unit
QARQ	Quantity, Access, Reliability and Quality
RMSO	Regional Monitoring and Support Office (DWSS)
RVWRMP	Rural Village Water Resource Management Project
R-WASH-CC	Regional Water Supply, Sanitation and Hygiene Coordination Committee
RWSSFDB	Rural Water Supply and Sanitation Fund Development Board
RWSSSP	Rural Water Supply and Sanitation Support Programme
SB	Supervisory Board
SC	Steering Committee
SO	Support Organisation
SP	Service Provider
SWAp	Sector Wide Approach

TA	Technical Assistance
TBC	Total Behavioural Change
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
VDC	Village Development Committee
VMW	Village Maintenance Worker
V-WASH-CC	VDC Water Supply, Sanitation and Hygiene Coordination Committee
WASH	Water Supply, Sanitation and Hygiene
WHO	World Health Organisation
WUMP	Water Use Master Plan
WUSC	Water Users' and Sanitation Committee

TERMS AND DEFINITIONS

"Advocacy" = To persuade, convince, mobilise people

"Adequate hygiene behaviour" = Refers to those practices that reduce the number of disease causing agents in the environment and protect individuals and families from contact with them

"Adequate sanitation" = Is the provision and on-going operation and maintenance of a safe and easily accessible means of disposing human excreta and wastewater

"Deep Well"= well which passes through an impervious layer and draws its supply from the previous layer lying below. The pervious formations below impervious layers are generally not liable to get any impurities and contain greater quantities of ground water resulting higher discharges/supplies. The nomenclature of shallow and deep tube wells is purely a technical one and has nothing to do with the actual depth of the well. A 'shallow well' might be having more depth than a 'deep well' depending upon the depth of the pervious layers which varies from place to place. *"Domestic Water supply"* = Generally implies development and supply of safe and adequate water needed for human consumption i.e. for drinking, household and hygienic uses

"Disadvantaged"=those that face extra obstacles to participate and benefit equally with mainstream population, e.g. because of social exclusion, gender exclusion, physical disability, poverty, lack of education, organisation and exposure. Women, Dalits, disadvantaged ethnic groups, people in isolated locations, otherwise potentially neglected or discriminated groups (people with HIV/AIDS, people with disabilities and the elderly, children).

"Equality" = Being equal means with no difference in status equality or rank; rights, respects, access to opportunities, access and control of natural, financial and other resources and assets /property. It is the state of being equal. The process of achieving gender, caste and ethnic equality - while respecting their differences - refers to changing norms, values, attitudes and perceptions in order to attain equal status between men and women, between advantaged and excluded caste and ethnic groups.

"Equity" = Equity means fairness; principles of justice used to correct laws when these would seem unfair in special circumstances. Gender, caste and ethnic equity refers to fairness in women's and men's, advantaged and disadvantaged caste and ethnic groups' access to socio-economic resources.

"Gender bias"= meetings or decisions etc. are dominated by one of the sexes: *"Male-bias"* = men are dominating in number or decision making (female-bias = women are dominating).

"Gender sensitiveness and responsive "; aware of gender situation, and taking the situation into account and reacting to the situation by making action plan, identifying activities and allocating budgets – in order to eliminate gender inequality and injustice.

"Human Rights Based Approach" = includes identifying root causes of poverty and disadvantage, empowering rights-holders to claim their rights and enabling duty-bearers to meet their obligations, in line with international rights frameworks.

"Hygiene education" = *P*lanned and systematic attempt to provide information to enable people to take action to prevent water and sanitation related illnesses and to maximise the benefits of improved water and sanitation facilities

"Hygiene promotion" = An activity to encourage behavioural change that serves to prevent infection from communicable diseases

"Integration of WASH" = The services of both water supply as well as household and environmental sanitation are linked well with hygiene education and will be provided to the same beneficiaries identified as facing health problems due to the lack of services

"Ignite or ignition" = To encourage, empower, and support people at household, Ward, VDC, and District levels as they take action.

"Improved Sanitation and Hygiene" = The process where people transform themselves to demand, develop and sustain a hygienic and healthy environment for themselves by erecting barriers to prevent the transmission of diseases primarily deriving from pathogenic contamination.

"Improved water source" = 'improved' drinking water sources, as those that, by the nature of their construction, are protected from outside contamination, particularly faecal matter (JMP)

"Investments" = includes not only the direct construction costs, but also capacity building, planning, supervision, evaluation, etc…costs.

"Kuwa" = traditionally improved spring, which does not meet the criteria of protected spring.

"Minimum standard" (reflecting total behaviour change) = Households and Wards are free of open defecation. All households have sealed latrines meeting clear safety specifications, used by all the family.

- All households have and use a hand washing station
- All household members wash their hands with soap (or substitute) and water:
  - After defecation/using the latrine
  - After washing a baby's bottom
  - Before preparing food
  - Before eating or child feeding
- All households have a safe system for storing and extracting water for drinking

Multiple Use Scheme = A water supply scheme adapted for use as irrigation distribution system. In the Project the term will be used for very simple adaptations at tap level and for more sophisticated systems, where the overflow of the drinking water reservoir feeds a parallel piped distribution system,

"Poor and Excluded" = Groups, individuals and households politically, economically, socially, culturally and self-discriminated on the basis of their gender, caste, ethnicity, age, marital, status, sexual orientation, religion, language, disability, HIV status and where they live and have previously limited access to development opportunities.

"Public Audit" = Public auditing is a tool taken up for the purpose of enhancing governance, particularly for strengthening accountability and transparency of service providers (local bodies) towards beneficiaries/stakeholders by publishing the program including financial information. It values the voice of stakeholders, including marginalised/poor groups whose voices are rarely heard. Public Audit is not only an event but also a process to ensure beneficiaries/stakeholders right to know of the activities of their concern. Public auditing creates an impact upon governance.

"Sanitary facilities" = Refers to latrines; solid waste disposal sites; waste management equipment; and cloth washing, hand-washing and shower units.

"Scale-up" = The approach to service provision is widely replicable in a substantial number in all VDCs and Wards in a District

"Shallow Well"= well which draws water from the topmost pervious stratum. Its' water is liable to be contaminated by minerals or organic matters from water percolating from the vicinity. See also Deep Well

"Social Inclusion" = Social Inclusion is about addressing imbalances and disparities among people caused by gender, caste, ethnicity, marital status, geographical location, language, religion, age, sexual orientation, disability and HIV status by removal of institutional barriers and the enhancement of incentives to increase the access of diverse individual and groups to WASH activities. Social Inclusion is used to describe the complementary approach that seeks to bring about system-level institutional reform and policy change to remove inequities in the external environment.

"Social mobilisation" = Social mobilisation is a common approach to development efforts in Nepal, in which local people are seen as competent actors possessing vital knowledge about their situation. It is identified as the principal means for empowering communities and community organisations. Social mobilisation is a process where people living in a community are organised to bring about elements of change, whether in the realm of economics, politics, religion, culture or other practices. It is a catalysing process by which people living in a community are organised into groups to share and discuss problems, to seek solutions by mobilising their own and outside resources, and to become active participants in the decision-making processes that affect their lives as individuals, households and community. It is expected to build up capacity for preparation, implementation, operation and management of various types of community projects. As a vehicle of organisational capacity building, social mobilisation functions primarily as a mechanism of empowerment and contributes to gender and social inclusion (definition based on Nepal Human Development Reports 2001 and 2004 (UNDP 2001 and 2004).

"Stakeholder" = Any organisation that shall have direct or indirect influence or participation or contribution or involvement for the implementation of WASH

"Unserved Population" = The people who for technical, social or economic reasons cannot access safe and adequate water supply (quantity, quality, access and reliability), and have never been supported by external water supply development interventions

"WASH Program" = The package that contains the provision of safe and adequate water supply, provision of safe sanitary facilities and the promotion of improved hygiene behaviour.

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In order to ensure sustainability and focus on the increase of service delivery quality, the project will first continue to work in the nine Phase I districts, six of them being Hills districts: Baglung, Myagdi, Parbat, Syangia and Tanahu in the Western Development Region and Pyuthan in the Mid-Western Development Region. Three districts – Kapilbastu, Rupandehi and Nawalparasi – are located in Terai in the Western Development Region. An additional core district has been added - Gulmi, from the Western Development Region. Rolpa (Mid-Western Development Region) and three districts from the Western Development Region - Palpa, Argakhanchi and Mustang districts - are added for sanitation activities only.

The Phase II started September 16, 2013 and is anticipated to run until November 2018.

Beneficiaries and Other Stakeholders

Phase II of the Rural Water Supply and Sanitation Project in Western Nepal (RWSSP-WN) will benefit the whole population of the Project area, but not all in equal ways and not all directly.

About 975,000 people in the three Terai districts will benefit from the open defecation free (ODF) status in their respective Village Development Committees (VDCs) and districts.

The entire rural population of all working districts will benefit from post-ODF support to maintaining the achieved status.

About 100,000[1] people will benefit from new or improved water supply through software and investment support, including arsenic mitigation where necessary.

More than 220,000 people (beneficiaries of improved water supply in Phases I and II) are expected to benefit from capacity building (especially to be able to sustain their water supply schemes).

In addition, several institutions from the community level to the central level will benefit from capacity building and governance support.

Objectives

The **overall objective**, which RWSSP-WN supports the Government of Nepal (GoN) to achieve, is improved health and fulfilment of the equal right to water and sanitation for the inhabitants of the Project area.

The **purpose** of Phase II is the poorest and excluded households' rights of access to safe and sustainable domestic water, good health and hygiene ensured through a decentralised governance system with improved effectiveness of rural water supply and sanitation services.

The **results** of RWSSP-WN Phase II are largely impact oriented and will be:

- Result 1 (Component 1 Sanitation and Hygiene): Access to sanitation and hygiene for all achieved and sustained in the project working districts;

[1] Target 150,000 assuming that additional EUR 2 million is available for the water supply investments (50:50 from GoF and GoN)

- Result 2 (Component 2 Rural Water Supply): Access to safe, functional and inclusive water supply services for all achieved and sustained in the project working VDCs; and
- Result 3 (Component 3 Capacity Development): Strengthened institutional capacity of government bodies to plan, coordinate, support and monitor the WUSCs and other community groups in the implementation, operation and maintenance of domestic water, sanitation and hygiene programmes in a self-sustainable manner.

Strategy and Approach

The sanitation and hygiene component will cover the whole rural population in the Project area. The water supply component will focus on the people who have never had access to water supply investment. Consequently, Phase II will not continue to provide financial support to rehabilitation and reconstruction of schemes (with few exceptions). This is an important human rights issue, which has substantial implications on the resources. The yet unserved are in remote and difficult locations, which require heavier human resource inputs and implies higher hardware costs.

Another main character of Phase II is attention to quality and sustainability. In water supply this means, inter alia, high quality of construction, higher qualifications of key WUSC members (treasurers), emphasis on water safety, and attention to WUSCs' capacities to maintain the schemes beyond their technical life time, i.e., to re-invest.

Field level results will be improved by mobilising higher staff presence in the field, simplification guidelines and their implementation, greater WUSC and VDC ownership of plans and results, and more effective targeting of the "not yet reached" groups. The project will look into potential risks, such as, multiple and exhaustive use of water resources, climate change and occurrence of natural disasters. Sustainability of schemes will be improved through a sequenced exit after the capacity of the local water supply, sanitation and hygiene (WASH) actors is strategically strengthened during the different stages of intervention.

Phase II is the phasing-out phase of RWSSP-WN. Overall, phasing out has to be implemented in a controlled way, increasingly relying on the local capacity to continue the WASH activities without external support. Consequently, technical assistance and financial responsibility need to be taken over by GoN and DDC/VDC level stakeholders step by step before the end of Phase II. Phasing out is addressed in Phase II by embedding project planning, management and implementation into the existing district, VDC and community level structures.

Project Set-up

The Competent Authorities of the Project are the Ministry of Finance (MoF), representing GoN and the Ministry for Foreign Affairs (MFA), representing the Government of Finland (GoF). Within GoN, RWSSP-WN Phase II is managed in the Department of Local Infrastructure Development and Agricultural Roads (DoLIDAR) under the Ministry of Federal Affairs and Local Development (MoFALD). The Deputy Director General of DoLIDAR is the Programme Director. There are fourteen District Development Committees (DDCs) responsible for the implementation of Phase II. The set-up is carried over from Phase I.

The Supervisory Board (SB) is the highest decision making body. It represents the Competent Authorities as defined in the Project Agreement. The Steering Committee (SC) is the policy making body of RWSSP-WN. It is chaired by the Secretary of MoFALD.

The budget of Phase II is estimated at approximately MEUR 21.9. The budget estimate is shown in the table below. As a result of focusing on the unreached and shifting away from scheme rehabilitation, the average unit cost of water supply schemes is expected to be substantially higher than in Phase I and in reference projects in Nepal and abroad.

	Item	Budget	GoF	GoN	DDC/VDC	WUSC
1	Sanitation and Hygiene DDF	5,150,000	3,500,000	1,500,000	150,000	-
2	Water Supply Investment DDF	6,165,000	2,000,000	2,000,000	615,000	1,550,000
3	Governance & Capacity Building DDF	1,884,700	944,700	940,000	-	-
4	Technical Assistance (TA)	5,000,000	5,000,000*	-	-	-
4a	*TA International*	*1,613,220*	*1,613,220**	-	-	-
4b	*TA National*	*1,781,627*	*1,781,627**	-	-	-
4c	*Reimbursable TA Costs*	*1,289,930*	*1,289,930**	-	-	-
4d	*TA contingency*	*315,224*	*315,224**	-	-	-
5	Running Costs	2,400,000	1,200,000*	1,200,000	-	-
6	Governance & Capacity Building	465,300	465,300*	-	-	-
7	Evaluation & Monitoring	150,000	150,000*	-	-	-
8	**Total without overall contingencies**	**21,215,000**	**13,260,000**	**5,640,000**	**765,000**	**1,550,000**
9	Contingencies	685,000	440,000	210,000	35,000	-
10	**Grand Total**	**21,900,000**	**13,700,000**	**5,850,000**	**800,000**	**1,550,000**
	Share		63%	27%	4%	7%

* Budget items marked with * flow through the Technical Assistance consultants' accounts

The First Supervisory Board Meeting (January 2014) agreed that the proposed extra MEUR 1 from GoF & matching MEUR 1 from GoN would be added to the water supply investment budget line. This is still pending official approval from the two governments.

1. Background

1.1 Main Reasons for Launching the Project

The Government of Nepal (GoN) estimates that about 80% of Nepal's rural population has access to improved water supply complying with national service level standards. This surpasses the Millennium Development Goal target of 73%. Despite such statistics, the need for Finnish support for this Project is very valid given that the actual population enjoying safe and reliable water supply services is much less as explained below.

The most comprehensive data on water supply and sanitation in Nepal is provided by the National Management Information Project (NMIP), launched by the Department of Water Supply and Sewerage (DWSS). Data from about 38,000 piped schemes and 1,125,000 point source supplies were collected between 2007 and 2008. Despite its limitations the NMIP data base provides the most recent overall and inclusive basis to assess the sector coverage status in Nepal. A major limitation for this study is the failure of the NMIP database to disaggregate data between urban and rural sub-sectors. It is also weak and unreliable in terms of disaggregation of data into agencies, institutions etc.

The Final Report of NMIP – Nationwide Coverage and Functionality Status of Water Supply and Sanitation in Nepal summarises the sector status as follows:

- national population coverage: water supply is 80.4% and sanitation is 43.0%;
- the Western Development Region has the highest water supply coverage at 84.6% and the Mid-Western Development Region has the lowest at 76.3%;
- the Western Development Region also has the highest sanitation coverage at 53.5% and the Far Western Development Region has the lowest at 29.1%;
- geographically, the Hills have the highest sanitation coverage at 52.9% and the Mountains have the lowest at 33.6%;
- of the population having water supply schemes, some 17.9% are served by well-functioning schemes, 38.9% by schemes that need minor repair, 11.8% by schemes that need major repair, 21.0% by schemes that need rehabilitation, 9.1% by schemes that need reconstruction, and 1.6% by schemes that are non-repairable ("non-refunctionable");
- of the population having a toilet, 42.2% have pit latrines, 53.9% water seal toilets and 3.9% other types of toilet (biomass, eco-san, etc.);
- about 1.8% of the population with a constructed toilet did not use them (these have been excluded from sanitation coverage figures); and
- of the population covered by a toilet in use, 8.8% have poorly managed toilets that were hygienically satisfactory but with unmanaged superstructures and 11.8% have dirty, unhygienic toilets.

The NMIP database is not considered to be very reliable. Other sources of information suggest that the percentage of rural population having functional and safe water supply is far below 80%. Why such a high level of system failure is occurring is not clear from the NMIP report. A study entitled "Nepal Rural Water Supply and Sanitation Sector Study

on Modalities of Service Delivery and Their Features/Options to Efficiently Increase Access and Sustainability", due to be completed in the second quarter of 2013, may provide more detailed information and comparative data on the performance different modalities in Nepal.

According to Census 2011, about 62% of households have basic sanitation facilities. In rural areas about 55% of households have a toilet. For comparison, 60% of rural households have a mobile phone, 50% have a radio, 33% have a bicycle and 31% have television.

GoN aims to achieve full coverage of safe drinking water and sanitation facilities by 2017. The Government of Finland (GoF) has committed to contribute to this ambitious goal because of its focus on human rights (in this case access to safe water supply and sanitation by inclusion of disadvantaged groups (DAGs)). It is logical for GoF to support GoN in the rural water supply, sanitation and hygiene (WASH) sector as a continuation of its 20-year long and successful involvement in the sector in Nepal, notably in the Western Region, where the intervention is planned. Finland's support is channelled through the Ministry of Federal Affairs and Local Development (MoFALD) to this Project *Rural Water Supply and Sanitation Project in Western Nepal (RWSSP-WN)* and *Rural Village Water Resource Management Project (RVWRMP)* in the Far and Mid-Western Regions as well as through UNICEF. In addition, GoF supports capacity building of district WASH actors in Eastern Region of Nepal under the project *Strengthening of Environmental Administration and Management in Nepal*.

Phase II of RWSSP-WN will be an essential part of GoF's support to rural WASH in Nepal and it will continue and complete the ground-breaking work of RWSSP-WN in sanitation as the entry point in the development of WASH. Moreover, Phase II will be essential in ensuring the sustainability of the achievements of the Project as well as ensuring the continuation and replication of the innovations by local and national stakeholders. The sustainability of water supply schemes beyond their technical life time will need further development of O&M services, financial instruments, etc. Phase II is also seen as a temporary as a temporary umbrella gap filler for the districts in the absence of strong regional/federal state structures.

1.2 WASH Sector

1.2.1 WASH Sector Actors

The most important contributors to GoN's WASH goals are the following:

1. Department of Water Supply and Sewerage (DWSS) implements urban and larger rural water supply schemes through its (sub-) divisional offices. It is also responsible for the technical coordination at national and regional level. Its major sources of funding are GoN's own resources, ADB and UNICEF.

2. The Department of Local Infrastructure Development and Agricultural Roads (DoLIDAR) under MoFALD is responsible, at the central level, for schemes serving less than 1,000 beneficiaries through its decentralised structure. The schemes are implemented and managed by communities. MoFALD through the District Development Committees (DDCs) and Village Development Committees (VDCs) are responsible for district and VDC level WASH coordination. Its major donor is GoF.

3. The Rural Water Supply and Sanitation Fund Development Board (RWSSFDB) is the execution agency for rural water supply projects implemented by WSUCs with the support mostly of district-level NGOs. The World Bank has channelled its rural water supply and sanitation credits and grants through RWSSFDB.

4. The Department of Education invests in school-related WASH.

5. Various other projects and non-governmental organisations (NGOs), e.g. Rural Reconstruction and Rehabilitation Sector Development Program, Nepal Water for Health (NEWAH), The Gurkha Welfare Scheme, Red Cross, Poverty Alleviation Fund, and Local Governance and Community Development Programme (LGCDP) invest in WASH.

1.2.2 Focus and Results of WASH in Nepal

The WASH sector has seen a renewed effort and partly changed focus over the last few years. The NMIP data, even if inaccurate, sufficiently highlighted the problem that many people do not have proper water supply and sanitation facilities, while many existing facilities do not function properly. The Joint Sector Review has further analysed the issues and reinvigorated the sector by outlining reform priorities in 2011:

- Focus on Sanitation, Functionality and Water Quality;
- Strengthening of coordination through the National Water Supply and Sanitation Committee (NWSSC), Regional WASH Coordination Committees (R-WASH-CCs), District WASH Coordination Committees (D-WASH-CCs) and VDC WASH Co-ordination Committees (V-WASH-CCs);
- Implementation through one WASH-related technical office under the DDC; and
- Integration of policies and guidelines, e.g., the Sanitation and Hygiene Master Plan, WASH Approach Paper 2011 (draft).

Progress has been slow but steady on these issues. However, the WASH-integration and synchronisation of DoLIDAR/District Technical Offices (DTOs) and DWSS/Water Supply and Sanitation Division Offices (WSSDOs) has been complicated by a shift of DWSS to the Ministry of Urban Development (MoUD) and differing priorities among the sector actors.

GoF supports the new drive through its support to UNICEF at the central level and two WASH projects (RVWRMP and RWSSP-WN). The Finnish supported projects contribute to sector development through coordinated action at the district level, contribution to integration of policies and guidelines, and improving functionality, water quality and sanitation at district, VDC and community levels.

The present attention in Nepal for unserved populations and dysfunctional schemes and the drive for open defecation free (ODF) VDCs and districts strengthen the case for a Human Rights Based Approach (HRBA) that focuses on improving access to WASH facilities particularly for those without such access.

1.3 Rural Water Supply and Sanitation Project in Western Nepal, Phase I

RWSSP-WN was conceived to follow the long-running Rural Water Supply and Sanitation Project in Lumbini Zone (1990-2005). RWSSP-WN commenced in August 2008. During the inception period the concept was developed to focus on a WASH approach with hygiene and sanitation as the entry point. Implementation was aligned to the decentralised government structures.

The envisaged project budget was EUR 12,973,293 with EUR 9,703,000 from GoF and EUR 3,300,893 (NPR 292,677,000) from GoN over four years. After a one-year no-cost extension, this phase will be completed in July 2013.

The project purpose was to fulfil the basic needs and ensure rights of access of the poorest and excluded to safe domestic water, good health and hygiene through decentralised governance system.

RWSSP-WN operated in nine districts, six hill districts and three Terai (southern plains) districts. Eight districts fall in the Western Development Region and one falls in the Mid-Western Development Region. The area of RWSSP-WN as well as of the other WASH projects supported by GoF is illustrated in Figure 1.

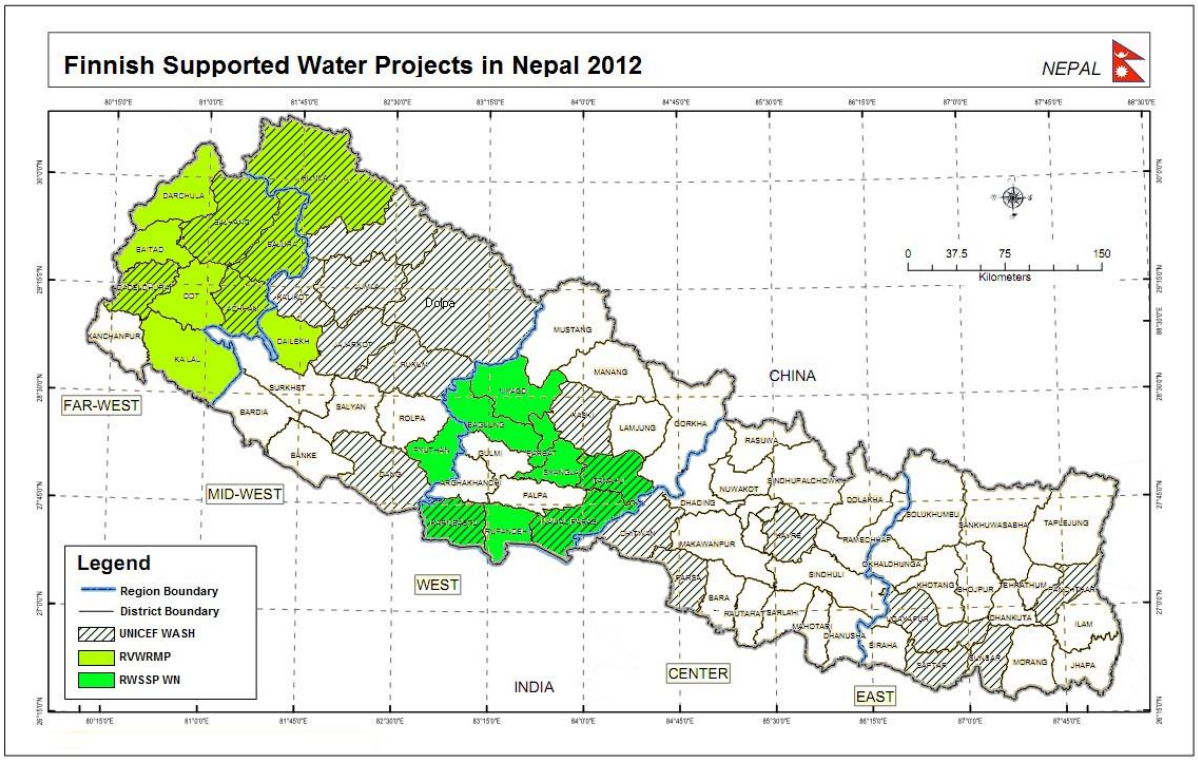


Figure 1. Finnish supported water projects in Nepal

The Programme was active on average in six VDCs in each district; altogether 54 VDCs and two municipal wards. However, the ODF campaign has reached beyond project VDCs through replication. As of November 2012 the Project reported the following major results under its three components:

1. Hygiene and Sanitation: about 830,000 people have new toilets. More than 200 institutions have access to safe sanitation. 250 VDCs have been declared ODF, resulting in two districts being declared ODF.
2. Domestic Water Supply, including arsenic mitigation: completed water schemes including arsenic mitigation schemes benefited a population of 115,000 and more than 20,000 students.
3. Capacity Building and Governance.

   Results include: 45 VDC WASH Plans prepared, 54 V-WASH-CCs and 9 D-WASH-CCs supported/activated, District WASH Units in place in all nine Districts, 68% excluded and 34% women in key positions in Community Hygiene and Sanitation Action Committees (CHSACs), 66% excluded and 35% women in key positions in Water User and Sanitation Committees (WUSCs). 97% of WUSCs of completed schemes registered, 100% managed operation and maintenance (O&M) fund with 84% maintaining proper financial records/minutes.

   Guidelines drafted include the following: Model District WASH Implementation Guideline, Model District Arsenic Strategy, Model District Water Safety Monitoring Guideline, VDC WASH Planning Guideline, and WASH Training Norms. In addition, support has been provided to draft the WASH Approach Paper and the National Sanitation and Hygiene Master Plan.

1.4 Access to Water Supply

Nepal is committed to provide its rural citizens basic water supply services as defined by minimum standards (QARQ) of quantity (45 lpcd), accessibility (round trip fetching time up to 15 minutes), reliability (year-round) and quality (Nepal drinking water quality standards). Rural water supply facilities have been built by local people and communities and since the last 30-40 years also by government agencies, NGOs and aid projects. At present the coverage by such facilities in Western Nepal is around 86% (NMIP). However no data exist to say whether these facilities meet the basic QARQ-standards. Moreover, about 30% of the built schemes are not considered functional as they require major repairs, rehabilitation or complete reconstruction.

The low functionality of existing water supply schemes in Nepal is a major concern. Some water supply schemes and toilets constructed under RWSSP-WN have already started to require repairs. Sustainability will remain a challenge in the coming years, too.

The NMIP data present the baseline before the Project started (situation in 2007-2008). According to the data based on NMIP and supplemented with the Project's own baseline and District WASH Management Information System (D-WASH-MIS), for RWSSP-WN the coverage of improved water supply, as in November 2012, varies from 52.6% (in Pyuthan) to 98.9% (in Rupandehi). The actual number of functional and safe water supply is substantially lower but not reliably known.

Because of demographic reasons the present gap per district is uncertain. According to Census 2011, there are several hill districts with negative population growth rates. People tend to move from the hill districts to Kathmandu Valley and other large urban settlements as well as to Terai. The situation and gap in the ten core Project districts are illustrated in Figure 2 below.

The coverage gap shown in Figure 2 above (which does not consider rehabilitation and reconstruction needs of non-functional schemes) indicates that the number of people not yet served is 768,511 in the ten project core districts and another 153,126 in the non-core districts selected for the sanitation only – more than eight times the number of

beneficiaries of Phase I. The highest number of unserved are in Nawalparasi (about 135,000), Tanahun (115,000), Pyuthan (108,000), Syangia (106,000) and Baglung (104,000).

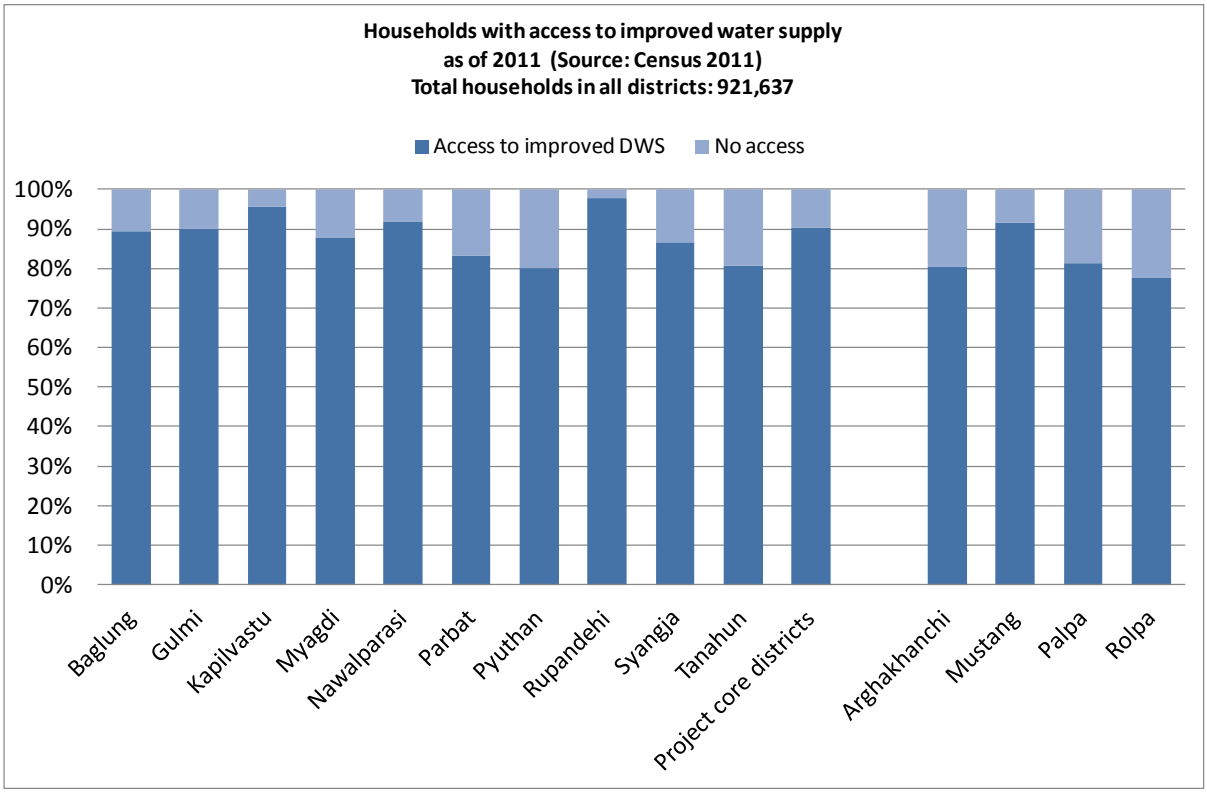


Figure 2. Water Supply Coverage in Project Districts 2011 (source: Census, 2011)

Table 1 Absent Household Members and Female Headed Household Heads per Project District (Source: Census 2011 Final Report)

District	Population				Absent %	Female headed households, %
	Total	Absent male	Absent female	Absent total		
Baglung	268,613	38,180	4,442	42,622	15.87	41.91
Gulmi	280,160	51,222	7,339	58,561	20.19	42.55
Kapilvastu	571,936	27,110	2,680	2,680	0.47	16.46
Myagdi	113,641	14,299	1,015	14,314	12.60	43.50
Nawalparasi	643,508	58,643	6,692	65,335	10.15	28.96
Parbat	146,590	19,783	1,952	21,735	14.83	40.50
Pyuthan	228,102	33,067	3,791	36,858	16.16	47.19
Rupandehi	880,196	55,785	7,119	62,904	7.15	24.96
Syangja	289,148	46,024	4,451	50,475	17.46	42.91
Tanahun	323,288	43,141	3,245	46,386	14.35	42.69

1.4.1 Unserved Population

The reasons why people in the area do not have access to adequate water supply include (i) remoteness, (ii) too small clusters of households, (ii) social exclusion, (iv) too high intervention costs, and (e) technical obstacles. In many cases there is a combination of these factors. The size of the problem and the affected groups are not known precisely but existing knowledge on these issues can provide indications.

a) Remote Areas

The NMIP data seem to suggest that remoteness of the VDC within the district does not considerably affect functionality and coverage; a more accurate survey and data are required to substantiate this. However, often the remote wards in a VDC have the least access to WASH facilities. They are more difficult and costly to reach, thus increasing their chance of omission from projects and budgets. Further, the most remote wards are the last ones to be covered under projects, due issues associated with cost, progress and accessibility.

b) Isolated Households and Hamlets

Isolated households and hamlets within wards or within VDCs are also relatively more difficult and costly to reach. Generally, these isolated hamlets, in the periphery of communities are inhabited by Dalits and marginalised ethnic groups.

c) Caste-based Social Exclusion

Often socially excluded ethnic, caste and religious minorities have low or very low access to sanitation and adequate water supply. However, the situation is not uniform, e.g., water supply access for mountain and hill ethnic groups (25% of the population) is nearly equal to that for Brahmins and Chhetris. Their capability for communal management leads to higher functionality of schemes and the attention by Gorkha Welfare Scheme often balances out such neglected group.

Caste and ethnic groups can be divided in many different ways. Table 2 shows the division used in "Nepal Atlas of Ethnic and Caste Groups" (Harka Gurung et al, 2006).

d) Technically Difficult Areas

These are partly the same as the remote and isolated pockets described earlier, although they also include accessible villages lying above the source. RWSSP-WN has made progress in reaching such villages with rain water harvesting and lift schemes and the demand for such technologies will probably increase. Affordability and feasibility of O&M of schemes is a key consideration when applying these technologies. It is estimated that 95% coverage will be roughly the maximum achievable as in some cases O&M would be too costly to sustain the schemes.

e) Women, Female-headed Households, Elderly, Dalits, People with Disabilities and People Living with HIV/AIDS

Whether women, female-headed households, elderly and disabled people have access to safe and adequate WASH facilities is determined foremost by poverty, remoteness and caste/ethnicity of their community and household. However, access to WASH facilities by individuals within a household, community or scheme can be affected if people with disabilities, elderly people, women, female headed households, and people living with

HIV/AIDS are not involved in decision making process, and their concerns are not incorporated in the design and O&M systems. Inappropriate designs might prevent people with disabilities and elderly people to access facilities, and prevent women from being effective in their traditional role of guarding water safety. Also, discriminatory restrictions to facility use might be put on menstruating women, female-headed households, people living with HIV/AIDS, and Dalit households.

Table 2. Caste-Ethnicity in the RWSSP-WN Project Area (Census 2011)

	Districts	Brahmin/ Chhetri & Others	Abidasi Janajati	Disadvan-taged Tarai Community	Religious minorities	Dalit	Total	HPI Poverty Index Rank*	HDI Rank
1	Baglung	117,257	89,448	1,334	495	60,403	268,937	28 (22.9)	30
2	Gulmi	162,238	80,526	771	429	52,690	296,654	34 (25.6)	39
3	Kapilvastu	78,939	81,699	181,142	96,128	44,068	481,976	57 (35.5)	55
4	Myagdi	31,078	57,704	347	165	25,153	114,447	63 (40.0)	22
5	Nawalparasi	150,032	273,509	80,117	1,690	57,522	562,870	44 (28.6)	29
6	Parbat	93,383	31,998	183	455	31,000	157,019	11 (12.7)	12
7	Pyuthan	88,860	84,071	645	653	38,255	212,484	53 (32.2)	59
8	Rupandehi	192,941	262,144	186,390	11,430	55,514	708,419	20 (17.3)	24
9	Syangja	150,529	121,742	314	1,850	42,885	317,320	8 (11.8)	7
10	Tanahun	90,167	173,794	538	3,254	47,484	315,237	14 (14.8)	14
Total core districts		1,155,424	1,256,635	451,781	116,549	454,974	3,435,363		
		34%	37%	13%	3%	13%	100%		
1	Rolpa	76,866	98,828	478	122	33,710	210,004	39 (26.0)	63
2	Mustang	2,004	11,466	48	9	1,437	14,964	63 (40.0)	21
3	Arghakhanchi	118,128	52,944	162	2	37,155	208,391	47 (28.8)	30
4	Palpa	78,119	159,758	588	13	30,080	268,558	27 (21.6)	18
Total non-core districts		275,117	322,996	1,276	146	102,382	701,917		
		39%	46%	0%	0%	15%	100%		
Grand Total		1,430,541	1,579,631	453,057	116,695	557,356	4,137,280		
		35%	38%	11%	3%	13%	100%		

* Small Areas Estimation Survey 2011
** Human Development Report 2014

Requirements to Reach the Hard-to-Reach

To address the lack of access by as yet unreached populations, a project will have to deal with the reasons behind that lack of access and be properly equipped to address these reasons adequately:

- Data: Detailed and district-wide data on water supply access and functionality is needed to identify the most deserving VDCs, communities and households. VDC selection can be greatly flawed if official NMIP water supply coverage and functionality figures are used.

- Social targeting: Adequate staff quality and quantity on the ground at critical times to address district, VDC and community-level social exclusion issues leading to neglect of deserving areas and communities (see Background papers 1 and 2).
- Implementation quality. Sufficient and skilled staff be mobilised on the ground to ensure consistent application of existing guidelines and quality standards for planning, design, construction, and beneficiary support and ownership.
- Sufficient time be allowed to properly follow processes and support the disadvantaged.
- Appropriate technologies introduce to reach the "hard-to-reach" communities.

1.4.2 People Affected by Arsenic

Total 240,127 households in Kapilvastu, Rupandehi and Nawalparasi were covered by the arsenic blanket test done in 2007/2008. About 153,606 people, or 10% of the population in the three Terai project districts out of 1,440,762 covered by the blanket test used tube wells with arsenic levels exceeding the WHO limit of 10 ppb (Table 3). About 4% of people drinking water with high arsenic levels develop arsenicosis. The present situation needs to be verified given that the blanket test data is more than a decade old: there is both more population and wells, as well as better analytical methods available.

Policy instruments[2] have been developed for arsenic mitigation, but the people and government have not yet been able to adequately mitigate arsenic contamination. Recognised long-term arsenic pollution mitigation options include identification and use of safe dug wells and tube wells, exploration of safe springs and surface sources, rehabilitation of dug wells, deep borings, filters, rain water harvesting and awareness raising, monitoring and testing. National consensus has shifted away from household filters to schemes using deep borings beyond the arsenic threshold, said to be 55 meters deep. These schemes are however expensive to build and maintain, and the depth alone does not guarantee arsenic-free water. See Background paper 3 for more elaborate assessment.

Table 3. Arsenic Affected Population 2007/2008 (Source: CBS 2007/8 & AIMS UNICEF)

District	Total Pop. of District	HH ppb				Population ppb			
		Tested HH	0-10	10_50	>50	Tested Pop	0-10	10_50	>50
Nawalparasi	671,364	55,445	40,286	8,942	6,217	332,670	241,716	53,652	37,302
Rupandehi	874,231	98,251	94,762	2,865	624	589,506	568,572	17,190	3,744
Kapilvastu	576,842	86,431	79,478	4,802	2,151	518,586	476,868	28,812	12,906
Total	**2,122,437**	**240,127**	**214,526**	**16,609**	**8,992**	**1,440,762**	**1,287,156**	**99,654**	**53,952**
		100%	89%	7%	4%	100%	89%	7%	4%

[2] Arsenic Policy 2001, Arsenic Mitigation Implementation Guideline 2005 and Model District Arsenic Mitigation Strategy 2010

1.4.3 People Affected by Polluted Groundwater (Non-arsenic)

Other forms of contamination (e.g. micro-bacterial) of shallow groundwater layers in the Terai have not yet been properly mapped and quantified. A study carried out by RWSSFDB and Environment and Public Health Organization shows that around 80% shallow tube wells are bacteriologically contaminated. This, however, does not mean that aquifers are contaminated. It is likely that in many, if not most, cases only the wells are contaminated, due to surface water intrusion through inappropriate well covers and infiltration due to inappropriate aprons and drainage.

1.4.4 People with Non-functional Water Supply Facilities

The reasons why a large share of the population has facilities that are non-functional, and need either major repairs, rehabilitation or reconstruction are relevant to understand so that the Project pays adequate attention to them in Phase II. These issues include:

- poor management by WUSCs of operation, resource mobilisation and conflict (neglect, internal conflicts, resource misuse and weak leadership);
- weak community/social mobilization during preparatory and implementation phases
- lack of monitoring and technical backstopping to WUSCs and VDCs during construction and operation/post-construction period;
- lack of access to management and technical skills and materials;
- old schemes having outlived their design life time;
- poor agency performance in planning, design, construction quality;
- external changes like demographic changes, disasters, climate change; and
- poor watershed management (increase of uses and users).

The listed factors often exist in combination. Focusing investments in these schemes has the risk that the same problems occur again. Phase II design rules out scheme investment for repair, rehabilitation and reconstruction of non-functional schemes. DTOs can assist with engineering, O&M advice and linkage to spare parts dealers or skilled technicians. Many WASH programmes nevertheless include such schemes, as they seem to deserve assistance and have vocal users, but then present them as new schemes to by-pass strict selection criteria or to correct problems that occurred during the previous round of assistance.

To reduce any future functionality problems of schemes supported by RWSSP-WN, the Project needs (i) D-WASH Plans covering all district and VDCs, (ii) sufficient and skilled enough staff on the ground, (iii) implementation modalities that lead to higher levels of accountability and efficiency, (iv) higher emphasis on sustainability and O&M by creating a post-construction services system covering each district, (v) integrated watershed management with attention to water source conservation and DRR, and (vi) more concrete gender equality and social inclusion (GESI) action for equitable participation and benefit for socially-excluded, poor, and isolated communities, and women and people with disabilities.

1.5 Sanitation and Hygiene

Total sanitation as formulated in GoN's Sanitation and Hygiene Master Plan consists of a range of facilities and hygiene behaviours that lead to the sanitised condition of designated areas. Ending open defecation is the first step and an entry point for the second step, changing behaviour.

NMIP data of 2008 suggest that access to adequate sanitation facilities (use of at least a pit latrine with cover) was 20-75% in the Hill districts and 20-50% in the Terai districts. RWSSP-WN Phase I has achieved a major increase in communities and VDCs becoming ODF. By the end of Phase I in July 2013, it is expected that all six Hill districts will be declared ODF and only the three Terai districts will have substantial numbers of households without toilets. A low number of VDCs in the three Terai districts will achieve ODF status by July 2013. Estimates, based on the Census 2011 data indicate that in the 14 districts included into Phase II there are total 308,380 households still without toilets. Since 2011 there has been a lot of progress in declaring the districts ODF but the challenge remains during the post-ODF period. The ODF achievements can be challenged by various reasons, including lack of water and households not upgrading their temporary latrines towards more permanent options. The 308,380 households as identified without latrines in the Census 2011 equal to population of more than 1.5 million.

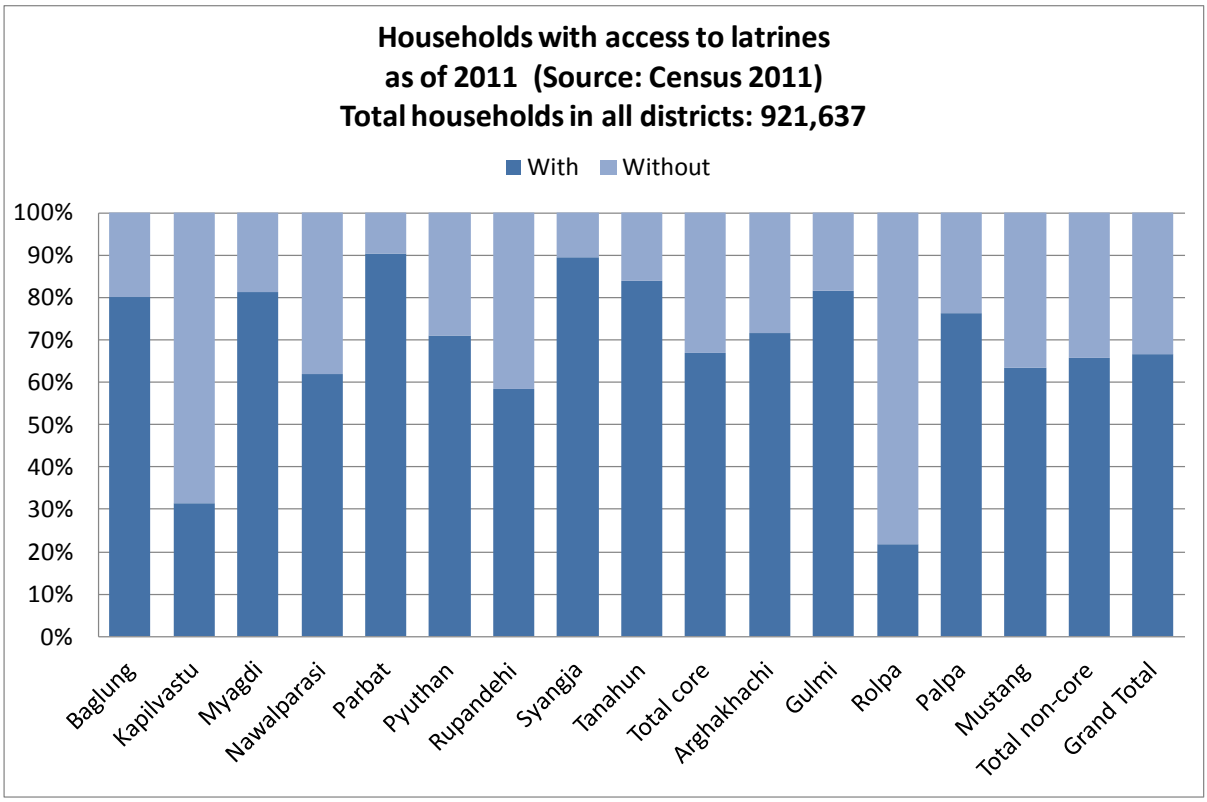


Figure 3. Sanitation Coverage in Project Districts 2011 (source: Census, 2011)

The approaches applied by the Project, i.e., Community Led Total Behaviour Change in Hygiene and Sanitation and Community Led Total Sanitation (CLTS) have worked well in project VDCs in the hills. However, in non-core areas participating in ODF campaigns, VDCs have used forms of coercion (withholding VDC administrative support or certification for non-ODF households) and provided ODF-rewards as subsidies. These are

against Project policy. The Project will still need to monitor the effectiveness and sustainability of ODF even after the declaration, especially where rewards were used as subsidies and where people built toilets only to avoid missing out on VDC services.

The sanitation marketing programme implemented with Finnish funding by an NGO called International Development Enterprises (IDE) under the UNICEF programme promises to address some of the socio-cultural and cost issues. Local leaders expect these marketed full-package toilets to be bought by at least 50% of the households in their VDCs. The concept is not yet well tested in Nepal so close monitoring is required by the Project.

The reasons behind the lack of access to sanitation can be grouped in four categories, all of which RWSSP-WN is aiming to address:

- Leadership. Lack of unity, awareness, leadership and organisation. ODF campaigns should include leadership and community building efforts.
- Poverty and social exclusion. Improved sanitation rates are up to three times lower than the average costs for the poorest 20% of the population and the socially most excluded groups. Therefore, ODF campaigns if conducted properly can help the poor hamlets become ODF in spite of poverty, social exclusion and lack of physical space.
- Physical and technical. Lack of space, lack of resources, lack of access to materials, products and construction skills are some physical and technical concerns. Proper technical assistance and developing the private sector participation as in the IDE/UNICEF sanitation marketing initiative, could help to overcome some of these problems.
- Terai issues: Higher construction cost compared to hills (stones and timber not easily available) limited space issues due to denser habitation patterns and landlessness, near the Indian border comparison with high toilet subsidies across the border, socio-cultural attitudes and lack of community cohesion. Flooding poses an extra issue in some areas. Phase II faces big problems when the some of the above listed issues are compounded by a poverty and a lack of leadership. Long-term plans formulated by learning from successes in other VDCs and additional intensive software support are required to address the above issues.

None of the VDCs have yet declared 100% Total Behavioural Change (TBC)[3] or "Total Sanitized" VDC. TBC is the aim of the Community Led Total Behaviour Change in Hygiene and Sanitation -process, but the major efforts required to achieve ODF has often led to shortcuts, sometimes by-passing the TBC approach in which ODF should be embedded. As a result ODF has often become an aim in itself, to be achieved by whatever means available. Newly declared ODF districts are now wondering how to sustain ODF status and go on from there. The sustainability of 100% ODF districts and VDCs is estimated to be low, as doubts exist about proper maintenance and use of toilets, especially, where toilets were built with subsidies or under pressure from the VDCs. Post-ODF efforts might be forced to focus more on sustaining ODF than on TBC, to

[3] TBC: 100% permanent toilets, hand washing with soap, proper water and food hygiene, proper waste management. Total Sanitized Village is a certificate suggested in the WASH Approach Paper

avoid a decrease in the number of VDCs that can call themselves ODF. Moreover, the TBC indicators are very difficult and laborious to monitor and verify.

1.6 Climate Sustainability and Natural Resource Management

Climate change models for Nepal indicate a change in spatial and temporal variability of precipitation, as well as changes in rainfall volumes. The models also predict significant changes in temperature. These developments mean that there is bound to be increased scarcity of water in some areas whereas in others rainfall intensity may increase and cause severe flooding.

As water sources become scarcer and demand for safe water increases, competition for the scarce resource will also increase. Adaptation measures, therefore, will be required to address these changes. Proposed key adaptation measures are improved water allocation, conflict resolution and a more integrated approach to planning and implementation of natural resource management interventions through a watershed approach. Other measures could build on existing WASH approaches and solutions.

Nepal has already started to address climate change issues through policy interventions, planning (National and Local Adaptation Plans of Action) and targeted projects supported by international donors. This project is an opportunity to build on these developmental initiatives. In the WASH projects funded by GoF, Climate Change Adaptation (CCA) has become a cross-cutting theme, which can now be mainstreamed through the interventions proposed in Phase II of RWSSP-WN.

1.7 Policy and Strategy Environment

Nepal has developed a comprehensive set of policies for water and sanitation, which the Project supports to implement. The Local Self Governance Act (LSGA, 1999) provides the legal basis for the devolution of responsibilities for water and sanitation systems to local government. Rural Water Supply and Sanitation National Policy, Strategy and Strategic Action Plan (2004) further highlights participation and decentralisation and the role and responsibilities of local bodies and user committees. The Sanitation and Hygiene Master Plan (2010-2017) lays down the principles for implementing sanitation programmes and has adopted the ODF approach promoted by the project. By aligning its operations to GoN policies, strategies and implementation modalities the Project further supports sector harmonisation.

Finland’s Development Policy Programme adopts HRBA to development. The United Nations (UN) has recognised the right to safe and clean drinking water and sanitation as a human right. The Project aims to empower the right holders while supporting the capacity of the duty bearing institutions to ensure the services. The Project is also relevant to all the three cross-cutting issues of Finland’s development policy: gender equality, reduction of inequality and climate sustainability. The Project has a strong focus on GESI, working towards the fulfilment of equal rights to water and sanitation, promoting inclusive decision-making and reducing inequality in the provision of services. The project also integrates CCA and Disaster Risk Reduction (DRR) in its activities.

1.8 WASH Implementing Institutions in the Area

The main WASH institutional stakeholders in RWSSP-WN are (i) WUSCs and VDCs at the VDC level, V-WASH-CCs, D-WASH-CCs, DDCs and DTOs at the district level, Project Support Unit (PSU), Project Coordination Office (PCO), Regional Monitoring and Support

Office (RMSO, reporting to DWSS) and R-WASH-CC at the regional level, and DoLIDAR, MoFALD, DWSS and NWSSC at the central level. The WASH institutional environment is characterized by increasing but still deficient coordination at all levels and by limited technical and software capabilities at the district and VDC levels. RWSSP-WN has also faced these limitations in its attempts at a fully decentralised implementation structure. To fill the capacity gaps, DDCs have hired staff or commissioned support from NGOs. The success of these efforts varies. In general, those districts hiring technical staff (individual experts) directly have outperformed the ones that have worked through NGOs. However, NGO performance on community capacity building and social mobilisation has been consistently good. The main drivers of approach to institutional development for Phase II are:

- Phase II needs to sustain Phase I achievements, notably those in decentralised implementation and sanitation.
- Phase II needs to increase its relevance for all those people in the project districts without adequate WASH access. The prerequisite will be reliable WASH planning data down to community level, and activities that (ultimately) benefit everyone. To be able to support the fulfilment of the human right to water and sanitation the implementing bodies need to be equipped to assume their responsibilities professionally and thereby ably assist those who face obstacles in accessing WASH facilities.
- Phase II needs to improve and increase the quality of results, notably service delivery by district agencies at community level. Quality can be improved by increasing the number/skill mix of staff at district level and by more rigorous supervision and monitoring, but without reducing the district's ownership. The procedures, guidelines and plans need to be reduced in number, simplified and locally owned

The Project districts lack a post-construction services environment to support WUSCs to maintain their schemes through advice, (public and private sector) technical services, and funding. In future D-WASH-CCs and all VDCs should be able to sustain and increase access to and functionality of water supply schemes without external assistance, and to help WSUCs to be able to carry out O&M in completed schemes. VDCs are understaffed and have only a few technical staff, while V-WASH-CCs are very weak and often depend completely on the VDC Secretary. Further, as district actors do not have adequate and reliable data, their plans could be ad hoc and thereby increase the risk that the neediest communities are not even known/identified and so left out.

1.9 Other Relevant Interventions and Actors

Numerous actors play roles relevant to the WASH sector:

- actors that work on WASH sector strengthening: NWSSC, Sector Stakeholders Group, MoFALD/DoLIDAR, MoUD/SEIU, DWSS/NMIP, UNICEF and RWSSFDB;
- actors that are funded by Finland and require high levels of coordination: RVWRMP, UNICEF's 'Aligning for Action-Sanitation and Water for all in the context of Climate Change in Nepal' Programme;
- actors that implement WASH activities in the same Project area with the same people (coordination through D-WASH-CC): DWSS, DDC (regular programme),

District Education Office (DEO), and to a lesser degree Gurkha Welfare Scheme (Kaduri), IDE (sanitation marketing) and NEWAH;

- actors that implement activities in the same Project area that are complementary to WASH (coordination through D-WASH-CC and DDC): District Public Health Office, Federation of Water Supply Users Nepal (FEDWASUN), LGCDP (VDC capacity building), Poverty Alleviation Fund, and future-livelihoods programmes like Feed the Future supported by the United States Agency for International Development (USAID); and
- actors that implement very similar WASH activities in other areas (coordination at national level): Helvetas, RVWRMP, Rural Water Supply and Sanitation Development Fund Board, Small Town Water Supply and Sanitation Project, Netherlands Development Organisation (SNV), and WaterAid Nepal.

2. Beneficiaries and Other Stakeholders

2.1 Immediate and Final Beneficiaries

The Project will benefit the whole population of the Project area, but not all in equal ways and not all directly.

Aiming at ending open defecation in all districts, total 308,380 households in 14 districts should construct a latrine. With an average six persons per household this equals to 1,850,000 people. About 74% of the households without latrines are in the 10 core districts. These figures are based on the Census 2011. The poorest one third of the VDC population will receive post-ODF rewards.

The entire rural population of all the districts by 2017 will benefit from post-ODF support to maintaining the achieved status.

About 100,000[4] people will benefit from new or improved water supply through software and investment support. In addition the Tarai inhabitants will benefit from increased awareness of arsenic mitigation options, the Water Safety Plan concept in Tarai being adjusted accordingly. With the available funding the Project will not be able to contribute to 100% coverage of improved water supply in all the ten districts. Phase II will continue to maintain the approach of selecting working VDCs and then aim for 100% improved coverage wherever it is feasible at reasonable cost and wherever it is likely to be managed and sustained: targeting unserved communities i.e., those who have never before had an access to improved water supply.

Funding rehabilitation of malfunctioning or non-functioning schemes will be discouraged in order to ensure that the rights of the most disadvantaged groups are respected and accorded priority. There will be two exceptions: (i) where existing water supply is seriously polluted or affected by arsenic or other chemical contaminants, and (ii) such schemes supported by Phase I that do not adequately ensure safe water supply, due to quality of design and/or construction.

Criteria will need to be developed to override any priority listing of VDC schemes where rehabilitation schemes are proposed to take precedence over new schemes serving the

[4] Target 150,000 if the additional EUR 2 million is available for the water supply investments (50:50 from GoF and GoN)

unserved. Proper assessments of the social status of the community will be carried out in Phase II to answer questions, such as: (i) which community is being involved in the proposed water and sanitation scheme; (ii) who are the actual users, direct beneficiaries and target groups; and (iii) how are women involved in the WUSC. The Project will encourage active participation by gender, special target groups (disabled, HIV affected), social groups (Dalits, Janajatis), etc.

More than 220,000 people (beneficiaries of improved water supply in Phases I and II) are expected to benefit from capacity building (especially to be able to sustain their water supply schemes).

In terms of governance and capacity building the beneficiaries include:

- DoLIDAR and all DDCs, DTOs, D-WASH-CCs, VDCs and V-WASH-CCs in the Project area will benefit from increased WASH coordination, planning, implementation and monitoring capabilities;
- more than 400 WUSCs, Citizen Forums and Institutional Management Committees (IMCs) for Sanitation and Hygiene will benefit from increased WASH-implementation and O&M capabilities and linkage to service providers (public and private); and
- up to 2,500 people of new and existing entrepreneurs (mechanics, plumbers, masons, suppliers, transporters) will benefit from increased customer numbers and improved income through post-construction services enterprise development.

2.2 Social and Geographic Composition of Beneficiaries

2.2.1 Disadvantaged Groups and the Poor

The minimum proportion of disadvantaged ethnic and caste groups among beneficiaries will be as per their proportion of the population in VDCs, except for the poorest and socially most excluded groups, i.e., Dalits. In the hills there are 17% Dalits and 40% ethnic groups, and in the Terai 8% Terai Dalits, 4% Hill Dalits, 30% ethnic groups and 10% Muslims. Benefits will be equal to other beneficiaries in the same VDC. Because the proportion of Dalits in particular is high among those without safe and adequate water supply and sanitation, these targets should be relatively easy to achieve.

Socially excluded DAGs (mostly Dalits), isolated households and people living with HIV/AIDS will benefit from extra measures that help them overcome their obstacles, including awareness raising among the main population about their needs and the effects from WASH-related social exclusion. It is estimated that in 25% of the WUSCs, Citizen Forums, DAG subgroups, and individuals will need (and will benefit from) extra assistance in the form of trainings and coaching, and VDC level network meetings.

2.2.2 Women, Elderly and People with Disabilities

Beside the regular benefits accruing to them by being member of beneficiary households and communities, women have formed at least 33% of committee members and trainees and are key actors and participants in sanitation and hygiene (S&H) interventions in Phase I. Women will further benefit from extra orientations, VDC women's network meetings, study visits for leaders and leadership development. Due to the higher

number of women in communities as well as a high number of women-headed households as confirmed by Census 2011, the female representation in Phase II should not be less than 50%.

The elderly, children and disabled people will benefit as the design and approach adjustments targeted at them will incorporate inclusive awareness raising and skills development trainings for their caretakers and the related WUSCs.

2.3 Institutional Stakeholders

Like in Phase I, Phase II will use GoN's institutional framework under MoFALD – planning, budgeting, management and decision-making, monitoring and evaluation reporting mechanisms as well financing mechanisms. WASH capabilities have been growing in DoLIDAR over the last 15 years, in large part thanks to GoF supported WASH projects. However, WASH capabilities at DTOs are still limited. DTOs are generally understaffed, implementing infrastructure works under DDC without adequate time and staff to assure quality. DoLIDAR is attempting to get GoN support to increase its capabilities in WASH and software activities, but normally these have to be augmented through technical assistance (TA). Phase II implementation will further strengthen DoLIDAR's WASH and software capability and that the implementation structure (D-WASH Units) will become the standard set-up for all DTOs across Nepal.

Other stakeholders, including UNICEF and RVWRMP will benefit from and contribute to exchange and coordination.

DWSS and its regional and divisional offices RMSOs and WSSDOs are mandated for water supply schemes above 1,000 beneficiaries and sector coordination. They are responsible to assist the DDC for sector integration and coordination at the district, regional and national levels. The Project will work with DWSS agencies by feeding data into the NMIP database and coordinating district WASH efforts through D-WASH-CCs, of which WSSDOs are member-secretaries, and R-WASH-CC.

DDCs and the D-WASH-CCs under their chairpersonship will officially coordinate district WASH efforts. The Project's fund flow will go through DDC, and its plans and budgets will be coordinated with the D-WASH-CC. D-WASH-CC will become a stronger coordinator through capacity building, WASH Plans, post construction services plans, new linkages to private and public WASH actors and increased joint action and coordination.

VDCs/V-WASH-CCs are understaffed and under-equipped to play their WASH coordination and leadership role. VDCs/V-WASH-CCs will become stronger WASH coordinators through the interaction with the Project (notably if they employ an own WASH Technician), development of V-WASH Plans, regulating integrated water source use, mainstreaming of GESI and CCA/DRR in planning, linking up with public and private sector WASH actors, and mobilisation and experience of many WASH activists.

WUSCs should emerge from the Project as more capable and managed service providers for WASH users. Existing community-based organisations (CBOs) will also be strengthened because the capacity of their members will be enhanced through participation in training and linkage programs. The strengthened capabilities can be resources elsewhere, too.

3. Objectives, Indicators and activities

3.1 Formulation of Completion Phase

The overall objective, purpose and results with their respective indicators and tentative activities are described below. The intervention logic in a form of a logical framework is attached as Annex 1 to this Project Document. The indicators and their targets will be verified and further improved during the inception period. Results per indicator will be disaggregated for districts, Terai-hills, caste-ethnicity and where feasible, poverty. To the extent possible, the proposed indicators build on the national monitoring frameworks. The monitoring frameworks, baseline data collection and monitoring and reporting practices are elaborated in Section 6.

3.2 Overall Objective

RWSSP-WN Completion Phase (Phase II) contributes to the achievement of rural water supply and sanitation targets set in the GoN plans and strategies. The overall objective, which RWSSP-WN supports GoN to achieve, is **improved health and fulfilment of the equal right to water and sanitation for the inhabitants of the Project area**.

The indicators for the overall objective are:

- incidence of diarrhoea in under-5 children reduced
- under 5 child mortality reduced*
- Incidence of water and sanitation related diseases reduced
- Improved local governance capacity to provide effective WASH service delivery
- Decreasing disparity between the worst- and best-served VDCs with regards to sanitation and water supply coverage

3.3 Project Purpose

In the framework of the overall objective described in Section 3.1 above, the purpose of Phase II is **the poorest and excluded households' right to access safe and sustainable domestic water, good health and hygiene ensured through a decentralised governance system** with improved effectiveness of rural water supply and sanitation services

What this means in practice, is defined with the quality indicators for the measuring the achievement of the project purpose:

- 100,000[5] previously unserved people benefit from access to improved water supply
- All water supply schemes supported by the project provide functional, improved and safe water supply services
- No one practices open defecation (all districts declared ODF)
- All ODF districts have developed post-ODF strategy and ensured access to post-ODF support to their VDCs

[5] Target 150,000 assuming that additional EUR 2 million is available for the water supply investments (50:50 from GoF and GoN)

- More than 220,000 people benefit from the capacity building activities
- Districts' WASH programmes capable to provide support to VDCs, WUSCs and other community groups on a responsive basis in scheme planning, implementation and O&M, showing consistently improving the annual performance

3.4 Project Components, Related Results and Indicators

The results of RWSSP-WN Phase II are largely impact oriented and will be:

- Result 1 (Component 1 Sanitation and Hygiene): Access to sanitation and hygiene for all achieved and sustained in the project working districts;
- Result 2 (Component 2 Rural Water Supply): Access to safe, functional and inclusive water supply services for all achieved and sustained in the project working VDCs; and
- Result 3 (Component 3 Capacity Development): strengthened institutional capacity of government bodies to plan, coordinate, support and monitor the WUSCs and other community groups in the implementation, operation and maintenance of domestic water, sanitation and hygiene programmes in a self-sustainable manner.

Result indicators have been structured hierarchically. Main indicators are numbered and supplementary indicators are bulleted.

The key indicators for health, equality and hygiene related Result 1 are:

1.1 # of VDCs declared ODF. Note: ultimate target district ODF

1.2 # of institutions/schools/public places supported by the project fund in Phase II with disabled and gender-friendly toilets and access to handwashing

1.3 # of Wards declared for having achieved total sanitation (wards within which each household complies with at least four out of five main TBC criteria as listed in the National Sanitation and Hygiene Master Plan)

1.4 # of VDCs implementing post-ODF strategy with institutionalised post-ODF support mechanisms accessible to all within a VDCs The key indicators for health, equality and hygiene related Result 2 are:

2.1 Safe water: # of water supply schemes supported by the Project fund in the Phase I and Phase II apply a Water Safety Plan with CCA/DRR component.

2.2 Institutional capacity: # of WUSCs supported by the Project fund in the Phase I and Phase II inclusive and capacitated to provide sustainable services. WUSC defined as functional fulfils the following criteria:

a) WUSC is registered and has statute

b) O&M plan made and applied

c) Adequate water tariff defined and collected

d) VMW trained and regularly working as needed

e) WUSC has proportional representation of caste/ethnic/social groups and 50% women

2.3 Improved services: # of water supply schemes supported by the Project fund in Phase II provide improved water supply services for previously unserved households in the programme VDCs (previously unserved means no access to improved water supply). Scheme defined as improved and functional when it has the Service Level 1 for quantity, access, reliability and water quality.

2.4 Reaching the unreached: # of water supply schemes supported by the Project fund in the Phase II reaching the unreached (previously unserved by improved water supply supported by interventions external to VDC)

2.5 Institutional water supply: # of schools and institutional/public locations supported by the project fund in Phase II that have safe and functional water supply with accessible water points to all users

The key indicators of capacity development related Result 3 are:

3.1 All 14 districts have D-WASH Plan that is used and periodically updated

3.2 # of VDCs have V-WASH Plan that is used and periodically updated

3.3 # of DDCs practicing coordinated and inclusive planning through D-WASH-CC as per the D-WASH-CC Terms of Reference.

3.4 # of VDCs practicing coordinated and inclusive planning through V-WASH-CC as per the V-WASH-CC Terms of Reference.

3.5 Annual performance evaluation done in each district and its D-WASH Unit as per the performance indicators signed in the MOUs in between DDCs and DoLIDAR

3.6 Studies relating to service delivery, sustainability and related mechanisms made and together with studies made in Phase I processed towards practical guidelines and operational tools

4. Approach and Strategy: Human Rights, Quality and Exit

4.1 Project Area

In order to ensure sustainability and focus on the increase of service delivery quality, the project will first continue to work in the nine Phase I districts plus an additional one in Phase II. The Project area is shown in Figure 3 below.

The focus of Phase II in the districts will be as follows:

- ODF campaigns will be continued in across all project districts thriving to ODF status till 2017. Business development support to sanitation marketing will also be provided in Terai.
- Post-ODF activities will be supported throughout the Project area.
- Water supply investments will continue in selected VDCs until 2017 so that the phasing out can start before the last year with reduced assistance levels (only technical support). VDCs for this activity shall be undertaken solely on the basis of

the agreed criteria. Depending on the progress of implementing water supply schemes there may be districts where no VDCs are included in these activities towards the end of Phase II.

- Post-construction services (PCS) will be provided in all ten districts until the end of Phase II. The capability of district, VDC and community stakeholders will be closely monitored along with reducing the intensity of PCS. It is anticipated that PCS can first be reduced in VDCs and districts where water supply investments are first discontinued.
- Sanitation activities only will be supported in four additional districts.
- Monitoring will be the key activity in the entire Project area in the last year of Phase II, in order to verify how the responsibilities for O&M and replication of the implementation have been internalised and taken over by stakeholders at different levels. However, it is likely that also pending completion of work and campaigns in problematic schemes and VDCs will need attention in the last year.

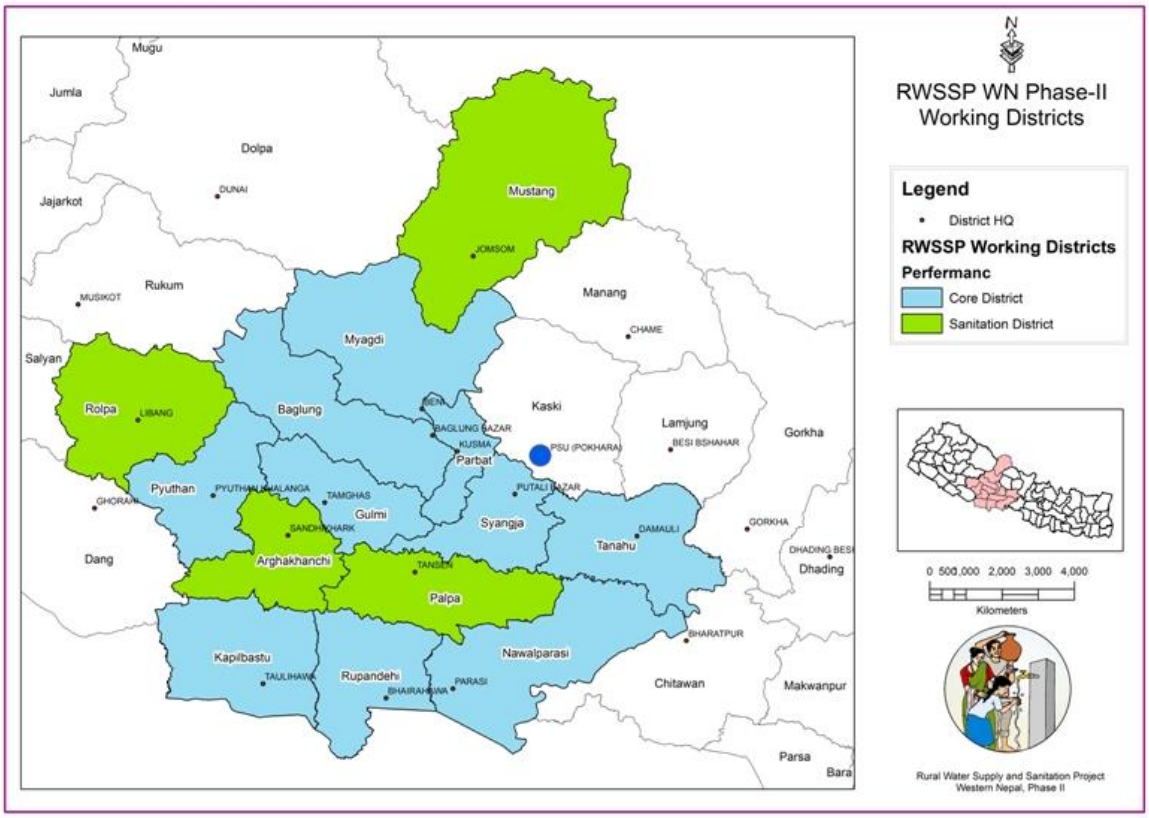


Figure 4. Project Area

4.2 Selection of VDCs and Communities

4.2.1 Selection of VDCs and Communities for Water Supply

The choice of VDCs and communities will be based on clear objective criteria to be strictly followed. Only VDCs that are ready to co-finance and appoint own technical staff will be considered. VDC selection criteria needs to be revised to give higher weightage to VDCs with the number of people who have never had access to water supply investment.

Sanitation coverage will not be a criterion to select a VDC for water supply. Also criteria, that leave room for speculations and ambiguous interpretations, such as "prevalence of discrimination" and "prevalence of vulnerable groups" will be no longer be applied, as they have been used to include better-off VDCs that already covered by others.

In Phase II, all schemes prioritised in the respective V-WASH Plans, which are not unreasonably expensive and likely unsustainable, will qualify to be included in the investment support, provided the WUSCs are able to fulfil the contribution and other commitment requirements. Attention needs to be paid to unreached and previously unserved populations.

4.2.2 Targeting Disadvantaged Groups

Within any VDC and community the hard-to-reach and disadvantaged will get first priority among the selected target groups and will be served before any more accessible unreached group or area to ensure that their facilities can be completed on time; that the necessary awareness is created, skills enhanced and resources can be mobilised. The Project will allocate extra budget, staff and time required to address group-specific issues, based on plans formulated with these groups. For this, the priority concerns are:

- within VDCs: (i) isolated households and hamlets and wards, (ii) poor communities, (iii) communities of Terai and Inner Terai ethnic groups, hill Dalits, Terai middle caste, Muslims and especially Terai Dalits; and
- within communities: isolated households, Dalits, poor, women, female-headed households, elderly, persons with disability and people living with HIV/AIDS.

4.3 Baseline and Monitoring Data

4.3.1 V-WASH and D-WASH Plan

V-WASH-CCs and D-WASH-CCs will develop district WASH plans by the end of Phase I. These plans form the basis for Phase II baseline and prioritisation and selection of VDCs. Planning is described also in Section 6.3.

RWSSP-WN will assist V-WASH-CCs of selected new VDCs to develop V-WASH Plans, which consist of (i) a list of intervention priorities, (ii) communities earmarked for RWSSP-WN assistance, (iii) technical and social details of priority schemes, and (iv) baseline data against which later progress and results can be monitored. These documents will consist mostly of tables and standard RWSSP-WN pages describing the implementation processes. The V-WASH Plans will be translated into ward WASH maps showing priority communities and households. Such maps will be displayed at an easily visible place in the VDC building for all the public to see.

D-WASH Unit Engineers and social mobilisers will assist in the formulation of V-WASH Plans, collect baseline data and conduct pre-feasibility studies for the proposed interventions in priority communities. In each VDC and community the disadvantaged individuals, households and communities and their obstacles to WASH access will be identified and mapped through interactions with them. Each V-WASH Plan and scheme plan will identify whether extra support for DAGs or women is needed, and which steps should be included in the plan or scheme designs and support plans. V-WASH Plans will further map available and needed post-construction services (skilled labourers, suppliers, etc.).

4.4 Sanitation and Hygiene Approach

4.4.1 ODF campaign

GoN and, therefore, the Project, aims for total sanitation as formulated in the Sanitation and Hygiene Master Plan. The Master Plan covers a range of facilities and hygiene behaviours that lead to the sanitized condition of designated areas (VDC and municipality including settlements, neighbourhoods (*toles*), school catchments, etc.). Ending open defecation is the first step and an entry point for changing behaviour. The second step includes various activities leading to sustainable hygiene and sanitation behaviour change.

The project's Sanitation and Hygiene (S&H) efforts will follow the WASH Approach Paper, (2011, currently in draft), which has integrated the approach elements and guidelines of the national Sanitation and Hygiene Master Plan. For sanitation and hygiene activities, the project will work with a total of fourteen districts.

The ODF campaign is an instrument towards sanitation and not an objective in itself. The approach to ODF campaigns will be nearly similar to that in Phase I with one main difference: discontinuation of CHSAC. Currently, the Local Governance and Community Development Programme (LGCDP) supports ward-level Citizen Forum in all the VDCs of Nepal. It is very likely that the same individuals are members of both CHSAC and Citizen Forum. Further, as the functions and responsibilities of the Citizen Forum also include planning and implementation of S&H campaigns, CHSACs should be discontinued and their role assumed by the Ward Citizen Forums. This supports alignment with existing GoN systems.

The level of investment and activities as outlined in the WASH Approach Paper will be continued in Phase II. These include VDC level orientations, involvement of local NGOs and CBOs, and rewards to VDC equivalent of NPR 300,000 for Terai Southern belt VDCs and NPR 200,000 for Terai other VDCs have been recommended, with NPR 100,000 for each VDC for ODF where the VDC has more than 30% of the households without sanitation. This will enable VDCs to support local organisations and activists as well as very poor household to upgrade their temporary toilets to permanent ones.

- V-WASH-CC and D-WASH-CC responsibilities will include both sanitation and water supply O&M.
- The Project will coordinate at district level with District Education Offices to ensure adequate school sanitation in VDCs, and cooperate at VDC level with GoN's health posts and staff for S&H campaigning.
- The Project will through its PCS efforts support sanitation marketing initiatives to cover all the Terai VDCs.

4.4.2 Post-ODF Support

The post-ODF work will aim to ensure that the ODF status is sustained and contribute towards TBC and "total sanitation" (WASH Approach Paper) for the concerned households, communities, VDCs and districts. The support consists of district and VDC-level meetings and is mostly a long-term campaign with minimal project input as behavioural change is a long-term process that cannot be hastened in the same way as the construction of toilets. The VDC and community level meetings will draft steps that

can be taken by individuals and local groups to address local physical and behavioural issues. The rewards for post-ODF toilet construction for new houses will be the responsibility of the local government and for reasons of sustainability RWSSP-WN should not be involved. The exceptions can be considered where the post-ODF sustainability can be compromised by the large number of temporary latrines. The rewards to Ward-wise and VDC-wise post-ODF action should be considered in annual workplans case by case.

4.5 Water Supply Approach

4.5.1 Overall

The Project support to water supply will consist of (i) investment support, in which the Project will provide financial support as well as technical support, supervision and capacity building, and (ii) PCS. For both the Project will follow the Rural WASH Approach (Draft 2011) and step-by-step approach, local government involvement, implementation by the communities, WUSC registration, O&M fund with upfront cash, and the Water Safety Plan for each scheme.

The approach is: to adjust technologies to ensure low cost and easy O&M; to reach the hard-to-reach (with more expensive options, such as rainwater harvesting and lift systems, especially solar), to enable communities to drink water free of arsenic and other serious contamination (more deeper tube wells and/or lift systems), to enable income generation activities where feasible (multiple use schemes, MUS) and to reduce the risks of climate change and other disasters.

4.5.2 Water Supply

Water supply investment support will be provided in the selected VDCs in the ten districts. On basis of estimated resources and implementation capacity, this component may reach approximately 100,000[6] new beneficiaries (people) with improved water supply.

In Terai, Phase I included provision of piped water supply in communities where individual household wells have been microbiologically contaminated. It is likely that in many – if not most – cases contamination has occurred only in the wells; not the aquifers. In such cases, a cost-efficient solution would be awareness raising, e.g. by integrating it with ODF campaigns or post-ODF support, and limited technical assistance to DDCs, DTOs and VDCs to support households to take measures to protect their wells against further contamination and to disinfect the source after completion of the work. Such improvement of the water points at the household level at the cost of the well owners is analogous to toilet construction.

One issue that needs to be addressed carefully is the safety of water supply schemes. The Project has started to pay attention to this aspect that was somehow neglected in the beginning. The Project launched the field handbook on community-led water safety planning integrated with O&M, climate change and disaster risk reduction and all-types of technologies. This handbook will be finalised and subsequent training will be commenced in Phase I. This handbook shall be reviewed and, if necessary, revised in the

[6] Target 150,000 if the additional EUR 2 million is available for the water supply investments (50:50 from GoF and GoN)

inception period of Phase II. It will be of utmost importance to train and motivate designers, contractors and supervisors on the importance of water safety.

Long-term sustainability of investments requires mechanisms for ensuring re-investments by WUSCs in acute cases (insurance) and replacement of aged installations and structures (credit or lending schemes). An integral part of capacity building of WUSCs before, during and after scheme implementation shall be understanding of replacement costs and needs (that are subject to the level of O&M). Consequently, tools for calculating re-investment needs and their implication of tariffs and revenues need to be provided to WUSCs. In addition, WUSCS need to be linked to providers of insurance and financial services. If necessary, financial (credit) instruments shall be developed together with these service providers.

Under the PCS, the Project will provide technical assistance to DDCs, DTOs and VDCs to maintaining the sustainability of improved water supply. In the beginning PCS will cover the whole Project area. Based on the proven ability of local stakeholders to maintain their schemes, PCS support will be gradually reduced and the focus will shift to more difficult areas that have insufficient technical capability to ensure effectiveness and sustainability of the newly built water supply facilities.

The Project will coordinate its approach and programme, particularly, its planning and technology with both D-WASH-CCs and the national level arsenic policy bodies. This plus progress made during Phase I and the existing arsenic mapping (see Background Paper 3) should result in proper selection of the most affected VDCs, wards and communities.

Arsenic mitigation, as part of the water supply investment, will be undertaken in the Terai districts as per the need, focusing on awareness raising and adjusting Water Safety Plan concept in Terai accordingly.

4.5.3 O&M and Post-Construction Services

Under PCS, the Project will provide technical assistance to DDCs, DTOs, VDCs and WUSCs to maintain the sustainability of improved water supply. In the beginning PCS will cover the whole Project area. However, with the proven ability of local stakeholders to maintain their schemes, the level of PCS support will generally be reduced and the focus will shift to more difficult areas that have insufficient technical capability to ensure the effectiveness and sustainability of newly built water supply facilities.

First, an adequate post-construction/post-ODF services environment will be created with O&M stakeholder platforms where stakeholders (including WUSCs, VDCs, private sector) can link up and cooperate, develop WASH products and build capacity for public and private sector O&M actors. Secondly, WASH sector services, coordination and monitoring by WASHCCs at VDC and district level will be strengthened, so that problems and priorities will not only be noted at the community level but also higher up. The combination of these elements will decrease the number of schemes and toilets that fall into disrepair and disuse because of lack of fittings, material, advisory services and funding, or because of neglect. PCS can contain, for example, the following elements:

- WUSCs with the Project will fill in completion report format with the details and status of scheme infrastructure, beneficiaries, O&M arrangements, spare parts and tools, trained beneficiaries and potential public and private PCS service providers.

- VDC/V-WASH-CC, representatives of WUSCs, Citizen Forums and IMCs and the Project will establish (i) availability and status of data, information, plans, and designs with V-WASH-CC, (ii) awareness and information related to O&M systems and services, (iii) lists of O&M trained persons (in VDC and district) with their contact addresses, and (iv) list of resource persons, private service providers, suppliers, etc.
- D-WASH-CC with all V-WASH-CCs will establish links, share knowledge of O&M services, status of O&M schemes in VDCs, status of VDC plans; meeting resolutions, and modes of communication, cooperation and coordination for the future.
- D-WASH-CC will design and implement a PCS Plan that outlines roles, procedures and selection criteria for O&M support.
- Private sector development may consist of:
    - identification of PCS needs: masons, plumbers, drillers, pump mechanics, electricians, latrine builders, ring and slab manufacturers, water filter manufacturers, contractors, spare parts suppliers, water quality test labs, arsenic test labs, transporters, etc.,
    - rapid WASH PCS market assessments in each district to assess demand and supply of various O&M services, and assessment of potentially new services (private sector entrepreneurs like plumbers and traders) by type, size and location,
    - PCS multi-stakeholder platforms that enable linkage and coordinated action,
    - technical, business and marketing skill trainings to entrepreneurs,
    - assistance for product choice and development, and
    - marketing events that bring potential customers and entrepreneurs together (VDC visits, bazaar events, etc.).

4.6 Capacity Building Approach

The strategies for implementation, exit and capacity building are based on the understanding of what the Project should leave behind at the time of exit. The capacity building approach is geared to capacitate the WASH actors at all levels to capably perform their roles during and after the Project and contribute effectively to the immediate and overall objectives. Capacity building is the core of the result chain, which is basically a capacity-performance chain. Likewise the capacity building and governance plan and budget is not based on activity sequence or sectors, but on the actors and their combined improved capacities. Table 5 below lists actor-wise capacities that the project will seek to build for improved performance

Table 4. Capacity Building

Actor/Stakeholder	Areas/topics identified for Capacity to be built
National and regional WASH Actors	Updating NMIP data that allow planning and monitoring, DOLIDAR WASH expertise, staff, mechanisms, tools Project coordination Increased sector integration, Field testing and feedback on national policies
District WASH Actors	D-WASH Plans Improved coordination systems, linkages and action Trained/more experienced local people, leaders and NGOs
DDC/DTO	Staff quantity Staff quality DTO linkage to WASH actors and private sector Funds Manuals, guidelines, tools, information education, communication (IEC) D-WASH-CC / DDC monitoring, GESI, CCA/DRR, S& H tools and skills, IEC Quality assurance
Private Sector PCS	Linkage to value chain actors Market research Linkage to clients (WUSCs, VMWs, VDCs, D-WASH actors) Business and marketing plans, skills and tools, product development Technical, social skills
VDC/V-WASH-CC	District-wide WASH Plans V-WASH CC/VDC monitoring, GESI, CCA/DRR, sanitation and hygiene behaviour change triggering tools, skills and IEC WASH Links to D-WASH actors, PCS services Skilled technical staff (VDC technician) A network of S&H volunteers and activists
Community	Water supply schemes and toilets WUSC management practices and O&M skills WASH O&M arrangements, resources, source agreements Community level DAG support systems Scheme Water Safety Plans Sanitation and hygiene plan Linkage to VDC, D-WASH-CC, PCS Linkage to livelihoods projects, financial services CCA/DRR and watershed management skills
DAG and women	Equal access to adequate water and toilets Organisational strength WASH & GESI awareness and confidence Linkages horizontal (DAG, women) Linkages vertical (VDC, DDC, PCS, WUSC, private sector) Technical and social skills Agreements to overcome obstacles WASH O&M skills and resources Linkages to livelihoods projects

4.7 Cross-cutting Objectives

The Project is based on a human rights-based approach, which requires everyone, including the poorest people, know their rights to water and sanitation and are able to act to secure their rights, and whereby the universal (100%) coverage for sanitation and hygiene (ODF) further strengthens HRBA. HRBA will be integrated into the revised Gender and Social Inclusion (GESI) Strategy.

Reduction of inequality

Those people lacking in water and sanitation services are often those who are also otherwise less well-off. The difference is particularly striking in sanitation, accessed by 80% of the richest quintile but only 10% of the poorest quintile of the population. The improved access to water and sanitation will reduce ill-health and enable the disadvantaged to better pursue education and livelihoods, thus contributing towards reduction of economic inequality in the long term. Participation of the disadvantaged groups in the community water and sanitation activities also contributes towards their empowerment as community members.

The VDC WASH Plans will reveal the exact locations and numbers of the unreached population. Within any VDC and community the hard-to-reach and disadvantaged will get first priority among the selected target groups. The participation of disadvantaged groups in project activities and their share in the beneficiaries is monitored in the project M&E framework. The District WASH Unit staff and VDC level committees will receive training on GESI action and monitoring. Adequate staff will be placed on the ground to ensure social targeting and implementation quality and sufficient time allocated to support the disadvantaged. Appropriate technologies will be employed to reach hard-to-reach communities. Specific capacity building activities are designed and resources allocated for DAG participation, coaching and training. Where livelihood activities are linked with the projects, the DAGs and other low-income groups should have the first priority as beneficiaries.

The project will monitor the progress of different population groups towards universal access to water and sanitation. This will consider the progress of both DAGs and also the more remote communities – the previously unserved – in comparison with the most advantaged groups in project activities.

Gender equality

In Nepal the existing patriarchal system accords women a low position and power, thus limiting opportunities to engage in and benefit from project resources and opportunities. While there is no major difference in access to water and sanitation facilities between women and men, the women have fewer possibilities to voice their views and influence the designs to match their needs. Yet women are the main daily users of water and caretakers of the improved facilities. Improved water supply benefit women directly as they spend less time to fetch water or caring for sick family members, while adequate school sanitation enables girls to improve attendance and exam results in school thus contributing to long term gender equality.

Following the example of many other projects, the Project enforces quotas for women's participation in the planning processes and various committees even though it is recognised that participation does not directly lead to equal decision-making power. Staff

resources and time need to be set aside to reach women and mobilise them to participate, particularly in communities where their representation is known to be weak. Specific capacity building activities are designed and resources allocated for women's participation, coaching and training. The Project also encourages women networking at the VDC level, women's training and work opportunities at various levels, including Project staffing. Concerning access to project benefits, the project rejects any form of gender discrimination, such as the menstrual restrictions more common in Far West Nepal. The practise of disaggregating monitoring data by gender is continued from Phase I.

In Phase I the Project applied MoFALD's Gender Strategy, which contains, for instance, the minimum provision of 33% of female participation. The results of the 2011 national census reveal demographic trends that strongly support revision of the Project's Gender strategy aiming for proportionate representation of women (minimum 50%) in the community WASH mechanisms that the Project supports. In the six hill districts the average sex ratio is 44:56 for women and in Terai districts 49:51 for women. Also the proportion of female-households is high in all Project districts: 40% to 45% in the hill districts and 17% to 28% in the Terai districts. This is reflecting the Census 2011 finding that on an average 15% of the population in hill districts is absent (mostly men), working with longer term employment contracts abroad. The corresponding figure in the Terai is 6% but that does not include the seasonal migration to India. Remittances from both short and long term labour contracts contribute to the household economy.

Climate sustainability

The Project integrates Climate Change Adaptation and Disaster Risk Reduction measures in the WASH process, aiming to minimise the impacts of weather induced disasters while still maintaining the focus on the WASH Programme.

There is no significant climate change mitigation potential within the scope of the Project, nor do the Project activities cause major greenhouse gas emissions. Low-carbon technologies, such as solar-powered pumps, are promoted where appropriate.

The Project approach seeks to balance the demands of WASH and the broader watershed approach. It is suggested that this approach be monitored through targeted support of a CCA/DRR expert during project implementation.

The approach with regard to CCA and DRR for the second phase of the RWSSP-WN in terms of CCA/DRR is founded on two elements:

1. optimal integration of CCA/DRR measures in the WASH process to limit disruption and burden on project resources; and
2. cooperation with other projects working on CCA/DRR in the same area.

The strategy of the Project is to mainstream CCA and DRR elements, focused around water scarcity, water quality and watershed management in WASH through conventional approaches. This means that during implementation of the WASH process CCA and DRR elements will have been integrated. A second tier relates to introducing specific CCA and DRR elements such as watershed based planning, a strong focus on conflict resolution capacity of local institutions and more participatory water allocation mechanisms. Through this second tier the WASH interventions are embedded in the broader context.

These measures are proposed to be implemented as part of the WASH Access baseline, scheme selection, training, mobilisation and monitoring and evaluation (M&E).

The difference between the CCA/DRR interventions in RWSSP-WN and the proposals in this document are defined in terms of practicality, applicability and relevance. The activities proposed are designed to be an integral part of the WASH approach from the inception period of Phase II, and not an add-on during a later stage. As a result Phase II will have a strong CCA/DRR focus without losing track of its WASH mandate.

CCA/DRR shall be institutionalised in WASH through cooperation with the other national, international and non-governmental sector actors supporting rural WASH in Nepal. RWSSP-WN can disseminate lessons learned through DoLIDAR across all districts in Nepal. RWSSP-WN will work actively together with the other two GoF supported WASH interventions in CCA/DRR and other matters.

4.8 Anti-corruption Measures

Due to a plethora of political administrative, accountability and other relevant problems, Nepal is at a vulnerable state and affected by corruption. RWSSP-WN will put into practice MFA's Anti-corruption Handbook for Development Practitioners and has zero tolerance against corruption. This has two implications: (i) procedures and modalities are designed to eliminate corruption to the extent possible and (ii) prompt action is taken in possible corruption cases.

The prioritisation and selection of VDCs and schemes will be based on strict compliance with the criteria approved (that will be reviewed and revised in the inception period).

In principle, major procurement (water supply) will be carried out in a transparent manner at the lowest appropriate level (predominantly by WUSCs), accountable to water user groups. Public audits at the community level are among the key instruments. Financial flows will be as direct as possible. In Phase II, funds for water supply investments will flow from DDCs to WUSCs' account directly – not through VDCs.

Monitoring of the use of funds will be in compliance with GoN's mechanisms and subject to systematic and special audits.

4.9 Livelihoods Development

The Project will not expand livelihood activities; rather they will be downscaled from Phase I. Some livelihoods aspects will be included in Project activities but the Project will not be an actor itself in livelihood development.

Awareness raising on WASH income impacts will be an integral part of the WASH campaigns, not only to trigger adequate behaviour and investments, but also to illustrate the importance and affordability of O&M. The Project will assess the feasibility of mobilizing O&M resources for each scheme. Where DAG and poor RWSSP-WN target communities and WUSCs appear to face O&M resource mobilisation problems that might undermine scheme sustainability, the Project will actively help the community to increase their income opportunities through linkage (meetings, visits) with cooperatives, financial services and livelihoods development programmes[7] in the area. In communities

[7] On-going: e.g. NMDP (IDE-DFID) and ANEP (IDE-EC), near future: e.g. Seeds for Farmers (IFAD) and Feed the Future (USAID)

where commercial vegetable production is feasible and livelihoods projects are ready to be funded and supported, the Project will support design and construction of MUS to enable vegetable farming and irrigation.

Nutrition education and promotion of kitchen gardens will continue to be an integral part of the sanitation and hygiene activities. The development of private sector O&M service providers will generate incomes, too, but this will not be seen as an aim in itself, more as a by-product from PCS efforts.

4.10 Exit Strategy

Long-term sustainability of investments requires mechanisms for ensuring re-investments of Water User and Sanitation Committees (WUSCs) in acute cases (insurance) and replacement of aged installations and structures (credit or lending schemes). Overall, exit/phasing out has to be implemented in a controlled way, increasingly relying on the local capacity to continue the WASH activities without external support. Consequently, TA and financial responsibility need to be taken over by GoN and DDC/VDC level stakeholders step by step before the end of Phase II. Phasing out and exit is addressed in Phase II by embedding project planning, management and implementation into the existing district, VDC and community level structures – WUSCs. District WASH Units will continue to implement the Project. PSU together with the PCO will remain in Pokhara to support and supervise progress in the Project districts.

From a sustainability point of view, local capacity development is a key component of phasing out/exit. The communities should be equipped with relevant knowledge, attitudes and skills to operate and maintain their water supply and sanitation schemes.

A preliminary draft exit strategy will be prepared in the inception period and it will be developed to a strategy and exit plan by the end of the third year. It will suggest strategy and criteria for phasing out on geographical and functional (component) basis. An example of a simplified strategy for components/activities is below in Table 5.

Table 5. Phase II Stages

Districts	Year 1	Year 2	Year 3	Year 4	Year 5
Sanitation & Hygiene					
Terai – 3	ODF	ODF	ODF	ODF	*Monitoring*
Terai – 3	Sanitation marketing	Sanitation marketing	Sanitation marketing		
Hill, 7	Post-ODF	Post-ODF	Post-ODF	*Monitoring*	*Monitoring*
Water Supply					
Hill, 7	Investment	Investment	Investment	Investment	*Monitoring*
Terai – 3	Investment	Investment	Investment	Investment	*Monitoring*
PCS					
Hill and Terai - 10	*PCS*	*PCS*	*PCS*	*PCS*	*Monitoring*

The exit strategy shall consist of comprehensive capacity development plan that is also effectively implemented. It will also include indicators for a status of affairs when steps for exit in VDCs, districts and for activities can be taken.

Phase II resources will be reduced over the five-year period and financial responsibilities transferred as suggested in Section 7.

5. Work Plan and Inception Period

The project will be completed within a five-year period from starting.

The first six months will constitute the inception period in which offices will be established and staff recruited, mobilised, oriented and trained. During this phase also district stakeholders will be oriented and consulted. The partners will make detailed district and project level annual plans, review and start revising Phase I mechanisms and structures.

Conditions for a smooth start and implementation of the project are already in place due to Phase I. Most of the facilities, means of transport, equipment and support staff will continue under Phase II. Further, most guidelines, manuals, implementation arrangements and procedures will remain in place.

By the end of the inception period:

- PSU office is fully functional in Pokhara. The contracts of Phase I PSU support staff have been done. The recruitment process for the Project's professional staff working at PSU and at districts has been completed, contracts issued to all staff members and all staff working.
- The annual work plan and budget for the Fiscal Year 2070/71 (ending July 2014) have been prepared and approved by the Supervisory Board (SB).
- A proposal for the selection of new VDCs for Water Supply activities (to add to the 54 programme VDCs of Phase I) has been prepared and approved by SB.
- Together with Competent Authorities and other relevant stakeholders the proposed logical framework has been reviewed and baseline information amended (situation at the end of Phase I). A monitoring system that complies with the national rural water supply related monitoring frameworks has been finalised. The revised logical framework and the monitoring responsibilities have been approved by SB.
- District WASH Implementation Guideline (DWIG) has been revised to accommodate the changes of Phase II Project Document and approved by SB. The DWIG revision will include amended provisions for proportionate participation of men and women in WASH structures at community level (gender strategy).
- The field handbook on community-led water safety planning integrated with O&M, climate vulnerability and all-types technologies has been reviewed and, if necessary, revised.
- A detailed and phased plan for cost sharing principles has been prepared and approved by SB.

Planning of activities in project preparation is justified for drawing up a tentative timetable, calculating the necessary physical and non-physical resources, and for drawing up the budget. In the preparation of Phase II of RWSSP-WN, the timetable, resources and budget have been estimated and drawn up based on the experience from

Phase I and other relevant programmes and projects and on estimates on the status of the Project at the launch of Phase II.

In order to encourage "result orientation" as opposed to "activity orientation", the Phase II activities shall be defined by the decisions of SB, assisted in this duty by the Chief Technical Adviser (CTA), with the support of the TA team, on an annual basis, in the context of annual project budgets and work plans. The Project should constantly conduct self-assessment of its achievements against the results and consider the effectiveness of the activities and, if necessary, propose reorientation of the activities to SB.

Tentatively, Phase II will include the following main activities:

- sanitation and hygiene campaigns in 14 districts;
- implementation of water supply schemes in programme VDCs as identified in District Strategic WASH Plans and VDC WASH Plans (in 10 districts);
- implementation of arsenic mitigation activities in programme VDCs in 3 districts in the Terai;
- in communities/VDCs/districts where ODF has been declared, provision of capacity building and support to communities and other stakeholders in post-ODF activities;
- where water supply schemes are completed, provision of capacity building and support to communities in post-construction services, water safety planning and other topics relevant to sustainability;
- capacity building support to district and VDC actors;
- capacity building support to DoLIDAR to learn lessons from implementation of RWSSP-WN and be capable to replicate the approach in other districts in Nepal with GoN resources;
- training and human resources is an integral part of activities; and
- impact and results studies and other studies as per necessary.

6. Institutional Framework and Project Management

6.1 Project Set-up

The Competent Authorities of the Programme are MoF, representing GoN and MFA, representing GoF. Within GoN, RWSSP-WN Phase II is managed in DoLIDAR under MoFALD. The Deputy Director General of DoLIDAR is the National Project Director. There are fourteen DDCs responsible for the implementation of Phase II. The set-up is carried over from Phase I.

6.2 Management Structures

6.2.1 Supervisory Board, Steering Committee and Project Management Team

Supervisory Board (SB) is the highest decision making body. Its Terms of Reference (TOR) is in Annex 6 and it represents the Competent Authorities as defined in the Project Agreement. SB consists of a small core group of five voting members, namely the

Secretary of the MoFALD (Chairperson), the Joint Secretary of the MoF (Member), the Joint Secretary of the National Planning Commission (Member), the representative of MFA (Member) and the Director General, DoLIDAR (Member Secretary).

The main duties of the Supervisory Board are:

- approval of major strategic and policy issues directly relevant for the project;
- approval of any changes in the Project Document including project scope and objectives, the organisational structure and management as well as any other changes to the Project which will have major financial implications;
- approval of the annual work plans and budgets; and
- any other (policy) decisions which have financial implications.

The Steering Committee (SC) is the policy making body of RWSSP-WN. Its TOR is in Annex 6. SC meets once a year and upon request of any of the members. It is chaired by the Secretary of MoFALD. The National Project Director (NPD) is the member secretary. NPD is appointed by and stationed in DoLIDAR. NPD facilitates the planning, budgeting, progress review and monitoring of the Project at the central level.

For the operational and day-to-day management purpose of RWSSP-WN a Project Management Team (PMT) is formed. Its TOR is in Annex 6. PMT is accountable to SC and SB. PMT has the overall responsibility for the coordination and management of the Project, coordination between various stakeholders, and making recommendations to SC and SB. Management decisions related to the approval of TA Personnel and funding will be consulted with the Embassy of Finland and DoLIDAR.

PMT will regularly coordinate and consult with RMSO, which chairs R-WASH-CC. R-WASH-CC and RMSO are responsible for, e.g., regional WASH coordination, monitoring and quality control, including ODF certification.

6.2.2 Project Coordination Office and Project Support Unit

The Project Coordination Office (PCO) and the Project Support Unit (PSU) will be managed by the National Project Coordinator (NPC), assigned by DoLIDAR and CTA respectively, assisted by sector specialists, PCO engineers and administrative staff. The functions and responsibilities of PCO and PSU respectively remain the same as during Phase I. The PCO staff under the management of NPC comprises two engineers, an accountant and one office assistant.

NPC jointly with CTA is responsible for the overall coordination, administration, reporting and finances of the Project. NPC's primary duty is to ensure smooth release of GoN funds for the districts and the reporting of the use of funds that are released by both Governments to support district WASH implementation. NPC's duty is also to communicate and coordinate with the districts in all matters-related to Project implementation, in order to ensure GoN led facilitation. NPC will further direct the Project in policy issues and coordinate and monitor technology transfer and capacity building of the Project in district WASH implementation. NPC jointly with CTA will provide support to DDCs in planning, coordination and management of the district WASH programmes, compile annual work plans and advise districts in preparation of their work plans related to the use of funds from GoF and GoN. NPC is also responsible for physical and financial reporting related to district WASH supported by the Project.

CTA leads PSU. The international TA staff and national project specialists work directly under CTA. Project specialists consist of PSU-based specialists and the district-based District WASH Advisers. The administrative section of the Project is headed by the Chief Administrative and Account Officer who works under the direct supervision of CTA. Project support staff will report to the Chief Administrative and Account Officer.

The PCO-PSU staff will have roughly the same roles as in Phase I. However they will be more directly responsible for service delivery quality control, having the authority not only to advice and support but also to request action for improvement of quality and consistency by district WASH Unit (D-WASH Unit) staff and management. PCO-PSU will, as a consequence, be more involved in quality assurance and capacity building for quality control by communities, VDCs and DDCs. The details of the changed role division and the related procedures will be further worked out during the inception period.

6.2.3 Districts and VDCs

At the district and VDC levels coordination and management arrangements remain as they are in Phase I. At the district level D-WASH-CCs do exist and at VDC level V-WASH-CCs are in place. Their functions and compositions are described in detail the Nepal National Sanitation and Hygiene Master Plan.

At the district level, coordination of WASH action falls under D-WASH-CC, which is chaired by the Local Development Officer (LDO) of DDC with WSSDO serving as the secretary. The Project's D-WASH Unit falls under DDC and is situated under the DTO. DTO again reports to DDC, which manages the District Development Fund (DDF) and also coordinates D-WASH-CC.

The composition and structure of the D-WASH Unit is in line with both the implementation need and DoLIDAR's future vision for DTO, which will probably include well-staffed units for different sectors, e.g., roads, buildings, WASH, irrigation, etc. Staff hired through Service Providers (NGOs, individual consultants, companies, etc.) or as individual Support Persons work from the D-WASH Unit and report to the D-WASH Unit senior staff.

For day to day management of the project activities at district level a District Management Committee (DMC) is formed. DMCs are responsible for planning, coordination, administration and management of all the Project activities in districts. D-WASH Units are obliged to follow these decisions. TOR with the members is given in Annex 6.

At the VDC level V-WASH-CC is present in most VDCs (may need to be reactivated in some VDCs). At present the VDC staff consists of a VDC Secretary, and some support staff like a messenger or technician. In the absence of elected councils, other bodies have been formed (informally) for coordination and planning. V-WASH-CCs plan and coordinates WASH implementation and ensures alignment with GoN's annual district development planning and implementation process. The VDC Secretary, who chairs V-WASH-CC, coordinates VDC WASH programmes. V-WASH-CCs will facilitate baseline and monitoring data collection and WASH planning at VDC. V-WASH-CCs also hold annual V-WASH reviews with all WUSCs, ward-level Citizen Committees and IMCs. They will inform local stakeholders as well as D-WASH Units and PSU about the results and their quality.

At the ward-level one change is recommended. To spearhead WASH-movement among communities and coordinate activities at the community level, Phase I supported the establishment of CHSACs. In Phase II CHSACs will be discontinued as the MoFALD's LGCDP ward-level Citizens' Forums incorporating planning and implementation of sanitation and hygiene campaigns, carry out the previous responsibilities of CHSAC.

6.3 Planning, Monitoring and Reporting

6.3.1 Overview

The planning, monitoring and reporting system that was developed for Phase I will be carried over to Phase II with one exception: GoF will receive biannual progress reports instead of trimester reports. The Nepalese planning and reporting cycle is based on Fiscal Years from the month of Shrawan to Ashad (17 July to 16 July of the following Gregorian year). The system was designed to satisfy the requirements of both main financiers of the Project – GoN and GoF. In Phase I, RWSSP-WN has enjoyed the status of a priority project (so called P1 project) in the GoN system. This status implies regular planning and reporting to GoN annually, by trimester and by month. Special reports may be requested from time to time. The key features of the current system are described in Sections 6.3.2-6.3.5 below.

6.3.2 Work Planning and Budgeting Process

The process for annual planning and budget formulation begins in November each year, i.e., at the end of the first trimester of Nepali Fiscal Year. NPC sends guidelines and the budget ceiling for the upcoming fiscal year to each line ministry at the central level – as to MoFALD in the case of RWSSP-WN. MoFALD distributes the information to districts through DoLIDAR.

Annual planning is a participatory process from the VDC level to the DDC and central levels. VDCs are due to complete their annual plans by the end of January (second week of Magh). These plans are compiled at the Ilaka level by the first week of February (third week of Magh). Finally, district level annual plans are compiled by the first week of March (third week of Falgun) and approved by the DDC assembly by mid-March (end of Falgun). DoLIDAR is due to prepare its annual plans by the third week of March (second week of Chaitra).

DDCs prepare their annual District WASH programmes supported by RWSSP-WN – as part of their annual district development plans – and the corresponding budgets with the support of the Project.

Annual district WASH programmes and budgets supported by RWSSP-WN are submitted by DDCs to MoFALD through DoLIDAR for comments by the end of March. Due to the fact that RWSSP-WN is considered a P-1 project by GoN, the finalised documents are sent to NPC for the final approval.

6.3.3 Baseline

The baseline for many indicators of the logical framework will be based on the Project achievements of Phase I and they will need to be updated during the inception period. The procedures adopted in Phase I are sufficient for baseline data and obtaining relevant data for planning purposes at the district and VDC levels. They will be carried forward to Phase II.

The Project has supported the formulation of District Strategic WASH Plans, which are expected to be completed during Phase I. D-WASH-CCs have been engaged in developing these plans. Although the information incorporated in the plans is largely secondary data, they will provide sufficient guidance for selecting VDCs for Phase II and should provide an updated district status on water supply, sanitation and hygiene. Additional data for baseline assessment for community and scheme selection is provided by VDC WASH Plans, produced by V-WASH-CCs. It is expected that there will be a plan with prioritised schemes and information on sanitation coverage in every Project VDC by the end of Phase I. Only new Project VDCs will need to embark on developing such plans before the water supply schemes are selected.

With respect to community-level baseline data, the existing monitoring and reporting arrangements are sufficient for RWSSP-WN. They are described in Section 6.3.4 below.

There is merit in conducting a baseline study on a sample of communities focusing on the key impacts and qualitative result indicators, particularly those that are not included in the national system, in the first year of Phase II. An impact assessment study, also on a revised sample basis, should be conducted in the fifth year.

6.3.4 Monitoring and Reporting

Monitoring of Phase II will focus on achievement of objectives and their indicators. Also assumptions are subject to monitoring. Naturally, implementation of activities and budget are also subject to monitoring. The monitoring system of the Project has been developed to support national monitoring indicators and their sustainability.

The proposed indicators of RWSSP-WN Phase II (presented in Section 3) have been aligned with the national emerging monitoring systems. The community groups and VDC and DDC WASH authorities will be tasked with collecting, analysing and reporting monitoring data (starting from baseline data). There is an agreement among sector actors that the national monitoring system consists of a data stream on indicators that originate from WUSCs (for water supply), Ward Citizen Forums (on sanitation and hygiene) and V-WASH-CCs collecting relevant data themselves and forwarding the data then to the district level, to DTOs and D-WASH-CCs. DTOs pass the data on to DWSSDO. DWSSDO has the responsibility for collecting and transferring district data to the national database managed by DWSS of MoUD. During the first quarter of 2013 the system was only partly functioning at the national level. At the district level, however, both DTOs and DWSSDOs are already working together to maintain reasonably up-to-date monitoring records.

The NMIP database run by DWSS is expected to form the backbone of a national monitoring system. DWSS has developed three different, partly overlapping M&E frameworks/systems and indicators: (i) indicators used in NMIP database for the 2007-2008 survey, (ii) CREAM indicators proposed in the 2011 WASH Sector Review, and (iii) subsequent Rural Water Supply Sector (RWSS) M&E Key Indicators (also developed in 2011). For S&H, the National Sanitation and Hygiene Master Plan of 2011 proposes a set of key behaviours through which the success of ODF and TBC movement would be measured. Some of the RWSS indicators related to access to improved facilities at household and institutional level are found to overlap. A fifth set of parameters/ indicators that the Project will monitor regularly derives from GoN's reporting formats. These reports focus on quantity only, both in terms of funds (budget and expenditure) and beneficiaries of activities.

In March 2013 it was not yet certain which indicators will actually be monitored in the national system. Therefore it is expected that the Project will verify the situation during the inception period of Phase II and will adjust the indicators and their baselines accordingly. In the process the Project will also be able to contribute to development of meaningful indicators for rural water supply, sanitation and hygiene.

Compared to Phase I, PSU needs to engage more closely in monitoring and reviewing the performance of the districts. This will be done jointly on a quarterly basis. It is proposed to establish a RWSSP-WN Monitoring Task Force for each district. LDO, DTO Chief, Planning and Administrative Officer, Account Officer, RWSSP-WN District WASH Adviser and international Institutional Development/M&E Specialist (or National M&E Specialist) from PSU will constitute the members of this committee/task force. The Monitoring Task Force is a temporary mechanism and will expire at the end of Phase II.

Monitoring of both results and progress will be owned by each actor, from WUSCs up to DoLIDAR, and will be limited to the logical framework indicators and their targets. Community organisations monitoring themselves on indicators will be an integral part of the development and change process. Important monitoring events that can also generate data are the annual VDC WASH meetings between V-WASH-CC, WUSCs, IMCs and Ward Citizen Committees on the quality and quantity of results, which also serves as a supervisory and accountability event.

Progress monitoring will be done along the same lines as in Phase I, with the responsible staff and target V-DCs reporting progress on construction, campaigns, training and other activities to the D-WASH Unit (or PSU), who will integrate it in overall office level progress reports to be sent (through PSU/PCO) to DoLIDAR and MFA. During the inception period, the existing formats will be reviewed for simplicity and usefulness for the reporters themselves.

Each D-WASH Unit will report semi-annually the progress for results and their indicators, using staff insights and findings, sample surveys, V-WASH annual meeting results and compiled VDC data. The PSU will add their own results and make a project level compilation that informs SB, SC, PMT, district and national stakeholders about achievement of results, purpose and overall objective level (effects and impacts).

To keep with the guidance provided in the Manual for Bilateral Programmes of MFA (2012) the progress reporting during Phase II will continue to follow Nepali months and Fiscal Year but with an adjustment in the frequency of reporting. This same reporting cycle is also applied by RVWRMP II. The progress reports will consist of:

- one biannual progress report (for the period of 16 July – 13 January) including a financial report; and
- one annual progress report covering the whole Fiscal Year as well as the progress made during 13 January – 15 July) including a financial report.

PCO is responsible for submitting the annual plans and monthly, trimester and annual reports to NPC and DoLIDAR/MoFALD. The GoN formats emphasise numerical achievement of targets and expenditure. Reporting formats and frequency are same as during Phase I.

The Project has established a Management Information System (MIS) at the PSU level. This MIS will continue to be updated during Phase II.

6.3.5 Evaluation and Audit

The MTR will be held during the 4th quarter of 2015. The purpose of the Mid-term Review (MTR) will be to provide GoF and GoN as well as the project implementer with an external and objective analysis and assessment of the project with regard to whether it is on right track for reaching its intended objectives and to provide recommendations in order to ensure the Project's impact, sustainability, effectiveness and ownership. MTR is particularly expected to:

- provide recommendations on closing of the project after the current phase and to assess the efficiency of the exit strategy to ensure sustainability of the project's results;
- provide evidence of the performance of the Project up until MTR and likely performance in the future;
- analyse the reasons explaining success and failure; and
- provide recommendations on changes in the project to ensure the sustainability of its results after completion phase (if needed).

The Project will provide MTR with an own assessment on the achieved impacts, effects and results, the prospects up till completion, the issues and possible solutions to issues. MTR will do random checks to verify the reliability and extent of the reported results as basis for its own findings and conclusions.

After project completion an ex-post evaluation may be done jointly for all the Finnish-supported WASH programmes by MFA's Evaluation Unit.

In the course of Phase II, GoN and GoF may assign an auditor or auditors to assess the conformity of the Project to the established procedures, norms and criteria. The audit(s) shall focus on the use and management of the financial resources allocated to RWSSP-WN. The scope and timing of audits will be decided jointly or independently by SB. Resources for one financial audit to be commissioned by GoF have been incorporated in the budget.

6.4 Project Manuals and Guidelines

The Project has developed modalities and a comprehensive set of manuals and guidelines guiding planning and implementation of project activities at all levels. The guidelines are available at the Project's website (www.rwsspwn.org.np). The main guidelines and strategies include:

- DWIG;
- Lead TBC facilitators Manual;
- TBC Triggers Training Manual;
- Model district strategy for Arsenic Mitigation; and
- Model district strategy for Media and Communication.

During the first year of Phase II, it will be important to review and amend the guidelines (as appropriate) to reflect the lessons learned in Phase I and to incorporate the changes for Phase II. Although the number of manuals should be kept at a minimum, during the inception phase, the Project needs to assess if additional guidelines need to be developed to ensure that district partners implement the Project in a consistent manner.

6.5 Information and Communication

The information and communication activities will be designed to further the objectives of the Project. The visibility of the Project itself is secondary. Multiple benefits can be reached from clear and open communication, including supporting the policy and harmonisation processes, empowering the beneficiaries and building the capacity of the implementing agencies. The main types of communication, their target audiences, objectives and examples of possible tools are presented in Table 6 below.

Table 6. Communication

Type of communication	Target audience	Objective	Tools
Public communication and advocacy	International and national stakeholders	Policy influence and coordination Sharing of lessons learnt Positive publicity for cooperation between Finland and Nepal in both countries	Information and research publications, websites, newspapers, publicised project visits (by Finnish and Nepalese dignitaries and journalists)
Campaigning toward the Project objectives	Community members, public authorities, political leaders and journalists in the Project Districts	Supporting empowerment through understanding of HRBA and GESI Raising awareness on CCA and DRR issues Affecting behaviour change (ODF, TBC) and building support for project activities	Encouraging newspaper articles on issues by sensitising journalists, producing radio ads/programs, printed materials (posters, comics), community activities in connection of festivals etc.
Knowledge management	Project staff, DDC, VDC	Avoiding loss of gained knowledge Making information easily available to all stakeholders Transferring knowledge from Project to DDCs and VDC in view of phase out	Developing Project and local government websites Making information publicly available at DDC/VDC Establishing MIS at DDCs and VDCs

7. Means and Budget

7.1 Human Resources

7.1.1 Districts and VDCs

Taking into account that reaching the unreached means working in more remote and difficult areas, the hired staff at the district level needs to be strengthened. Problems encountered in Phase I in terms of construction quality, especially safety of water supply, also calls for increased capacity. In addition to one engineer per district, five sub-engineers will be hired by districts for a period of four years under the Project. It is anticipated that districts will continue to hire similar staff in the post-Project future. As part of phasing-out of GoF support districts are expected to institutionalise this staff and recruit them during the last year of Phase outside the Project, i.e., outside DDF. If there is a need to employ more people at the district level to support WASH implementation, DDCs can employ these on a contract basis.

For the water supply investment support in VDCs, each Project district will contract the following (temporary) resources through DDF for the first four years of Phase II.

Table 7. Temporary human resources to be hired by the districts

Position	Required Number	
	Hill Districts	Terai Districts
Social		
Field Coordinator*	6	3
Health Promoters	5	2
Lead WASH Facilitators	2	10
Technical		
Engineer	1	1
Sub Engineers	2	2
Water Supply and Sanitation Technician /Assistant Sub Engineer	5	3
Total	21	21
Out of the Field Coordinators one person will be lead trainer and one GESI focal point		

In addition the Project will mobilise various existing volunteer inputs from within the communities, such as TBC Triggers, Female Community Health Volunteers (FCHV), etc. By incorporating the Ward Citizen Forum mechanism, a close linkage with LGCDP and its district, VDC and community based staff is established.

Social mobilisation and sanitation and hygiene staff can be hired directly or through NGOs and companies but they should be integral part of the Project team and work either from District WASH Units or VDCs. It is preferable to use NGO staff as service providers in social mobilisation work; in any case social mobilisers should be local residents of Project VDCs.

VDCs are promoted to hire WASH technicians. They would contribute to improved quality assurance and sustainability of WASH achievements. VDCs that hire technical or social staff from their own budget shall be given additional scores in VDC prioritisation.

7.1.2 Project Support Unit

PSU will comprise the following international staff:

- Chief Technical Adviser (first 4 years full time plus 4 months part-time last year);
- Institutional Development and M&E Systems Specialist (first 2.5 years full time); and
- Field Specialist (international junior, first 4 years full time).

In addition, there will be short term international consultants (tentatively 15 person-months (p-m)) and home office backup (tentatively 12 p-m).

PSU will comprise the following national staff:

- Social Development Specialist (first 3.5 years full time);
- Management Information Systems Specialist (5 years full time);

- Sanitation and Hygiene Specialist (first 4 years full time);
- Water Supply Technical Specialist (first 4.5 years full time);
- Capacity Building Specialist (first 4 years full time);
- Chief Administrative and Account Officer (5 years full time);
- Field Specialist (national junior, must be female 2 years full time) and
- M&E Specialist (to be defined).

The situation with regards to the staffing needs and related Job Descriptions will be reviewed at the end of the second year before proceeding to recruit the M&E Specialist or any other new staff. An option is that some or all the person months from the M&E Specialist or the TA contingency are re-allocated to other posts if needed.

There will be ten District WASH Advisers for the first 3.5 years of Phase II. Additional months may be allocated upon the need and availability of p-m at the end of each 3.5 years period for each individual. They will be based at DTOs and travel intensively in their respective districts. In addition, there will be short term international consultants (tentatively 50 p-m).

The job descriptions for the key staff are attached as Annex 5.

7.2 Cost Sharing

DDC shall continue implementing WASH activities mobilizing its own human resources after phasing out of the project

Governance and capacity building will be covered from both GoF (60%) and GoN (40%) budgets. The capacity building budget provided by GoF has been split between district-based capacity building, and a budget line in the PSU, which will manage multi-district capacity building.

In Phase II, running costs will continue to include items, such as support staff, office, vehicles, local transportation, insurance, repair, maintenance and minor procurement. In addition, the costs of the hired staff, described in Section 7.1.2, will be covered under running costs in Phase II. In Phase I they were under water supply investments. Under Phase II, the running costs will be shared equally by GoF (50%) and GoN (50%). The Finnish share can be higher in the beginning but it will not exceed 50% of the estimated budget at any time. A detailed plan for phasing out the cost sharing principles shall be prepared in the inception period.

In Sanitation & Hygiene, both ODF and post-ODF support will be financed from DDF. Over the whole Phase II period the cost sharing shall be:

- DDC/VDC: minimum 3.5%
- GoF: maximum 66.5%; and
- GoN (central): balance (tentatively 30%)

The water supply investments will be financed from DDF. Over the whole Phase II period the cost sharing shall be in average as follows, considering that different technologies have different demands; detailed community contribution pattern will be developed and approved by the Supervisory Board:

- GoF: maximum 32.5%;
- DDC/VDC: 10%;
- WUSC: 25%; and
- GoN (central): minimum 32.5%.

7.3 Budget

The budget of Phase II is estimated at approximately MEUR 21.9 The budget estimate is shown in Table 8 below. As a result of focusing on the unreached and shifting away from scheme rehabilitation, the average unit cost of water supply schemes is expected to be substantially higher than in Phase I and in reference project in Nepal and abroad. The per capita cost of water supply investment is estimated to be NPR 6,600 against about NPR 3,700 in recently implemented schemes under Phase I.

Table 8. RWSSP-WN Phase II Budget (Euro)

	Item	Budget	GoF	GoN	DDC/VDC	WUSC
1	Sanitation and Hygiene DDF	5,150,000	3,500,000	1,500,000	150,000	-
2	Water Supply Investment DDF	6,165,000	2,000,000	2,000,000	615,000	1,550,000
3	Governance & Capacity Building DDF	1,884,700	944,700	940,000	-	-
4	TA	5,000,000	5,000,000*	-	-	-
4a	*TA International*	*1,613,220*	*1,613,220**	-	-	-
4b	*TA National*	*1,781,627*	*1,781,627**	-	-	-
4c	*Reimbursable TA Costs*	*1,289,930*	*1,289,930**	-	-	-
4d	*TA contingency*	*315,224*	*315,224**	-	-	-
5	Running Costs*	2,400,000	1,200,000*	1,200,000	-	-
6	Governance & Capacity Building TA	465,300	465,300*	-	-	-
7	Evaluation & Monitoring	150,000	150,000	-	-	-
8	**Total without overall contingencies**	**21,215,000**	**13,260,000**	**5,640,000**	**765,000**	**1,550,000**
9	Contingencies	685,000	440,000	210,000	35,000	-
10	**Grand Total**	21,900,000	13,700,000	5,850,000	800,000	1,550,000
	Share		63%	27%	4%	7%

* Budget items marked with * flow through the Technical Assistance consultants' accounts

The above budget estimate may change if GoN manages to mobilise additional finance for water supply investment support through DDF. In such case, also human resources funded through DDF should be increased. Depending on the volume of possible fund increase of investment support, TA and running costs may need to be increased. It is premature to provide any estimates for the implications of additional funding until the volume and timing are known.

7.4 Fund Flow Mechanism and Project Modalities

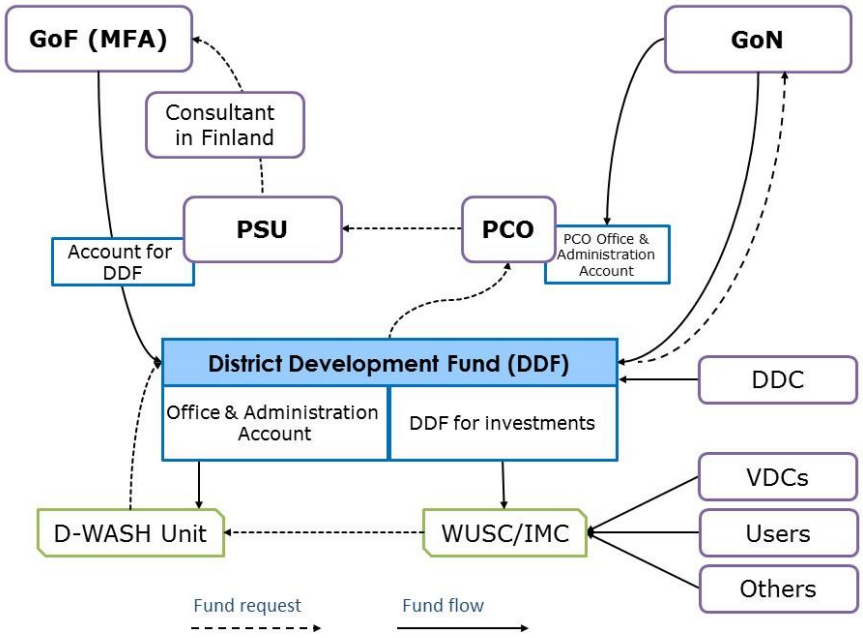
The fund flow mechanisms will not differ from those in Phase I. The RWSSP-WN fund flow is two-fold. The funds required to operate PSU activities are transferred by the consultant in Finland to the consultant office in Nepal and reimbursed by GoF as per the monthly re-imbursement invoices. The funds for DDF will be transferred directly by MFA to the specific account opened by the consultant in Pokhara. Separate book-keeping and reporting of that account will be made by the consultant.

The process is the following:

1. Districts send their fund requests to PCO (NPC).
2. NPC approves the district requests and forwards them to consultant in Nepal (CTA).
3. CTA approves the requests and forwards them to Home Office in Finland who forwards them to MFA.
4. MFA transfers the funds to the account in Nepal dedicated to the districts transfers and opened by the consultant.
5. The consultant transfers the funds to the districts and submits a copy of the transfer order to NPC.
6. NPC informs MoFALD and DoLIDAR and, finally, MoFALD informs MoF of the fund transfer.

The fund flow process is illustrated in Figure 5 below.

Figure 5. RWSSP-WN Fund Flow System



8. Risks and Risk Management

The adjustments to the Phase I design and modalities mostly result from dealing with existing risks and challenges. In the table below the main risks are listed with the management steps incorporated in the project design. See Annex 4 for more detailed analysis.

Table 9. Risks and risk management

Risk	Risk management
High turnover of officials and insufficient district agency staff and WASH-capabilities affect result quality, effectiveness, efficiency and result sustainability	Aim for ownership and sustainability at DDC and community level rather than agency level; (increased) temporary Project – field staff and service providers; no addition of districts, which might dilute quality; DoLIDAR incorporated as final beneficiary.
Lack of internal accountability mechanisms at district	Increased monitoring; annual VDC-level WASH

and VDC level affect project selection and result quality	reviews; public audits
Biased selection of VDCs, some vulnerable steps in the planning and management that are prone to interference	Rehabilitation of water supply schemes is discontinued; selection of VDCs (for drinking water supply) is done on the basis of District WASH Strategic Plans; communities further selected on the basis of VDC WASH plans; care taken to prioritise the previously unserved and disadvantaged communities
The Hard-to-reach live scattered in isolated, difficult places or are from communities with low levels of exposure, education and organisation. This leads to neglect and exclusion	Project design prioritises the hard-to-reach and proposes concrete steps; more staff on the ground; accept higher unit costs and lower targets Ensure extra support activities and skilled staff Revised GESI guidelines with emphasis on proportionate participation of men and women and priority for community level GESI action
Left-over issues with project results from Phase I and Years 1-3 of Phase II might complicate early exit from concerned communities, VDCs and districts.	Clear agreements on the period of assistance; planning for early exit, and stepwise phasing out will allow systematic exit
Low sanitation progress in Terai due to social and cost factors	Assess lessons from existing Terai ODF VDCs; full ODF for all Terai districts is aimed at; resources allocated accordingly (budget, staff).
O&M feasibility and affordability of especially pump/lift technologies not yet proven for the area's communities	Create post-construction support system, involving agencies and private sector with extra focus on O&M risk technologies; post-construction monitoring and interaction
Vulnerability of financial management arrangements (district fund); one district in Phase I adopted a fund flow and Project modality whereby VDCs have been tasked with supporting WUSCs and channelling funds. Under current circumstances there are few VDCs that have required human resources in terms of quantity and quality; auditing by Auditor General's Office does not yet extend to VDC level	DWIG and financial management guidelines of RWSSP-WN to be revised to maintain financial management responsibility with DDCs; further delegation down to VDCs to be pulled back at the beginning of Phase II.
Growing urbanisation rate is proving a risk to the sustainability of the schemes, particularly in Terai. There are semi-urban settlements which are officially rural but, in reality, have rather urban character and may have access to urban rural water supply in the future.	This is a risk for water supply only; VDCs with acknowledged urban character, i.e., that are among the newly declared but not yet practically established municipalities of budget speech 2011 or belong to the VDCs that the ADB supported Small and Emerging Towns Project considers eligible for a small town status not to be selected as a programme VDC for water supply support.
During monsoon Terai districts highly vulnerable to floods, hill districts vulnerable to landslides and floods; lightings, earthquakes and other natural hazards may strike the drinking water systems, water towers, solar panels and electricity lines.	DRR will be mainstreamed in the training activities; DRR concerns will be addressed during design and construction of structures; careful involvement of all stakeholders to mainstream DRR issues across the board.
Bacteriological contamination an issue at household wells (not aquifers); provision of piped supply – in some cases subject to contamination for example at intakes or reservoirs/tanks as a result of inadequate protection – may multiply the risks.	The concept of water safety should be internalised by designers, contractors and supervisors during planning and construction phase and by communities during planning, construction, and post-construction phases; training and improved modalities for Water Safety Planning incorporated in the Project design.