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RURAL VILLAGE WATER RESOURCES MANAGEMENT PROJECT,

PHASE III

PROJECT IMPLEMENTATION GUIDELINES



February 2018

RVWRMP

The Project Implementation Guidelines (PIG) is approved by Sixth Supervisory Board Meeting (05.03.2018 – 21 Phalgun 2074) of RVWRMP. It is mandatory to all the project working Rural Municipalities and Municipalities to follow this guidelines and its supporting manuals while implementing RVWRMP-III, as per the clause 2.1 of Rural Municipality/Municipality and DoLIDAR Memorandum of Understanding (MoU) signed on July/August 2017.

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Certification

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ABBREVIATIONS

AEPC	Alternative Energy Promotion Centre	ICS	Improved Cooking Stoves
APE	Annual performance Evaluation	ICT	Information and Communication Technology
APR	Annual Progress Report	IEC	Information, Education and Communication
AWP	Annual Work Plan	IPF	Indoor Polution Free
BCC	Behavior Change Communication	IWM	Improved Water Mills
BOG	Basic Operating Guidelines	JD	Job Description
BoQ	Bill of Quantity	KW	Kilo Watt
CAO	Chief Administrave Officer (of local government)	LDRRCC	Local Level Disaster Response and Rescue Coordination Committee
CAP	Community Action Plan	LF	Leader Farmer
CB	Capacity Building	LG	Local Government
CBO	Community Based Organizations	LIP	Livelihood Implementation Plan
CC	Climate Change	LLB	Local Latrine Builders
CCA	Climate Change Adaptation	LLFMIS	Local Level Financial Management Information System
CGD Friendly	Child Gender and Disable Friendly	LMBIS	Line Ministry Budgetary Information System
CSIDB	Cottage and Small Industries Development Board	LO	Livelihood Officers
CV	Curriculam Vitae	LPCD	Liter Per Capita Per Day
DAG	Disadvantaged Groups	LRP	Local Resource Persons
DAO	District Administration Office	MB	Measurement Book
DCC	District Coordinaiton Committee	ME	Micro Enterprises
DDC	District Development Committee	MEUR	Euro in Million
DFS	Detailed Feasibility Study	MFA	Ministry for Foreign Affairs (of Finland)
DOA	Department of Agriculture	MH	Micro Hydro
DRR	Disaster Risk Reduction	MHM	Menstrual Hygiene Management
DRRCC	Disaster Response and Rescue Coordination Committee	MHP	Micro Hydro Plant
DSA	Daily Subsistance Allowance	MIS	Management Information System
DTL	Deputy Team Leader	MIT	Micro Irrigation Technology
DTO	District Technical Officer	MoFAGA	Ministry of Federal Affairs and General Administration
DWSS	Department of Water Supply and Sewerage	MUS	Multi Use Systems
EoI	Expression of Interest	NA	Not Applicable
EU	European Union	NGO	Non Governmental Oganizations
EUR	Euro (the currency)	NPD	National Project Director (of RVWRMP)
FC	Field Coordinator	NPR	Nepalese Rupees
FCHV	Female Community Health Volunteer	NTFP	Non Timber Forest Products
FY	Fiscal Year	OAG	Office of Auditor General
GESI	Gender Equity and Social Inclusion	ODF	Open Defecation Free
GIS	Geographic Information System	PCO	Project Coordination Office
GoF	Government of Finland	pH	Power of Hydrogen
GoN	Government of Nepal	PIG	Project Implementation Guidelines
GPO	Gaopalika Officer	PMT	Project Management Team
GPS	Global Positioning System	PoCo	Post Construction
HG	Home garden	PoU	Point of Use
HH	Household	PSI	Point Source Improvement
HP	Health Promotor	PSU	Project Support Unit
HR	Human Resources	PTA	Parents Teacher Association
HRBA	Human Right Based Approach	QARQ	Quality, Assessibility, Reliability and Quantity

QCBS	Quality and Cost Based System
RAS	Rural Advisory Services
RCC	Reinforced Cement Concrete
RET	Renewable Energy Technology
RM	Rural Municipalities (also refers to municipalities in this guidelines)
RME	Rural Municipality Executive (also municipality)
RMEO	Office of Rural Municipality Executive (also municipality)
RMPMC	Rural Municipality Project Management Committee
RMSU	Rural Municipality Support Unit
RM-WRDF	Rural Municipality Water Resources Development Fund
RVWRMP	Rural Village Water Resources Management Project (the Project)
RW	Rainwater
RWH	Rainwater Harvesting
RWJ	Rainawater Harvesting Jars
RWSSP-WN	Rural Water Supply and Sanitation Project, Western Nepal
SBS	Step-by-Step
SDP	Sustainable Development Plan
SMC	School Management Committee
SMS	Short Message Service
SO	Support Organizations
SP	Support Persons
SVB	Supervisory Board (of RVWRMP)
TA	Technical Assistance
TBC	Total Behavior Change
TF	Technical Facilitator
TL	Team Leader
ToR	Terms of Reference
ToT	Training of Trainers
TS	Total Sanitation
TSU	Technical Support Unit
UC	Users Committees
VAT	Value Added Tax
VDC	Village Development Committees
VLEW	Village Level Agriculture Extension Workers
VMW	Village Maintenance Worker
WASH	Water Sanitation and Hygiene
WBRS	Web Based Reporting System
WD	Working Days
WQ	Water Quality
WRA	Water Resources Advisor
WRE	Water Resources Engineer
WRT	Water Resources Technician
WS	Water Supply
WSP	Water Safety Plan
WSS	Water Supply Scheme
WUA	Water Users Association
WUMP	Water Use Master Plan
WUSC	Water Users and Sanitation Committee

1 Introduction

This Project Implementation Guidelines (PIG) is prepared to ensure uniformity while implementing the project activities at the RM level.

It follows the process and procedures underlined in the Local Government Operation Act, 2074 and corresponding Regulations. It is further supported by the **Step-by-Step Manual (Drinking Water Supply and Micro Hydro), HRBA&GESI Strategy and Action Plan** and other **thematic manuals**, including such as **Post-Construction Manual, Cooperatives Process Manual, Livelihood Promotion Manuals, External Material Community Procurement Manual, Water Safety Plan Guide and Users Committee Operational Manuals**.

The structure of the guideline is to give quick access to main operational issues. The issues, which have been in detail described in separate manuals are not included in detail. **GESI issues are in this report mainstreamed as there is a separate GESI Strategy and Action Plan.**

This revision of the Project Implementation Guidelines is done to streamline the RVWRMP III with the new administrative structure of the Government of Nepal as laid out in the Constitution.

This Project Implementation Guidelines sets the overall frame of reference for all approaches and activities in RVWRMP. Minor changes with no financial implications may be made as needed, as per jointly agreed with DoLIDAR and RVWRMP. Major changes with financial implications are subject to prior approval by the Supervisory Board meetings.

The project management team (PMT) is authorised to develop and issue other supporting manuals and formats as per need.

2 Project Description

Rural Village Water Resources Management Project (RVWRMP) is supported by the Government of Nepal (GoN), European Union and the Government of Finland (GoF). It is a continuation of financial and technical support that GoF has provided to water sector in Nepal since 1989. Phase I (2006-2010), Phase II (2010-2016), is followed by Phase III (2016-2022). European Union started financing the Project in November 2017, through an arrangement of delegated management to the Ministry for Foreign Affairs of Finland.

The Project works in 10 districts of Provinces 6 and 7.

RVWRMP is a water resources management project which, in addition to water supply and sanitation, supports water based livelihood activities.

RVWRMP supports the newly elected local level governments, Municipalities and Rural Municipalities to undertake their mandate in providing services to their people.

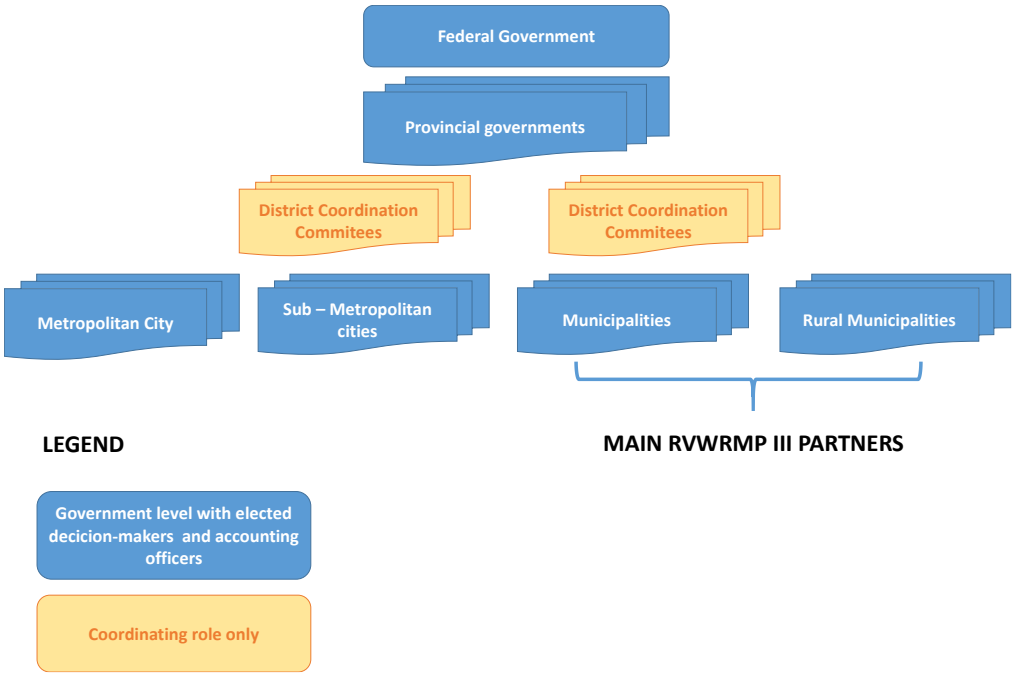


Figure 1: Local government Structure and RVWRMP III Partners

User Committees (UC) plan, implement and later operate village level infrastructure projects and other activities. This is done to guarantee the ownership of the Project amongst the beneficiaries.

2.1 Objectives and Purpose of the Project

RVWRMP is designed to advance the Nepalese Government's development policies regarding the establishment of broad-based inclusive sustainable economic growth.

The Overall Objective: Improved health and reduced multidimensional poverty within the project working area.

The Project Purpose: To achieve universal access to basic WASH services, and improved livelihoods with establishment of functional planning and implementation frameworks for all water users and livelihoods promotion in the project area.

2.2 Project Results

The results areas of Phase III of RVWRMP are:

- **Result #1**: Institutionalized community capacity to construct and maintain community managed water supply and adopt appropriate technologies and sanitation and hygiene behavior.

- **Result # 2**: Improved and sustainable nutrition, food security and sustainable income at community level through water resources based livelihoods development.
- **Result #3:** Increased resilience to disasters and climate change as well as promotion of climate change mitigation and adaptation.
- **Result #4:** GoN institutional capacity to continue integrated water resources planning and support communities in implementing and maintaining WASH and livelihood activities Indicators and targets of the Project are presented in detail in the Annex 1. Main target figures for the RVWRMP III are listed below.

Result 1:

- 351 000 people benefitted from improved water supply systems from the Project core program and program RMs defined as improved and functional fulfils the QARQ criteria. (QARQ criteria: a) Quantity – preferably 45 lpcd or more), b) Accessibility – within 15 minutes round trip, c) Quality – verified as free from bacteriological contamination).
- 90% of the water supply schemes supported by the Project fund in phase III apply a Water Safety Plan (WSP) with CCA/DRR component.
- 85% of Users Committees (UCs) of water supply schemes in the project working core program RMs are active and able to maintain service level.
- Key positions (chair, vice chair, secretary and treasurer) in UCs of RVWRMP supported improved water supply schemes are held by women and 24% minority populations. (50% women and 24% Dalit and Janajatis)
- 200 Child and Gender friendly school toilets in institutions and schools, of which 20 are Disabled friendly and 20 CGD friendly public toilets supported by the Project with access to hand washing.
- 40% of water supply schemes affiliated with viable cooperatives in core program RMs and existing core VDCs to proliferate their capital.
- 80% of menstruating women able to use the toilet in project core program RMs.

Result 2:

- 275 000 people provided with improved water supply, have a functional home garden.
- Minimum 50% of home garden training recipients, ToT and leaders farmers are women and 24% are Dalit, Janajati and other socially excluded groups.
- 500 000 peoples receive rural advisory services.
- 12 000 families trained in income generating activities.
- 50 000 people served with irrigation facilities.
- 50% leadership positions in project supported cooperatives held by women.
- 10% of total RVWRMP supported schemes are Multiple Use Systems (MUS).

Result 3:

- 700 kW renewable energy generated through micro-hydro power plants.
- 40 000 households provided with access to sustainable energy services (Micro-Hydro power, Improved cooking stoves, Improved Water Mills).
- 90% of UCs of micro-hydro schemes are active and able to maintain service level as verified by presence of paid maintenance worker, public audit at least once a year and affiliation with cooperatives.
- Greenhouse gas emissions mitigated by the use of sustainable technologies, e.g. cooking stoves, improved water mills.
- Trained beneficiaries on disaster risk reduction and climate change adaptation (DRR)
- All project investments meet DRR standard and criteria.

Result 4:

- Contribution to policies designed for poverty reductions in remote and mountainous areas either under Agriculture Development Strategy or at Provincial Level through Roadmap for multi-sector regional cohesion draft policy formulated by 2019.
- Six provincial or national level conferences organized and six documents produced to inform national and provincial authorities on WASH, agriculture and small industries sector on RVWRMP experiences.
- Rural Municipalities' ownership demonstrated by contributing 7% of total scheme cost to the RM level Water Resources Development Fund (RM-WRDF).
- All the local levels trained to promote effective access to energy, markets, irrigation and WASH services.
- At least 80% of annual budget allocated by Cottage and Small Industries Development Board (CSIDB) and Department of Agriculture (DoA) for joint activities in the Project core program RMs.
- At least 85% of RM-WRDF budget expended in each project working RMs annually.
- Necessary technical and administrative support is provided without delay by technical, agriculture and other relevant sections of RM through regular RMPMC meetings (at least 10 in a year).
- Community contributed minimum 20% in kind and 1% in cash (of total scheme cost) towards construction of water supply and irrigation systems, power plants etc.

3 Approach and Strategy

The main legislative basis for the RVWRMP is the Constitution of Nepal 2015, and consequent changes in the local government structures and mandates. The Local Government Operation Act (2074) is the important legislation for the reform of local governance.

The Project is supporting rural WASH and livelihood schemes within the domain of local government. The overall approach of the project is to support the planning and implementation cycle of the local

government at different levels, by providing technical assistance, capacity building and investment funds to the result areas described in the Project's result framework.

3.1 Approach for Result Area 1: WASH

Water Supply

The Project will support the construction of new water supply schemes to benefit some 351,000 people living in the 27 core program and other potential rural municipalities/municipalities of the project area.

Despite RVWRMP III being the major actor in these rural municipalities, it is clear that RVWRMP III alone cannot cover the entire population with basic water supply and additional investment is also needed. The rural municipalities will be advised to invest their own and pool other resources in community water supply and livelihood activities for the remaining area.

The water supply service level will be defined by using the QARQ (Quantity, Accessibility, Reliability and Quality) criteria of GoN. Basic service level will be supported by the project. If the users' committees aspire to improve the service level, they will be required to contribute more towards the investment budget.

The main implementation principles are:

- Rural municipalities are planning and budgeting all WASH interventions in their annual budget and manage the fund flows to Users' Committees and Support Organizations.
- Users' committees supported by the SOs will be implementing the infrastructure works. Funds will be channeled to the Users' Committees accounts, and they will undertake procurement of materials and equipment, collection of local materials, supervision of construction activities etc.
- Support Organizations will assist the Users' Committees in technical design, supervision or works and quality control.

Towards the end of 2018, all the 27 project core Program RMs will be covered with WUMPs. This will enable the Project to make an up-to-date analysis of the service level gaps. It is assumed, that there are very few so-called "green field" sites with no previous water supply interventions. The Project will make a detailed analysis of beneficiaries in terms of different categories of water supply coverage and service levels. Based on this, the schemes will be classified into:

1) New basic water supply schemes
2) Rehabilitationon of old schemes
3) Service level improvement to Yard connections (Private taps)

Different subsidy levels will be used for different categories of water supply systems and service levels. Pilot projects of different water supply interventions, with higher user contributions, will be undertaken.

Long-term sustainability of investments requires:

- **Financial sustainability**. Users Committees will be supported to have mechanisms of user fee collection for operation and maintenance costs, as well as mechanisms for ensuring re-investments in acute cases (insurance) and replacement of aged installations and structures (credit or lending schemes). Affiliation with local cooperatives will be assisted to help them to proliferate their capital and avoid devaluation of O&M funds.
- **Resilience towards disasters and climate change adaptation.** Designs and technical solutions are modified to endure major natural disasters (earthquakes and floods). Hydrology of the sources is carefully assessed to endure droughts. Measures to protect watersheds of sources are incorporated in schemes plans. Water safety plan made for each water supply scheme.
- **Institutional sustainability.** The local governments are able to give technical support to the individual water supply schemes. Overall monitoring responsibility will be with the local governments. Ethnic and gender diversity in the users' committees will be encouraged.

Sanitation

The approach to sanitation will be designed to be in line with GoN's Hygiene and Sanitation Master Plan to achieve 100% ODF status.

Main principles of the sanitation and hygiene programmes in rural municipalities are:

- Rural municipalities are in charge for upholding the ODF status and promote and achieve total sanitation status.
- Infrastructure support to institutional sanitation. 200 Child and gender friendly toilets to be constructed in schools/institutions, the toilets will also be modified for disabled use where necessary.
- Total sanitation concept (ODF, hygienic environment, solid waste management, household water hygiene, etc.) to be promoted in the project rural municipalities.

Menstrual hygiene management campaigns is organized in all project working RMS to reduce stigma and remove harmful cultural practices. Schools supported specifically to improve sanitation facilities for girls.

Watersheds and Environmental Conservation

The rural municipalities will be supported to undertake a water master planning process for their entire area. Water Use Master Plans will identify the major conservation and watershed management intervention areas and the rural municipalities will be supported to enact bylaws, define conservation areas and undertake campaigns relating to watershed conservation.

Recharge ponds, flood protection structures and soil conservation measures will be included in the infrastructure program.

The provincial administration will, after its formulation, have technical capabilities for supporting forestry and conservation efforts. Cooperation between the provincial and rural municipality administrations will be facilitated. Project step by step chart is presented in **Annex 1.**

3.2 Approach for Result area 2: Livelihoods

Livelihoods are supported based on the following principles:

Supported activities are identified in WUMP and/or Livelihood Implementation Plan and are based on the local potential and productive use of water.

- For each core-RM a comprehensive Livelihood Implementation Plan (LIP) will be developed in close coordination and cooperation with the RM and related RM based government agencies such as the Agriculture Development Service Canters/Agriculture section of RM. LIP will be developed parallel with other master planning processes, specifically water master planning.
- Activities are prioritized in the RM annual planning and budgeting cycle or funded/implemented by the RM directly.
- The Project will support the RMs during planning and implementation of all livelihood related activities and assist in procuring additional technical and financial support from related government agencies, relevant NGOs and other projects.

The Project will support infrastructure investments in irrigation, MUS construction and agro-marketing related structures such as collection centres, physical market improvements and gravity or mechanical goods ropeways in accordance with the prioritisation and potential in each RM in its WUMP and LIP. The agro-marketing related infrastructure investments are preliminary budgeted under the budget line "Livelihood Infrastructure"

In RMs with very limited water-related livelihoods opportunities but with good potential for NTFPs production and processing (for example in Humla), the Project may consider supporting livelihoods based on natural resources utilisation for improving income generation.

The following general approaches and possible activities are described to implement the livelihood related areas.

Household based Livelihoods Support

In all project geographic areas the Project will support the establishment of home-gardens (kitchen gardens) to improve household food security and nutrition. Every household involved in Project-supported WASH schemes will be provided an opportunity for home gardening and the aim is that at the end of Phase III at least 275,000 people will have benefitted from this activity. The Project will support training in setting up and managing home gardens aiming to have four types of crops: seasonal vegetables, spices, fodder and fruits.

Households participating in home garden trainings will be organized in home garden groups where all are encouraged to participate. Every group will choose Leader Farmers who will maintain a model home

garden, participate in special trainings and disseminate their knowledge and skills to other farmers in the area. A home garden group can function as a first-step savings and credit group and be further linked (graduated) to a cooperative for other commercial production and marketing related activities.

Home garden trainings will include utilising low cost and tested agriculture technologies such as the use of manure, compost and urine for producing organic fertilisers. Leader farmers may be trained in local seed production and seed saving. At least 50% of all the home garden training participants as well as ToTs and leader farmers will be women. *Dalit*, *Janajati* and other socially excluded groups will comprise at least proportionate to the ratio with total beneficiary population.

Home garden groups, which mainly consist of women, will be used as an entry point for nutrition and hygiene activities which will focus on maternal and child nutrition (1000 days). Developing gender, agriculture and nutrition linked programs and activities will be important.

Income Generating Activities

The Project will focus on commercial farming and income generating activities in those RMs that have a market potential due to their proximity to road-head or local markets and availability of sufficient water resources for irrigation. The project will develop marketing channels and promote agricultural products collection centres to be established as selling points for farmers and linked with traders.

Strategic training of trainers and the quality of trainings will be especially important in Phase III. The Project will focus on developing regular refresher and more advanced trainings in various agriculture technologies, methods and services activities, in savings, small business development, and other knowledge and skills required for sustaining continuing livelihoods improvement. The mobilization and training of LRPs working under the RM structure will be promoted on a need basis.

Crops supported for commercial farming will be identified in the LIP based upon criteria such as market demand, irrigation demand, processing possibilities, transport costs, market linkages, commercial value and available government support through existing pocket area approach.

Simple poly-houses will be an option for off-season vegetable production and in climatically challenging areas. Mushroom cultivation requiring minimal space is also an option for improving income generation for poorer and landless households.

The development of a sustainable commercial agriculture system will need the full integration of Cooperatives as leading stakeholders in the process. It is envisaged that towards the second half of the Project, cooperatives will take the lead in organizing farmers and farmer groups for commercial production, collection and grading of produce, management of agriculture inputs and marketing.

The Project will support existing and new agro-based Micro-Enterprises (ME) such as Agriculture Input Suppliers (Agro-Vets), agro-processors, and other agriculture related private enterprises. The Project will work both with group based enterprises, Cooperative based enterprises and individual private enterprises. The establishment of a small grants program with a minimum matching contribution of 50% from the grant recipient may be explored to support start-up activities or help to diversify existing MEs.

By the end of the Project a total of 12,000 families will have been trained in income generating activities.

Cooperative Development

Cooperative development is closely linked to services provision to its members and shareholders such as financial services (savings and credit), extension services, input supply services and collective marketing related services. The cooperative model developed in Phase II will be reviewed and strengthened in Phase III to include strengthening of these service provisions. Linking of community-based organisations such as home garden groups, women's groups, livelihoods/farmers groups and users' committees to cooperatives will be greatly encouraged.

Building on the lessons learned from Phase II, proper initial preparation, capacity building of key persons and financial sustainability of the cooperatives will be given emphasis. The Project will promote continuous capacity building of cooperative managers beyond the basic establishment level in financial and business planning and management. This will support the establishment of stable cooperatives that will be able to process loans and develop other services to their members and link with district and regional level micro-funding institutions and other support sources.

The Project will work as much as possible with existing cooperatives and only in areas where no viable cooperatives exist it will support the establishment and development of new cooperatives. It will also explore collaboration with other competent organisations with activities in the same geographic areas.

The Project will ensure that 50% of the leadership posts in the supported cooperatives are held by women and that 40% of the water supply scheme UCs in core RMs are affiliated with a reliable cooperative.

90 % of the cooperatives will have reached operational self-sufficiency by project end.

Irrigation

RVWRMP II has successfully implemented different types of irrigation facilities with the aim of using available water resources for agriculture production in a more economic and efficient manner.

For household use, micro-irrigation systems such as low-cost drip-irrigation and sprinkler systems are widely available. Waste water from taps can be easily collected for home garden purposes.

Rehabilitation or construction of surface irrigation canals to supply water to larger areas for both cereals production and commercial horticulture will continue and will also include the support to Water User Associations (WUA) to maintain the functionality of the systems.

Other small structures that will be supported by the Project are animal drinking troughs and rain water collection ponds.

In Phase III more attention will be paid to the construction of Multiple-Use Water Systems. Utilisation of water coming from the same source can be a combination of drinking water and conventional irrigation, conventional irrigation and improved water mills, or conventional irrigation and micro-hydro power. The Project will assist local government and communities in utilising further opportunities in agricultural

production and services development enhanced by MUS schemes. The Project will ensure that by the end of the Project minimum 10% of supported schemes are MUS.

Parallel with irrigation development, various types of trainings will be implemented in agriculture production techniques and methods for farmers.

3.3 Approach for Result Area 3: Climate Change Adaptation and Disaster Risk Reduction

The resilience of the local communities towards disasters as well as the local authorities' capabilities to respond in the disaster situations will be addressed by training measures.

Specific measures will be taken to ensure the resilience of the constructed infrastructure towards disasters and climate change adaptation. Designs and technical solutions of all infrastructure are modified to endure major natural disasters (earthquakes, landslides and floods). In case of water supply and irrigation, the hydrology of the sources is carefully assessed to endure droughts.

Measures to protect watersheds of sources are incorporated in schemes plans. This may include afforestation and conservation plans. Water safety plan made for each water supply scheme.

Support to renewable energy may include initiatives in small-scale hydro power, solar energy, improved water mills and improved cooking stoves.

The existing WUMPs indicate, that there are already adequate identified construction sites for micro-hydro plants and the demand for the electrical power has been expressed by the residents. The fast development of solar energy applications requires that the feasibility of micro-hydro plants will be thoroughly assessed before the investment decisions are made.

In Phase III, 14 MHP schemes in 6 districts have been initially identified and are scheduled to be constructed with a capacity of 30 to 100 kW each and a total capacity of 700 kW. The average costs for MHP construction during Phase II was around EUR 4,500 per kW. With a 10% expected increase in costs over Phase II, the budget-line for MHP construction has been projected at MEUR 3,47 with a 62% contribution through GoF and EU funds.

As accessing co-funding through AEPC may result in delays in implementation, sufficient budget has been reserved to construct the MHP schemes without AEPC contributions. Depending on the RM, other local stakeholders may also contribute, as was the case in Phase II.

The proposed time-line for MHP development will be such that in 2018/19, pre-feasibility and feasibility studies will be carried out for all schemes. During this time the project will also focus on matching Cooperative Development activities. Construction of the MHP schemes will start as soon as possible after completion of the feasibility studies and will be concentrated during the second half of 2019 and the whole of 2020, with a possible extension into 2021 to finish the larger and/or more problematic schemes if needed.

The detailed Step-by-Step guidelines reflecting the changed modality under the Local Government have been developed and are included in the PIG. It includes an increased responsibility for Local Government

and Cooperatives in the process of carrying out feasibility studies, contracting for construction and assuring ownership, maintenance and utility fee collection through private or cooperative systems.

In Phase III sustainability and efficiency of the schemes will be in focus through improved O&M and user committee functionality and through increasing the productive use of electricity. The Project will directly assist development of emerging livelihoods opportunities based on electricity created by local micro-hydro schemes, such as processing of agricultural products, carpentry and furniture making, milling, computer services, etc. These can be private small business enterprises or developed under the Project supported cooperatives. Attention will be paid to assisting local people in developing emerging business ideas with sustainable business planning and management training and with access to micro credit.

End use promotion will target a minimum of 700 kW, priority will be given to remote parts of the core-RMs. By the end of the Project, 90% of the developed MHP schemes will be able to maintain service level as verified by the presence of a paid maintenance worker, organize a public audit once a year and have an affiliation with a cooperative.

Improved cooking stoves (ICS) and improved water mills are high-in-demand especially by women as these low-cost investments have a significant impact on women's lives**.** In terms of ICS, GoN is committed to very high target of "Clean Cooking Solutions for All by 2017". Considering this, RVWRMP III will assess collaboration with other agencies/projects to fully cover all core RMs. The project will continue to provide support to install Improved Water Mills (IWM) as prioritized in WUMPs and may link this to Pico-Hydro Power systems for livelihood support possibilities.

By project end a total of 40,000 households will have been provided with access to sustainable energy services.

3.4 Approach for Result Area 4: Governance

The projects sees its role as strengthening the nascent local administration to become effective service provision entity and assisting the local administration in strengthening their capacity to govern.

National and Provincial Level

The Project will have a budget line for capacity building at the national and provincial level that can be used organizing trainings as needs arise as well as to participate in capacity building measures within the sector development efforts, such as Sector Development Plan (SDP).

The RVWRMP will support, by participating in national policy forums and sharing lessons learned about working in a remote mountainous area, contribute towards preparing a roadmap for multi-sectoral regional cohesion policy. Special focus will be contribution to policies designed for poverty reduction in remote and mountainous areas either under Agriculture Development Strategy or at Provincial level.

RVWRMP will actively participate the national and provincial policy forums, as well as organize 6 national forums, in order to inform national and provincial authorities in WASH, agriculture and small industries sectors about RVWRMP experiences.

RVWRMP III needs, in its Inception Report and Annual Work Plans, commit to concrete targets in national and provincial level. Examples of these could be the national WUMP Guideline that was completed by RVWRMP II and Handbook on Recharge Ponds that RWSSP-WN prepared and which was adopted as a national document by DoLIDAR/GoN. To enhance the capacity of relevant government agencies (MoFAGA, DoLIDAR, future provincial administration and others), international learning sharing visits and participation in international forums will be organised.

Local Government Level

Enhancing the rural municipalities' capacity to implement, maintain and further advance the objectives of the RVWRMP project will be the main thrust of the Phase III. The project will closely work with the newly elected representatives and CAOs to facilitate and train them in the intervention areas of the Project.

The commitment of the rural municipalities will be demonstrated by their financial contribution towards the project objectives, by contributing minimum 12 % of the investment funding to RM-WRDF.

All rural municipalities will be trained to promote effective access to energy, markets, irrigation and WASH services. A comprehensive capacity development plan will be prepared by RVWRMP. The rural municipalities elected representatives and staff will be supported to undertake:

- Rural Municipality Profile
- Rural municipality wide planning exercises, building up from WUMPs and LIPs;
- Budgeting procedures for livelihoods and WASH sectors;
- Support services to users' committees, farmers' groups and cooperatives;
- Use of private sector as support agents and solicit support from federal and provincial departments;
- Monitoring and evaluation systems;
- Technical support systems for water supply scheme sustainability;
- Support systems to communities to upkeep ODF and reach total sanitation status.

In terms of budgeting the Project will facilitate the rural municipalities to plan their annual budget for project supported activities, in order of it to be included in the Line Ministry Budget Information System (LMBIS).

The project target is that the fund disbursed to local level are expended minimum 85 % annually. Higher level of expenditure are encouraged.

The Project will support the training of focal points for management of LRP and gender issues, sustainability of ODF, water sustainability etc.

The rural municipalities' technical capacity to undertake the WASH and livelihoods activities will be supported and facilitated through capacity development training. The rural municipalities' technical sections will be able to give necessary technical and administrative support to the beneficiaries in their

area. The RMs will be encouraged to use outsourced support of the private sector, already developed in the area by RVWRMP interventions.

Beneficiaries will demonstrate their commitment to implementing the project activities by contribution in cash and kind towards water and irrigation systems, power plants etc. The level of contribution will be minimum on average 20 % as approved by the Project Supervisory Board.

Community level

Community-level capacity development will be based on building awareness of the value of community ownership of the investments, combined with training in running and managing community organizations and in sustainable operation and maintenance of the schemes constructed with the Project support.

The Project will provide two types of capacity-building to enhance community ownership and related institutional development:

1. Awareness raising and capacity enhancement through participation, information, education and communication through public meetings, focus group meetings and door-to-door information dissemination, which is undertaken by the SOs.
2. The Project will support the users' committee establishment and capacity training in technical, financial, institutional and organizational management. For technical O&M, a minimum of two village maintenance workers for scheme will be trained; at least one of them female. Women tend to stay at local community while many men seasonally migrate to India for work. As such they will be priority in the selection of community members to be trained in technical and other skills for running the WUSC. The Project will use lessons from Phase II on women's participation in UCs and strategies to actively engage them.

A serious problem for the proper functioning of WUSCs and water supply schemes is that people comprehend water as a free service rather than an economic good that needs funding for regular operation and maintenance. Users regularly lack understanding of the scheme functioning mechanisms and the meaning and importance of water tariffs, thus are reluctant to pay their monthly water fee In RVWRMP II over 80% of the WUSCs are collecting O&M fee and this is encouraging. The Project will enhance community awareness as a key method for sustainability through initial and repeated user meetings and household door-to-door outreach information. The Project will also provide WUSCs capacity building in how to motivate users and collect water fees.

In Phase III the positive experiences of local cooperative build-up during Phase II will be strengthened and the cooperative model institutionalized. The Project will provide capacity building in cooperative organization build- up, leadership, organizational and financial planning and management, recruitment of members, savings and credit groups, etc. Special attention will be paid to strengthening the capacity of cooperatives to coordinate and link with available external support organizations for mobilization of different resources.

3.5 Organizational Set-Up

The competent authorities of the two governments for RVWRMP are the Ministry of Finance, Nepal and the Ministry for Foreign Affairs, Finland, represented in Nepal by the Embassy of Finland. The executing agency is MoFAGA/DoLIDAR together with participating RMs. See the Final Project Document for further details with regards to the Supervisory Board, Steering Committee and other details. RVWRMP organisation chart is presented in figure below.

MoFAGA/DoLIDAR is responsible for the provision of all necessary technical and managerial support to local governing institutions, as well as coordination of all infrastructure development activities undertaken at present within the framework of MOFAGA and gradual transfer of the co-ordination responsibility to local institutions.

The planning and execution of RVWRMP activities will be the responsibility of each RM, supported by DoLIDAR, provincial department, DCC/DTO and the Project.

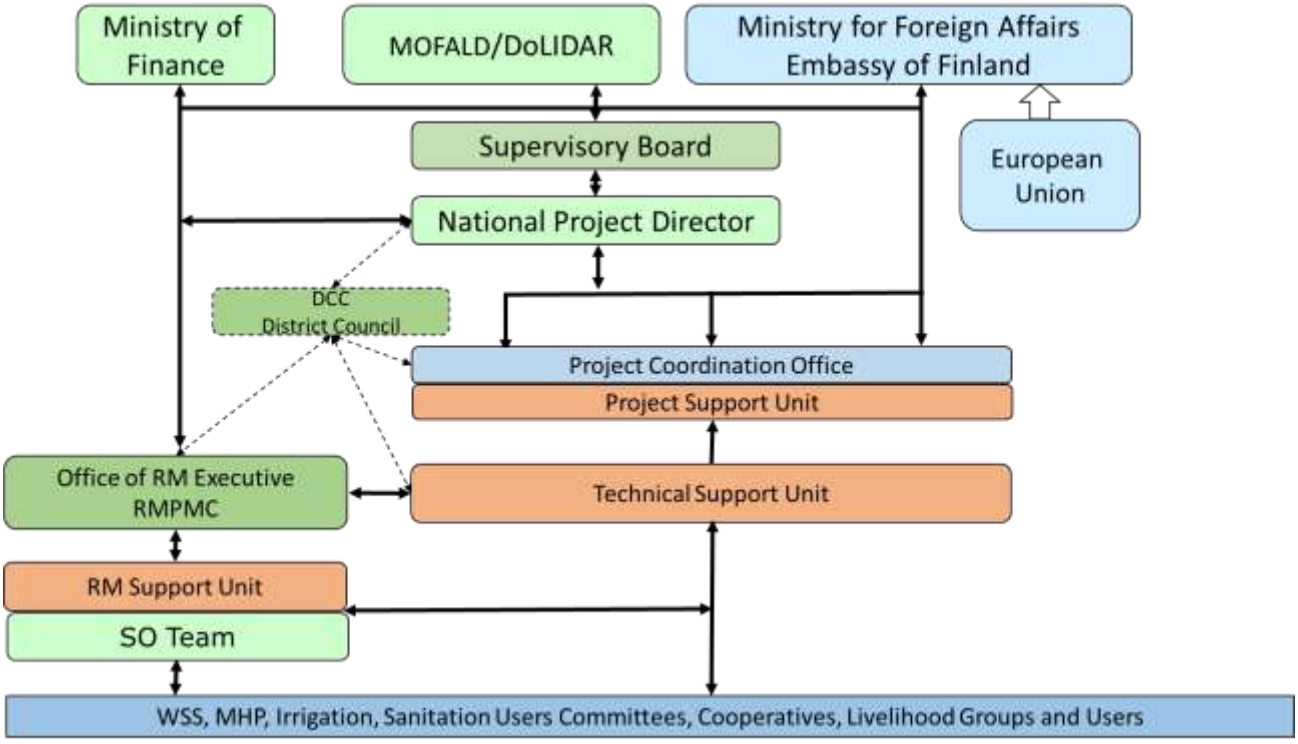


Figure 2: Organisational Chart of RVWRMP

The Rural Municipality Project Management Committees (RMPMCs) are responsible for planning, administration and management of all the Project activities in the core-program RMs. The RMPMC will meet at least once a month to review the progress of Project activities in the RM and discuss other relevant matters. Composition of the RMPMCs will incorporate also the key sections of RM that are related to project result areas.

The members of the RMPMC include the following:

- Rural Municipality Chairperson (Chairperson)
- Rural Municipality Vice-Chairperson or female member (in case vice chairperson is not female), member
- Water Resources Advisor of the Project, Member
- Infrastructure Development Section Chief of RM; member
- Chief of relevant sections of RM e.g. Agriculture, Cottage and small industries, women development, soil conservation, irrigation, forestry, cooperative, member
- Gaopalika Project Officer, non-voting member
- Chief Administrative Officer of RM, member secretary

The quorum of RMPMC will consist of the RM Chairperson, Vice Chairperson, CAO and WRA. Infrastructure development section of RM is in charge of the technical matters of the RM and will be responsible for the monitoring of technical matters in investment schemes and providing support to communities. DTO will provide necessary technical support to RM as requested.

There will be a Water Resources Advisor (WRA) and Water Resources Engineer (WRE) or Livelihood Officer (LO) in Technical support Unit (TSU). Key role of TSU is to provide assistance and support the RMs to plan, co-ordinate and monitor Project activities. To the extent possible, they will also support other sector partners and coordinate relevant activities. A Gaopalika Project Officer (GPO) will be hired by RMPMC in each core-program RM to support RMPMC in project implementation, monitoring and reporting of the Project activities. A Rural Municipality Support Unit (RMSU) will be established in each core RM to provide support to RM and SO team consisting of a Technical Facilitator (TF) and Livelihood Facilitator (LF), the Unit will be headed by GPO.

Registered UCs of different types have the responsibility for scheme implementation and O&M. The UCs can include WUSCs for drinking water and sanitation, Water User Associations (WUAs) for irrigation, etc. Funds for the implementation of schemes will be directly provided to the UCs.

A part-time National Project Director is nominated by GoN, stationed in DoLIDAR, to facilitate planning, budgeting, progress review and monitoring at the central level. A senior officer of Under Secretary level will be the National Project Coordinator who will be supported by three engineers and an accountant. National Project Coordinator's office will be within the Project Support Unit (PSU). The Consultant's team will be headed by the Team Leader who will report to the National Project Coordinator and Embassy of Finland who is responsible for reporting to the EU through delegated cooperation agreement. The purpose of PSU is to support Project activities in districts. All project activities within any of the working RMs shall be decided and coordinated by the RMPMCs. PSU has no direct activities in any of the RMs.

In program RMs (non-core), no RMPMC will be established. The project activities will be implemented in close coordination between office of RM and WRA of the project. No separate SO will be mobilized for program RMs rather SO working in nearby RM will support activities in non-core RMs providing additional human resources.

3.6 Project Funding

The Project is financed jointly by the governments of Nepal and Finland, and the European Union (EU) through sharing the costs with Rural Municipalities/Municipalities (RMs), communities and Users Groups. Other sources are also possible for funding the activities in the villages through the Local Government Consolidated Funds, through partnership arrangements between the RM, RVWRMP and the potential other partner(s).

Cost sharing and contributions from different stakeholders are discussed in **chapter 8.2**. Contributions differ depending on type of intervention and technology used. Actual annual budgets are planned and approved in the Annual Work Plans for each Nepali Fiscal Year within the total ceiling of the Project funding. These are approved by the Project Supervisory Board.

4 Current and Potential Working Area

The RVWRMP Phase III will continue in 27 core-programme local levels and other local levels in the districts of Achham, Baitadi, Bajhang, Bajura, Dadeldhura, Dailekh, Darchula, Doti, Humla and Kailali (two hill RMs). The project will continue working with number of local level governments based on the demand and commitment demonstrated by the local level governments. No new local levels will be added in to the project after FY 2075/076 e.g. July 2019.

There are 86 local levels in RVWRMP working area (62 Rural Municipalities and 24 Municipalities). 27 core-program rural municipalities are already included in the project and out of remaining 59 local levels any of the local level can be selected to receive support and subsidy for WUMP/LIP, WSS and MHP based on described criteria in these guidelines.

Currently water supply and sanitation activities are continuing in 21 other program local levels. Selection and retaining of the local levels depends upon the contribution and commitment and performance of the local levels. Type and Scope of project working local levels is described below. Number of Local Levels in the project working area is presented in **Table 1** below;

Table 1: Project Working Area

Sn	District	Total Local Level in the project working area	Core-Program Local Levels	Program Local Levels (FY 074-075)	Other Potential Local Levels
1	Dailekh	11	3	2	6
2	Humla	7	3	2	2
3	Bajura	9	2	2	5
4	Bajhang	12	3	2	7
5	Achham	10	2	3	5
6	Doti	9	3	2	4
7	Kailali	2	2	0	0
8	Dadeldhura	7	3	2	2
9	Baitadi	10	3	3	4
10	Darchula	9	3	3	3
	Total	86	27	21	38

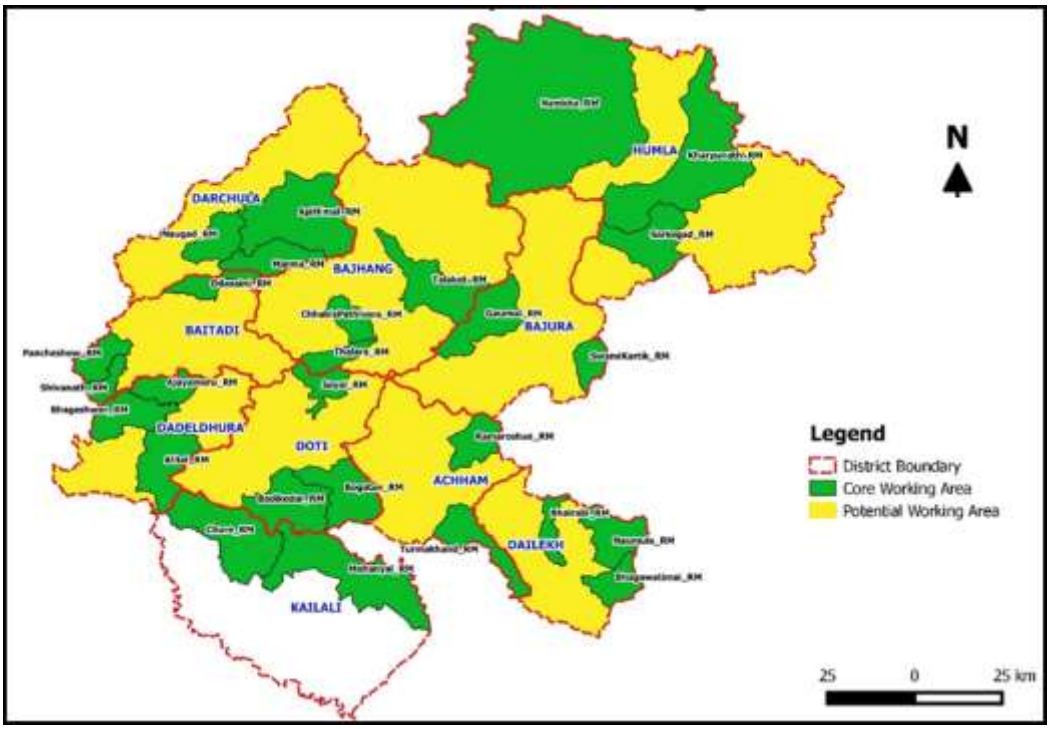


Figure 3: Map of the Project Working Area

4.1 Core Program Rural Municipalities

Full menu of options will be implemented in core-program local level, besides the implementation of WASH and livelihood activities; the project will support RMs in institutional capacity building. Depending upon the willingness and cost contribution of the core-program RM, Key activities in core RMs would be as follows;

1) Water Use Master Plan, Livelihood Implementation Plan and Total Sanitation Plan formulation.
2) Support for RM level MIS establishment and operation.
3) Establishment of water quality monitoring mechanism and support for its sustainable operation.
4) Support in implementation of Water Supply, Sanitation, Irrigation and other renewable energy related activities/schemes with home garden activities.
5) Implementation of Total Sanitation plan for Behavior Change at community level ensuring use of tap and toilet by all including menstruating women.
6) Advanced level of livelihood interventions for Income Generating activities
7) Support in micro finance through cooperatives development.
8) All type of capacity enhancement activities for institutional strengthening of the RMs.

Cost sharing in implementation of above activities shall be as mentioned in the **Chapter 8.2**. The RMs that are interested to replicate RVWRMP working modality in the schemes to be funded by their own sources (100% RM funding) will get additional score in RM annual performance evaluation. The RMs will get special attention from the project while implementing other pilot activities. Core program RMs of the project are listed below;

Table 2: List of Core Program Rural Municipalities

District	Core Program Rural Municipalities
Achham	Ramaroshan, Turmakhand
Baitadi	Shivnath, Pancheshwor, Dilasaini
Bajhang	Talkot, Thalara, Chhabis Pathibhera
Bajura	Gaumul, Swamikartik
Dadeldhura	Aalital, Ajaymeru, Bhageshwor
Dailekh	Naumule, Bhagawatimai, Bhairabi
Darchula	Naugad, Marma, Apihimal
Doti	Badikedar, Sayal,Bogtan
Humla	Namkha, Sarkegad, Kharpunath
Kailali	Chure, Mohanyal

4.2 Other Program Rural Municipalities/Municipalities and Selection Process for Proposals

There are 59 local levels, other than core-program rural municipalities' remains in the project working area that ranges from remote area to urbanized district headquarters. The project intends to support the local levels, where there is felt need, demonstrated by local governments' willingness to take the lead in the implementation and commitment for cash contribution. Project's GESI/HRBA principle guides the project to concentrate its support for most hardship and socially and economically deprived area. Besides the cost sharing from RMs and users, remoteness, hardship and proportion of socially and economically deprived community shall also be taken in to consideration.

The project will continue its support to those ward/s of RM which falls under phase II core VDC area. Support to those Municipalities/Rural Municipalities will continue till the period of MoU signed between Local level and DoLIDAR. The interested RMs can further submit the proposals to the project together with other RMs for the support in WUMP/LIP, Water Supply and Micro-hydro schemes.

The project will call proposals from all the RMs (other than core RM) for different type of intended involvement with the project. The proposals will be evaluated based on the cost sharing commitment, remoteness of the RM, Available existing WASH and energy facilities and comparative socio-economic status of the proposed RM. PMT will analyze the data, prepare merit list and make final selection of the RMs. Detail selection criteria is presented in the following chapters. The deadline of the selection of the RMs would be the end of FY 2075-076. No RMs shall be included in the Project after the period.

4.3 Subsidy for Water Use Master Plan (WUMP) and Livelihoods Plan (LIP) Preparation in Other RMs

The RMs who are interested to formulate WUMP or LIP submits their proposal to the Project in prescribed format indicating current status of the RM and cash contribution amount. The RMs that are interested to contribute 100% cost of the WUMP/LIP preparation will be automatically selected and the project shall provide technical support. Maximum subsidy from the project for WUMP/LIP preparation is 50%. The project doesn't make any commitments for further support for the implementation of the schemes, but couple of most hardship schemes can jointly be implemented in future. The RMs currently included in the Project as program RMs (non-core) should also need to submit proposal for RM level WUMP/LIP preparation. Considering the opportunities of municipalities to have planning support from other ministry and departments, the Project shall give priority to Rural Municipalities in preparing WUMP/LIP or other plans.

4.4 Subsidy for Water Supply Scheme Implementation in Other RMs

The RMs can submit the proposal to get support for implementation of any schemes within the RM. The proposed scheme must be approved by RM council. Based on the proposal submitted by the RMs, top scoring schemes will be selected for project support. The Project will also provide technical support if RMs come up with the proposal to implement project from their own resources. Basis for selection of the scheme will be contribution from RM and users, remoteness, hardship and prevalence of socially and economically backward group. Home garden management will be integral part of WSS scheme implementation in rural area.

The project will also provide management support to the schemes in urban/semi urban area where the funding will come from other sources.

Project subsidy to the water supply schemes will depend on the type of the scheme (See **Chapter 6.1**).

4.5 Subsidy for Micro Hydro Schemes in all RMs

First priority will be given to core-program RMs while selecting micro hydro schemes. The schemes that are prioritized in RM level WUMP shall be selected for implementation. The project will announce for proposals from all RMs (core and non-core) who meet basic criteria for implementation of micro-hydro schemes.

Subsidy for micro-hydro plants will be different for the development of new micro-hydro and rehabilitation of an old plant.

PMT will analyze the received proposals and select the schemes based on their feasibility. The MHPs in RVWRMP will be implemented and operated by cooperatives. Proven model of cooperative development of the Project shall be applied for institutional strengthening of the MHP cooperatives. Share from the beneficiaries, UCs, RMs and private companies will be sought for sharing the investment cost. Detail of MHP implementation is presented in **chapter 6.3.3** below.

No new working area will be added in the project after July 2019 (FY 2075/076).

4.6 WUMP/LIP, Water Supply and Micro Hydro Scheme, Process for Subsidy in Other RMs

4.6.1 Stages of the Selection Process

1) **Call for Proposals:** The Project shall announce for proposals from local levels to be included in the project. The proposal format will be provided to the RMs, interested RMs will prepare the proposal and submit to the project within a specified deadline together with decision of RM executive or RM council. The proposal format shall include criteria for selection and scoring system.
2) **Preliminary Selection:** PMT shall formulate an evaluation team to evaluate received proposals based on the pre-defined criteria and scoring system. Preliminary list of potential RMs/schemes shall be prepared by evaluation team based on the information provided by the RMs. Considering the project target, budget and human resources, the project shall aim to support about 10 WUMPs per year (starting from Jan 2019), 10 – 20 RMs for water supply scheme implementation support and 15-20 MHP schemes (700 kW) for hydro power generation.
3) **Field Verification/Feasibility Study:** The evaluation committee may verify the RMs in field in sampling basis to validate the information supplied by the RMs especially to reassess existing water supply situation of the scheme, feasibility of the proposed schemes and to verify the willingness of the community and RM to implement the schemes.
4) **Selection by PMT:** WUMP RMs shall be selected after analysis of the proposals by evaluation team, whereas proposed water supply and MHP schemes shall be selected only after confirming them through feasibility study. PMT makes decision on final selection of the schemes.
5) **Final Selection**: WUMP preparation for selected RMs shall be started from January 2019. The RMs shall be continuously supported for WUMP preparation in 2019, 2020 and 2021. Preparatory phase of the MHP schemes shall be started from the beginning of the FY 2075-076. Similarly implementation phase budget for those schemes shall be provisioned from the fiscal year 2076-077.

4.6.2 Selection Criteria for Subsidy

A. **Eligibility Verification:** The following parameters will be verified before scoring the RM proposals. If any of the conditions not met by the RMs, the proposal will not be evaluated. Further evaluation of the proposal shall be carried out who met following criteria.

Table 3: New Scheme Selection Criteria

Criteria	WUMP/LIP RM	Water Supply Scheme	Micro Hydropower Scheme
RM Council or RME request for RVWRMP	Yes	Yes	Yes

Commitment for Cash Contribution	Minimum 50% of total cost (The RM request for technical support only shall automatically be selected)	Minimum 12% from RM and 26% (Cash and kind) from users. (RM committing to fund 100% and seek only for technical support will automatically be selected)	Minimum 15% from RM, 28% (cash and kind) from users and 15% from share capital.
Plan of national electricity grid extension	NA	NA	No plan to extend within 5 years

Scoring for Selection	Water Supply Scheme	Micro Hydropower Scheme
RM/M Cash and HR contribution (30 points)	RM/M Cash and HR contribution (30 points)	RM/M Cash and HR contribution (30 points)
Existing Status of WSS, Irrigation and Electricity (30 points)	Hardship in terms of water supply and sanitation status of the community (40 points)	Size of the scheme (kW), proposed beneficiary households and density of clusters (30 points)
Remoteness of the RM (10 points)	Remoteness of the scheme site (10 points)	Remoteness of the scheme site (10 points)
Existence of DAG population (20 points)	Existence of DAG population (20 points)	Potential site for Multi Use Water system (10 points)
WUMP already prepared in any wards of RM (10 points)	Scheme already prioritized in WUMP (10 points)	Existence of DAG Population (20 points)
Detail Scoring sheet shall be approved by PMT for evaluation purpose.		

5 Master Planning

5.1 Introduction

The purpose of the master planning in RVWRMP III is to support the rural municipalities in their long-term master planning in the areas of water resources management, water supply and livelihoods issues.

Also other planning issues are considered, as per the requests of the RMs. The ultimate purpose is to entirely align the support to the RMs, so that the planning support and subsidy is given to the RM to prepare their profile and any other long term plans. The financial subsidy will only be given to water and livelihoods planning, but the process is one – the RMs planning process.

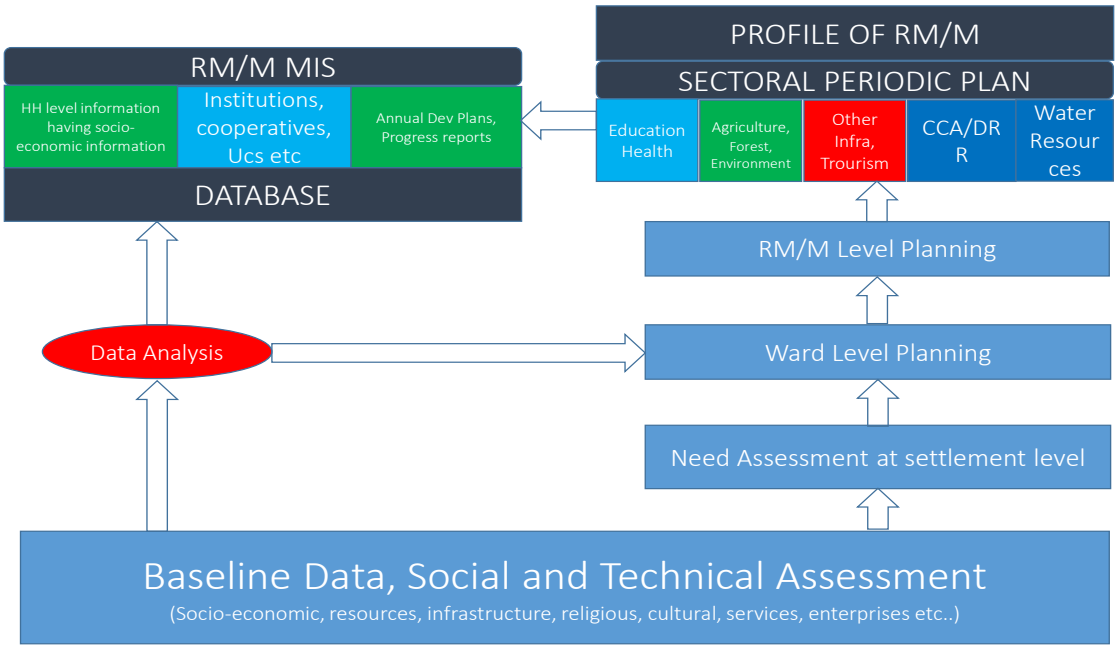


Figure 4: Principle of the Master Planning Support to RMs

Figure 3 above presents a principle of the alignment of water, livelihood and other master planning in the RM level.

The objective is also that the collected data would form the baseline situation for all the RMs work. Furthermore, the data collection and planning exercise will form the basis for the Management Information Systems to be formulated in the RMs.

5.2 Water and Livelihoods Master Plan

RVWRMP has years of experience of inclusive and participatory master planning. This experience will be conveyed to the RMs. In the first instance, the 27 core RMs will be assisted to prepare water and livelihood master plans, also known as WUMP and LIP. As these two processes are combined, the appropriate name is Water and Livelihood Master Plan.

As the focus of RVWRMP supported master planning is the utilization, management and protection of water resources, also the livelihood planning is based on the availability or non-availability of the water resources. Master plan also focuses on social aspects of service provision, by identifying poor and disadvantaged communities, which otherwise would be left behind from the development.

Master planning provides the RM decision-makers data, information and analysis, on which the investment and activity plans can be based. This type of decision making is based on facts, not on political, ethnic or other considerations.

Process

Water and livelihoods master plan (WUMP/LIP) is a participatory and inclusive planning process which has a strong focus on water resources management and their sustainable and optimum utilization by the communities.

WUMP/LIP identifies the existing use of water resources, livelihoods opportunities and makes an integrated plan for use of water in a rational, equitable and sustainable way for various social and economic purposes.

The WUMP/LIP mainly includes;

- Inventory of available water resources, their current use, condition/status and analysis the best potential use for future;
- Livelihood opportunities, market access, companies, institutions and human resources for business development;
- Inventory of existing water schemes (water supply, irrigation, micro hydro etc.) and their functional status and service level;
- Socio-economic baseline information (disaggregated by gender, caste or other relevant group criteria) to provide information for projected water needs and conflicts (if any);
- A balanced water resources development plan with due consideration of sanitation, hygiene and water rights, livelihoods and other economic development, and social, environmental and economic sustainability criteria; sector/activities priority.
- Gender sensitive, inclusive, pro-poor and socially accepted water and livelihood development priorities and ensured the access on water services to all communities;
- Analysis the best technological option (Gravity, RWH, lifting, PSI, Canal, MIT, HR, P/MH, Livelihood, agricultural options, forestry, livestock) to fulfil the communities demand.
- Analysis the upstream-downstream relation of available water resources.
- Preliminary design and costing of potential investments and other support activities such as capacity building;
- Assignment of responsibilities for the implementation of the plan.

The WUMP/LIP is aimed to be a commonly accepted plan of utilization and conservation of water resources in a RM, prepared by the communities under guidance of the RM, and thus reflecting local demand and responsibilities hence own by local bodies.

By working and training the local level facilitators WUMP/LIP increases the skill base in the RMs.

RMs are the owners of WUMP/LIP and will use it in their formulation of long term plans and annual work plans and budgets.

The RVWRMP will only provide a maximum of 50 % subsidy to the WUMP/LIP in the core RMs. The other RMs will be supported mostly with the technical assistance only. See subsidy levels in **Chapter 8.2**.

As most of the 27 RMs already have water master plans prepared during the previous phases of the RVWRMP, the existing VDC level data will be reviewed and compiled and a new water and livelihoods master plan will be made to cover the entire RM.

Simplified steps of the WUMP/LIP preparation is presented below.

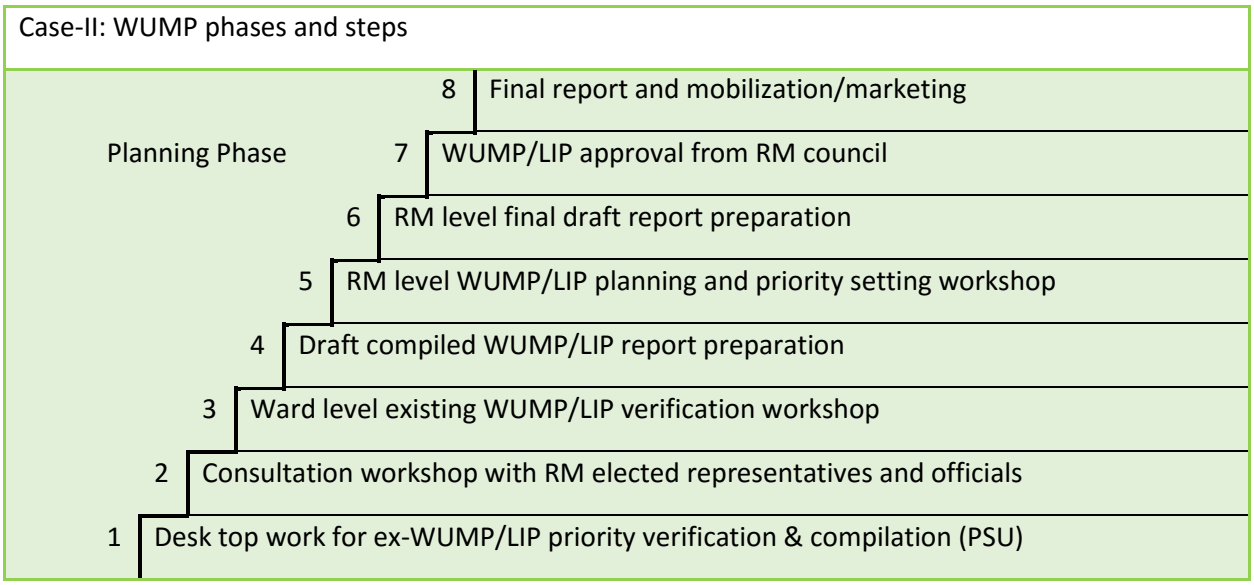


Figure 5: WUMP Phases and Steps

(Further detail in WUMP preparation manual, 2017)

5.3 Water Use Master Plan (WUMP) Toolkit

WUMP toolkit has been developed with the financial and technical support of the Rural Village Water Resource Management Project (RVWRMP) Phase II and Phase III. This is toolkit is an online system, where formats can be downloaded and data uploaded into a cloud database. This can be used to maintain the detailed primary data and prepare the WUMP-LIP reports.

The toolkit has all the formats needed for the data collection of water and livelihood data. The data collected from the field can be uploaded to the various formats in the toolkit. The toolkit reduces data compilation time and is convenient, with high accuracy and reliability.

The use of the WUMP Toolkit is instructed to the WUMP/LIP facilitators during the training events.

6 Specific Guidelines for Each Result Area

6.1 Result 1 : WASH

Drinking Water Supply, main approaches

The Project will support the construction of new water supply schemes to benefit some 351,000 people living in the 27 core program and other potential rural municipalities of the project area. The target for the Project in terms of water supply coverage is 90 % for the entire project area.

Despite RVWRMP III being the major actor in these rural municipalities, it is clear that RVWRMP III alone cannot cover the entire population with basic water supply and additional investment is also needed. The rural municipalities will be advised to invest their own and pool other resources in community water supply for the remaining area.

Basic service level will be supported by the project. If the users' committees aspire to improve the service level, they will be required to contribute more towards the investment budget.

The main implementation principles are:

- Rural municipalities are planning and budgeting all WASH interventions in their annual budget and manage the fund flows to Users' Committees and Support Organizations.
- Users' committees supported by the SOs will be implementing the infrastructure works. Funds will be channeled to the Users' Committees accounts, and they will undertake procurement of materials and equipment, collection of local materials, supervision of construction activities etc.
- Support Organizations will assist the Users' Committees in technical design, supervision or works and quality control.

6.1.1 National Definitions for Service Levels

A "water service" in drinking water sector could be defined as 'the sustainable provision of water of a given quality and quantity (accessibility and reliability (system performance as per standard definition)) at a given place as per the proposed usage'.

As per the Joint Monitoring Programme for water supply and sanitation[1] ladder for drinking water services at household level has been defined as:

Safely managed: Drinking water from an improved water source which is located at premises, available when needed and free of fecal and priority contamination.

Basic: Drinking water from an improved water source provided collection time is not more than 30 minutes for a roundtrip including queuing

[1] (JMP, Safely managed drinking water 2017)

Limited: Drinking water from an improved water source where collection time exceeds 30 minutes for a roundtrip to collect water, including queuing.

Unimproved: Drinking water from an unprotected dug well or unprotected spring

No service: Drinking water collected directly river, dam, lake, pond, stream, and canal or irrigation channel.

In case of RVWRMP, basic water supply service level is defined, as project document, QARQ based, through public stand

- Quantity: Preferably not less than 45 LPCD
- Accessibility: with-in 15 minutes round trip for fetching water
- Reliability: 12 month supply (preferably 24 hours supply)
- Quality: Safe for drinking and domestic use

6.1.2 Support to Water Supply, Project Types

The Project will support improvement of the drinking water situation in the communities based on the following situations:

1. **Basic service level water supply system**: Basic level water supply system refers to: Drinking water from an improved water source provided collection time is not more than 15 minutes for a roundtrip including queuing. **This service is provided by public water points.**

   The basic water supply systems have the highest subsidy from the Project.

   Basic level water supply systems are offered to communities which:

   - Have been analyzed to have hardship situation during the water use master plan exercise;
   - Are not interested or capable of paying the connection fees and community share of costs for improved (yard connections) water supply service;
   - Has an old water supply system, which has outlived its design period (20 years).

2. **Safely managed**: Drinking water from an improved water source which is located at premises, available when needed and free of fecal and priority contamination. **This service is provided by yard connections.**

   Safely managed water supply system is offered to communities which:

   - Have been analyzed to have hardship situation during the water use master plan exercise;
   - Are interested and capable of paying the connection fees and community share of costs for improved (yard connections) water supply service;
   - Are prepared to form a users' committee, cooperative or any other institution to manage and operate the water supply system, including water billing.

- Are supported by the RM with increased financial responsibility and further support during the life time of the system. RM must indicate their commitment by budgeting the support for the particular community in their budget.

3. **Rehabilitation of aged and partly functional system.** Rehabilitation of a system could include repairing it to basic (public water points) or safely managed (yard connections) level. **The subsidy level from the RVWRMP for these systems is considerably lower.**

   Rehabilitation projects are offered to communities which:

   - Are interested and capable to paying the increased contribution.
   - Have an old water supply system, 10 years or older.
   - Are prepared to form a users' committee, cooperative or any other institution to manage and operate the water supply system, including water billing.
   - Are supported by the RM with increased financial responsibility and further support during the life time of the system. RM must indicate their commitment by budgeting the support for the particular community in their budget.

4. **Drinking water systems to be rehabilitated or new systems to be built with Technical support only.** This includes supporting systems by engineering support, training of users committees etc. These systems are fully financed by the RMs, them covering all the investment and SO costs.
   - These systems will be welcomed and criteria for the inclusion in the programme will be the **budgeting of the full cost by the RM**.
   - All the selections will be made based on competitive evaluation criteria mentioned in this Guidelines.

6.1.3 Technology Options of Water Supply

The following technology options will be promoted by the Project:

- Gravity water supply. This is always the preferred options, due to reliability, low operational costs and easy maintenance.
- Rain water harvesting, support to household collection jars.
- Pumping schemes with solar energy driven pumps.
- Pumping schemes with mains supply. These will only be designed in areas with access to national grid. See also not on the limit for per capita cost. These schemes will be only funded, if another GoN agency takes the lead. **All pumping schemes should be designed as yard connection schemes.**
- Hydraulic ram pumps.
- Hybrid technology systems for water augmentation.
- Source improvement and conservation with storage provision.

Disregarding the type of technology, the Project will have a 10 000 NPR per capita cost subsidy limit. If a RM is interested to implement a high per capita cost scheme, they will need to cover the part of cost exceeding 10 000 NPR from the RM budget.

Capacitating the user's committee, RM and stakeholder organizations

Empowering the users and guaranteeing the sustainability of the schemes by training all the stakeholders in an appropriate manner is done **in all types of schemes**. This is called the Step-by-step implementation principle and the RMs, wishing to receive investment or technical support for any type of infrastructure development must **commit** to the process.

The Step-by-step procedure identifies the various interventions. The detailed description of the Step-by-step procedure is presented in the Step-by-step manual.

6.1.4 Santation and Hygiene

Sanitation and hygiene is high priority component under the RVWRMP. The Project has made a significant contribution towards improved access to sanitation and hygiene facilities in the Provinces number 6 and 7. By the end of Phase II (2015), five districts (Achham, Bajura, Dailekh, Dadeldhura & Bajhang) were declared ODF, three districts (Baitadi, Doti & Humla) declared ODF in phase III (2016/17) and other two districts (Darchula/Kailali) have progressed well and planning to declare ODF by 2018.

The project will follow the Government of Nepal's national guidelines in order to achieve the **Sustainable Development Goal 6 "Clean Water and Sanitation for all" by 2030**. Ministry of Water Supply, Sanitation & Hygiene has prepared a "Total Sanitation Guideline" which will give RVWRMP overall guidance.

RVWRMP is implementing the sanitation & hygiene activities as **a sanitation social movement** through campaigns, capacity building of concern stakeholders and supporting to establish a reward (no direct subsidy) mechanism for ultra-poor households for safe toilet construction to ensure their access to sanitation facilities. **The main implementers of the sanitation related issues are the Rural Municipalities.**

Key Sanitation & Hygiene issues/challenges in project area are identified to be as follows:

- Poor functional WASH services and **lack of ownership** , both in communities and schools;
- **Bad status, due to poor operation and maintenance** of WASH facilities in communities and schools;
- **Unsafe handling of drinking water** - users are more focused on **quantity rather than quality**;
- Unhealthy personal hygiene behaviour, mainly hand washing;
- Unsafe menstrual hygiene practices and poor facilities;
- Traditional social taboos (chhau-hut practices, denying menstruating women the right to use their own toilet/common water points;
- Poor animal waste management;
- Poor supply chain in provision of sanitary hardware, such as pans.

Sanitation activities of RVWRMP

To address the key challenges, project has set two key priority under sanitation & hygiene promotion:

1) Continuation ODF status and 2) Promoting the communities towards total sanitation behavior.

1. Continuation of Open Defecation Free (ODF) Status - bottom Line

The Total sanitation guideline defines the basic sanitation services level as **"Each HH has easily accessible clean toilet in the compound and using by all family members in all time".** To maintain the ODF status and rights of all people to safe sanitation RVWRMP will support:

- Strengthening RME/RM-WASH institution's capacity in developing WASH policy, monitoring mechanism and WASH campaigns to achieve/maintain the real ODF status;
- Following indicators/criteria that are expected to be prevalent in any given designated areas after declaration of ODF;
- All household have their own clean toilet, which is easy access & used by all members in all time and well maintained;
- There is no Open Defecation in the designated area at any time, and it is ensured that all female uses the toilet during their menstruation period as well;
- All the schools and public institutions within the designated areas must have adequate number of child and gender friendly functional toilet/urinal facilities with better cleanliness.

2. Moving Towards Total Sanitation: Changing Hygiene Behaviour for Better

Ending Open Defecation is a first significant step to an entry point towards total sanitation. RVWRMP will support the RMs to commit to the Total Sanitation and to achieve the following Post-ODF status:

A. Total Sanitation indicators at household level

- Use of toilets by all including menstruating women and elderly people
- Practice of hand washing with soap/cleaning agent at critical times;
- Use of safe water (low cost PoU water treatment and safe handling)
- Use & handling of Safe Food,
- Clean House (yards, solid/ liquid, animal waste management, ICS).

B. Basic WASH indicators for schools:

- Availability of safe drinking water in school premises including PoU water treatment practices
- Adequate number of functional clean user friendly (CGD) toilet.
- Adequate number of proper hand washing (water & soap) facilities.
- Availability of menstrual hygiene management facilities with separate changing room and safe disposal of sanitary pads (Secondary schools)
- Establishment of O&M fund and fund raising mechanism for WASH facilities.
- Proper waste management (solid & liquid)
- Functional Child Club and regular monitoring the use/O&M of WASH facilities.

In order to achieve the above indicators at communities/school level, all WASH stakeholders need to plan and mobilize jointly under the leadership of RM/M and focus to achieve the results as a common goal/target; RVWRMP provides the technical and financial support for preparation of RM-WASH plan (focusing to total sanitation status achievement) in cost sharing basis; and also provide implementation support to RMs to achieve the target/goal of total sanitation plan in close coordination & collaboration with RMs and other active WASH organizations as well.

Key Activities

RM support unit/SO team and technical support unit of the project will facilitate and support the RM/Ms to implement and monitoring the sanitation & Hygiene promotion activities at different level;

A. Household Level

- Technical support for new toilet construction and improvements.
- Promotion and monitoring the use of clean toilet ensuring the access to all family members in all time.
- Promotion and monitoring the hand washing facilities with soap
- Promotion and monitoring the use of utensil washing platform and drying rack.
- Promotion & Monitoring the animal waste management
- Promotion and monitoring the use of safe drinking water and PoU practices
- Promotion and monitoring the use of waste water and dispose of solid waste
- Promotion and monitoring the use of improved cooking stove.

B. School Level

- Technical and Financial Support to improve the users-friendly WASH facilities (water, toilet, hand washing, MHM etc.).
- Promotion and monitoring the use and functionality of WASH facilities
- Promotion and monitoring the use of safe water and PoU Water treatment.
- Capacity building activities to child club, teachers, SMC/PTA etc.; mobilize for WASH monitoring at community.
- Promotion the school-community partnership in line with total sanitation.

C. Community level

- Awareness campaigns/CB related events for changing the hygiene behavior
- Promotion of excess & waste water in home garden
- Chhau-hut free campaigns and encouraging the use of tap/toilet for menstruating women.
- Indoor smoke/pollution free campaigns
- Promotion of total sanitized house/cluster declaration.

D. Rural Municipality Level

- Technical and financial support to prepare RM-WASH Plan (Sanitation and Hygiene improvement plan)

- Technical & financial support to develop qualified human resources at RM level
- Technical support to develop online/mobile application based monitoring mechanism.
- Support to prepare sanitation and hygiene annual implementation plan
- Support to establish supply chain of WASH materials.
- Participate in joint monitoring and ODF & total sanitation declarations.

Approaches/working modalities

The Rural Municipality will be implementing and leading all the activities of achieving Total Sanitation.

In order to achieve the above indicators at communities/school level, all WASH stakeholders need to plan and mobilize jointly under the leadership of RM/M and focus to achieve the results as a common goal/target.

Project shall provide the technical and financial support for preparation of **RM-WASH plan (focusing to total sanitation status achievement) in cost sharing basis.** Sanitation and hygiene related activities (as specified in RM-WASH plan) will be implemented under the leadership of RM/Ms and close coordination/ collaboration with other active WASH organizations & development partners.

The RVWRMP will support the RMs through the following process.

Steps: Moving towards total sanitation status:

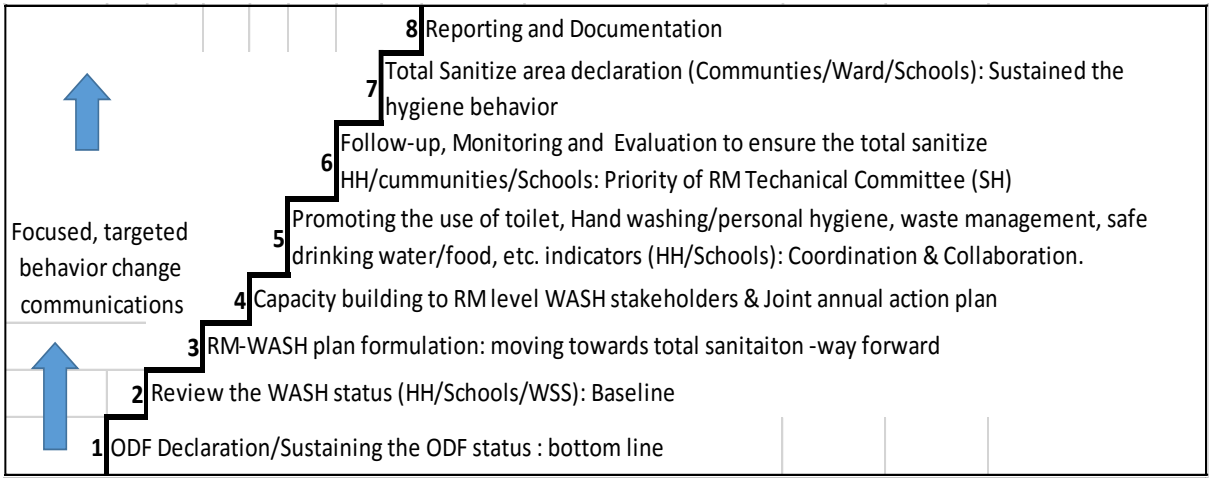


Figure 6: Moving Towards Total Sanitation

Step 1 (ODF Status): True ODF is the foundation for total sanitation. After the communities/RM achieves the ODF declaration the focus should be on sustaining the ODF status. The promotion of toilet use is continued to ensure that all people are continuously using the toilet at all times, the toilets are maintained, **temporary solutions get upgraded to permanent ones**, and there are **functional WASH facilities in schools**.

Step 2 (Baseline): Analysis of the functionality of existing WASH facilities and hygiene behaviour of communities under RM is important make further strategy to achieve the total sanitation status. Project may support to establish the baseline on demand of RM.

Step 3 (WASH Plan Formulation): Project will support RMs to prepare a WASH plan on demand from the RMs on cost sharing basis. **WASH plan should be approved by RM council.**

Step 4 (Capacity Building): To achieve the results of WASH plan, RM executives should realize the sanitation & hygiene improvement is a priority sector of Rural Municipality. In this regards, several capacity building and awareness campaigns related events need to be organized at RM/Ward/communities/Schools level and for the religious leaders' to promote hygienic behaviour.

Project provides technical and financial support to conduct capacity building related events as need of communities/RMs and strengthening the supply chain mechanism mobilizing the private sector/cooperatives.

Step 5 (WASH Facilities Improvement and Hygienic Behaviour Promotion): Various sanitation and hygiene behaviours will be promoted through different behaviour change communication tools & campaigns for use of clean/safe toilet, access to water tap/toilet for menstruating women, proper hand washing/personal hygiene, solid and liquid waste management, household and environmental sanitation including ICS promotion, use of safe food, safe drinking water and WASH facilities improvements etc.

Project shall support designing the low cost sanitation & hygiene infrastructures and provides the technical support to improve the WASH infrastructure at household/school level.

Step 6 (Follow up and monitoring): A proper monitoring and reporting mechanism needs to be established. RM – WASH committee should take the lead to establish a monitoring system in the communities and schools. The objective is to follow the Total Sanitation indicators.

Project may also support to establishment of latest technology based monitoring and reporting system on demand of RM.

Step 7 (Total Sanitation Declaration): After fulfilling the agreed total sanitation indicators, RM/M can declare the designated area towards total sanitation status. This is a declaration to celebrate the communities own achievement and self-improvement.

Step 8 (Reporting and Documentation): All achievements will be well documented and reported to concern agencies and publish in reports and web pages. Case studies/success stories will be prepared and presented in different forum and also publish in reports and web pages.

- Promoting Menstrual Hygiene Management (MHM) behaviour towards Total Sanitation
- MHM is a complex issue that interlinked with many issues, especially come from socio-economic and stigma and bad practices of cultural and religious beliefs.
- In Nepal, Province – 6 and Province – 7 are badly affected from the belief that menstruation is a sin and impureness of a female and cannot stay along with the family members and cannot use toilet and taps during the period where other people are using.

- Women are forcefully sent to the separate, isolated and vulnerable places such as shed, cowshed during the period, which are unhygienic and threat from security reason. The beliefs of community people of Don't DOs during menstruation period is called "Chhaupadi" practice and the separate shed for menstruating women is commonly known as "Chhau-Hut" in these Provinces.
- It is also realized that the economically poor and socially deprived people more afraid of the God than economically and socially strong people. This further push people to the vicious circle of stigma and bad practice of culture and religion.
- The Act on Chhaupadi enforced by the Government of Nepal (GoN) in 2017 has prohibited such discrimination during period and it is defined as a crime and entitled for the punishment / imprisonment according to its seriousness. However, there is a huge gap between social practice and the legal provisions.
- According to the constitution of Nepal and new restructuring of Nepal, there is a provision of legal committee at the RM level headed by the Vice-chairperson. This is an opportunity of reaching the legal provisions directly to the citizens surrounding their own communities.

On this context, without taking females to the toilets and the taps, the ODF status cannot be reached in real sense and hence, cannot be reached the total sanitation status. Hence, RVWRMP will address these issues in the following way:

Accessing the Situation

Baseline survey and the participatory sensitizing tools will be used to access the situation. For these, mobile-application and other triggering tools will be explored and applied. After the implementation, the situation will be accessed time to time and finally the end-line survey will be conducted.

Awareness and capacity building

There will be awareness activities at different levels: Household, Community, institutions (schools, health-posts, etc.), RMs, District, Province and National levels to sensitize the community people and the stakeholders on MHM issues. The national and international especial day celebration events will be conducted to demonstrate the importance of the issues. The local functions, celebration, gathering will be utilized for awareness campaigns to reach the greater audience and amplify the issues.

The confidence level of the community people will be developed to break the silence on MHM issues. The stakeholders including RMs will be capacitated to lead the local total sanitation promotion and to enhance the accountability. The RMs will also be sensitized and capacitated to address the rights of women, monitoring and evaluation as well as to ensure the legal protection to women.

Linkages between community and schools

It has been realized that adolescent girls are missing schools during menstruating periods. In many cases, in these areas, the female teachers are also not going schools. To encourage these groups, there will be interventions of awareness campaigns, capacity buildings and counselling events in schools as well as in

the community level, so that family will send their girls to schools without hesitation. The knowledge from schools are also go to community level through such interventions.

Monitoring and evaluation

Regular monitoring and evaluation will be conducted mobilizing stakeholders under the leadership of RMs.

Support to uplift the living standard

It is necessary to enhance the living standard of deprived/marginalized and economically backward family for the confidence building to combat the MHM issues. Hence, RVWRMP will encourage those families to link with project's livelihood improvement activities.

Encourage innovations

Local context has its own unique nature and it may need to be treated differently. RVWRMP will encourage to visualize such local context and think and act differently with innovations.

6.1.5 Water Quality and Water Safety

The project will not run the laboratory for water quality testing.

For the testing of basic parameters (microbiological, turbidity, Ammonia, pH), project will support core RMs on establishment and operation of basic water quality testing mechanism. Portable WQ testing kits can be included in the scheme estimates.

The users' committees are encouraged to use private sector service providers i.e. laboratories, science schools, CBOs etc.

Water quality testing during the scheme construction is however undertaken as follows:

- During feasibility study, sources are tested for faecal contamination with a field testing kit.
- If other contamination is visible, more tests shall be done.
- At the time of completion intakes, reservoirs and tap-stands shall be tested for faecal contamination with a portable test kit. Structural chlorination shall be performed if contamination is found in reservoirs or the distribution system.
- Water stored at the household level shall similarly be tested during post construction phase.
- User committee shall pay for the testing.
- RM shall provide room and depute 1 person for WQ testing and project shall train the person on WQ testing and interpretation of the result. This person can be e.g. one of the health post staff.
- RM shall procure all the portable kit and its reagents, if the water quality service is not outsourced.
- Project shall train users on safe water handling practices through different approaches campaigns, training, awareness etc. This will be done in connection of the Total Sanitation work.
- Water Safety Plan formulation and implementation is must in all drinking water supply schemes. There is a separate guideline for the formulation of the Water Safety Plan.

6.1.6 Post Construction Phase

After successful completion of the scheme, the Post construction (PoCo) phase is designed in RVWRMP to enhance capacity of the UC and the Users' for sustainable operation and maintenance of the constructed infrastructures. Institutional capacity building for UCs together with capacity enhancement of the RMs is the key area of support.

UCs need to be legally established and mobilized as per their statute and regulations, the schemes should be properly functioned technical support of VMWs and timely repaired through the accumulated O&M fund and water tariff. The service provided by the scheme should be uninterrupted. The idea of the post construction phase is to make users able to recover the cost of the scheme at the end of schemes design period. For the purpose the O&M fund should be mobilized through financial institutions and enough water tariff should be collected regularly.

Key components for the post construction phase are as follows;

- Regular Operation and Maintenance
- Water Safety Plan Formulation and Implementation (with CCA/DRR component)
- UC Governance and institutional development
- Institutional capacity enhancement of Rural Municipalities

Since the post construction phase is designed mainly to enhance capacity of local levels and the UCs, following capacity building and governance related activities are carried out during the phase:
Public Audit and Post Construction seminar at scheme level:

- WSP Formulation and O&M Regulation and Plan Preparation Training at Scheme Level;
- Basic O&M, Sanitation and Hygiene Training to Women's Tap Groups at Scheme level. This session should include the **discussion of women's right to use water during menstruation**;
- Scheme Sustainability Workshop at Rural Municipality Level;
- UC Female Member's Workshop at Rural Municipality Level;
- WASH Governance Workshop at Rural Municipality Level;
- Functionality and Sustainability Workshop at Province Level.

For larger sized schemes and yard connection type of the schemes, utility management training will be conducted to the UC officials and key staffs of the UC.

Detail description of the activities and implementation procedure is presented in Post Construction Manual of the Project.

6.2 Result Area 2: Livelihoods

The livelihoods activities of RVWRMP III have two main support modalities:

- Activities supported in all water supply schemes areas, as a part of the Step-by-Step implementation procedure. This mainly refers to the **home garden and nutrition programme**. When a RM opts for water supply infrastructure, these activities will form part of the package;
- Activities implemented based on the Livelihood Improvement Plan and RM's annual work plan and budget. This refers to any other **advanced and commercialized livelihood interventions**.

6.2.1 Home Garden

Home garden and Nutrition programmes as part of DWSS and irrigation schemes

Every household involved in Project-supported WASH schemes will be provided an opportunity for home gardening and the aim is that at the end of Phase III at least **275,000 people** will have benefitted from this activity. The main aim of home gardening is **improved nutritional status of the household**. The Project will support training in setting up and managing home gardens aiming to have diversified crops: seasonal vegetables, spices, fodder and fruits.

Home garden groups

Households participating in home garden trainings will be organized in home garden groups where all are encouraged to participate. Every group will choose Leader Farmers who will maintain a model home garden, participate in special trainings and disseminate their knowledge and skills to other farmers in the area. A home garden group can function as a first-step savings and credit group and be further linked (graduated) to a nearby cooperative for other commercial production and marketing related activities.

Home garden training activities

Home garden training activities will include utilising low cost and tested agriculture technologies such as the use of manure, compost and urine for producing organic fertilisers, on-farm storage and identification and control of the most common diseases and pets. The project promotes organic agriculture when working with home gardens. Leader farmers may be trained in specific topics such as local seed production and seed saving, grafting of fruit trees and installation of drip-irrigation systems. At least 50% of all the home garden training participants as well as ToTs and leader farmers will be women. *Dalit, Janajati* and other socially excluded groups will comprise at least proportionate to the ratio of total beneficiaries population.

Nutrition

Home gardens with diversified foods are the entry point for nutrition improvement, especially for women and women during reproductive age. The project will promote home gardens with nutritious crops such as root crops, legumes, vegetable crops, fruits, spices and medicinal plants along with fodder for livestock. The project will organize interaction, awareness campaigns and trainings on dietary foods to mothers' groups, pregnant women, adolescent girls and children. This is done through specific Nutrition trainings

that may include cooking demonstration and Thali demonstration of foods available in the home gardens. These nutrition trainings will be facilitated by mobilizing Livelihood Promoters, Health Promoters and FCHV employed by the RMs.

All Support Organizations hired by the RMs will need to demonstrate, that they have capacity to organize the agricultural and nutrition training for the home garden groups.

Home Garden and Nutrition training process

Home garden and nutrition activities are integrated with the construction of water supply, MUS and irrigation schemes. The activities follow step-by-step process of the project. The activities are implemented by the Support Organizations in cooperation with the relevant RM staff. There are six basic events for home garden and nutrition as follows:

Step 1. Formation/reformation of HG group and registration at RM;

Step 2. Basic Orientation on home garden and nutrition with UC orientation;

Step 3. A four days training (three days-home garden and one day -nutrition)-seasonal;

Step 4. A one day training on home garden refresher training-seasonal;

Step 5. Nutrition campaign/training/demonstrations/IEC materials/cooking -with regular activities of HP, FCHV, LPs;

Step 6. Regular follow up, monitoring, supervision etc. of home garden and nutrition

Livelihoods activities in the RMs annual planning

The Project will support the RMs to come up with the livelihood implementation plan (LIP) as a part of the WUMP process or a wider RM Master Planning and profile formulation process, as described in chapter 5.1.

This plan will be a part of the strategic periodic plan of the RM. Activities from WUMP/LIP will be included in Annual Work Plans of the RM.

Additionally, the RMs can, during the annual proposal preparation time, come up with livelihood activities, which will be included in the Annual Work Plan and further implemented.

Preparation of the livelihood implementation plan

The project will support core and other RMs to prepare Livelihood Implementation Plan. The plan will be built on the basic framework of the Water Use Master Plan. In the case of new RMs applying for the WUMP preparation, the WUMP and LIP processes will be done simultaneously. In case of the already completed WUMPs, the LIP will be planned as based on the recommendations of existing water resources.

The LIP process will be as much as possible led by the RM with project support and after completion it will be used to implement activities of the project but also activities of government line agencies, NGOs and

other projects. It will give the RMs full control over their planning and livelihood implementation roadmap.

Livelihood Implementation Plan will identify all livelihoods related aspects of the RM, including land-use-pattern, soil fertility, water availability, existing commercial agriculture coverage, established Micro Enterprises, government institutions, cooperatives, irrigation facilities, market facilities, existing collection centres, distance to local markets, transport possibilities etc. Some of this information can be taken directly from the exiting WUMPs or is available with government line agencies such as the District Agriculture Development Office.

Based upon this existing situation a detailed livelihoods sector analysis will take place with all relevant stake-holders to identify potential and feasible activities based upon the available resources, skills and market potential. The final LIP will prioritize activities and ensure that investments made will be sustainable, inclusive and have a maximum impact on the livelihood situation in the RM.

6.2.2 Income Generating Activities

Commercial Agriculture Production

The Project will focus on commercial farming and income generating activities in those RMs:

- that have a market potential due to their proximity to primary or secondary roads or local markets;
- availability of sufficient water resources for irrigation;

The Project will support the RMs to develop commercial agriculture by developing marketing channels and promote collection centres and develop and strengthen linkages with traders and wholesalers.

Strategic training of trainers and the quality of trainings will be important in Phase III. The Project will focus on developing regular refresher and more advanced trainings in various agriculture technologies, methods and services activities, in savings, small business development, and other knowledge and skills required for sustaining continuing livelihoods improvement. The mobilization and training of LRPs working under the RM structure will be promoted on a demand basis.

Crops supported for commercial farming will be identified in the LIP based upon criteria such as market demand, irrigation demand, processing possibilities, transport costs, market linkages, commercial value and available government support through existing pocket area approach.

Technologies such as simple poly-houses will be an option for off-season vegetable production during periods where open cultivation is climatically challenging. Mushroom cultivation requiring minimal space may also be an option for improving income generation for poorer and landless households.

The development of a sustainable commercial agriculture system will need the full integration of Cooperatives as leading stakeholders in the process. It is envisaged that towards the second half of the Project, cooperatives will take the lead in organizing farmers and farmer groups for commercial production, collection and grading of produce, management of agriculture inputs and marketing.

Micro Enterprise Promotion

Micro enterprises (MEs) in the project mean small businesses that comprise around ten or less entrepreneurs of the same vicinity and interest and or an individual business and generate both employment and income opportunities for themselves and the communities. Under the MEs, the project will focus on water and energy based activities i.e.: grinding of grain and spices, food processing, carpentry, noodles, dalmoth making, allo processing, bamboo crafts and furniture, electronic repair and maintenance shop, photo studio, poultry farming, agro-forestry based activities, collection centers, multipurpose nurseries, contract farming, bee keeping, vegetable seed production, NTFPs etc.

Based on priorities of the LIP of the respective RMs will select the activities for the intervention in close collaboration with stakeholders.

The Project will support existing and new agro-based Micro-Enterprises (ME). The Project will work both with group based enterprises, Cooperative based enterprises and individual private enterprises.

The Project will establish collaboration with relevant GoN agencies on Provincial level.

Promotion through demonstration approach will be adopted in expanding the technologies and skills. The project will train and develop Local Resources Persons (LRP) for the livelihoods activities in those RM which apply for the human resource support and which have an advanced level livelihoods programme.

Grant programme

The Project will initiate a grant program to support Micro-Enterprises at RM level which will be rolled out in FY03. This grant program has the objective to accelerate growth of MEs by supporting start-ups with financing and to promote existing MEs for expansion of activities related to the Project objectives. Criteria will be established jointly by the Project and RMs. ME will be required to co-fund and will only be eligible for grants if they prove to sustainable businesses with a clear growth strategy (business plan). Other criteria may include potential job growth, women owned businesses, affiliation with cooperatives, affiliation with MHP end-use of electricity etc. Based on the condition, the establishment of a small grants program through the RMs with a minimum matching contribution of 50% from the grant recipient may be explored to support start-up activities or help to diversify existing MEs in core RMs.

Cooperatives Development Process

The Rural Village Water Resources Management Project has been supporting people in its working areas for the development of cooperatives since Phase I. The intention of Phase III is to have at least 2 to 3 well-functioning cooperatives in each core Rural Municipalities as per willingness of community and Rural Municipality.

As per cooperative Act 2074 (article 30, sub-article-2), besides the individual membership, the local level government agencies, cooperative/community school, club, non-profit organizations of local level, production/service oriented organization and user groups shall also be member/shareholders in local cooperatives.

Cooperative development is closely linked to provision of services related to water supply, irrigation, micro-hydropower and MUS schemes that are the core services of RVWRMP. As part of cooperative development, the project will form, strengthen and encourage community-based organizations such as home garden groups, women's groups, and livelihood/farmers groups, UCs and link these groups with cooperatives. In the end these groups will function both as support groups and as savings and credit groups. The Users Committees should seek the membership/shareholder status of local cooperatives, invest the O & M funds to the cooperative. Also the UCs should be able to get a loan from the cooperatives in case of a major infrastructure repair need of the water supply system.

In addition to the above, Micro-hydro cooperative will be piloted in RMs where MH is feasible & viable.

In order to develop a functional cooperative in all RMs, the project shall take a three pronged approach:

Strengthening of existing cooperatives

The project will give priority to strengthen the cooperatives if they exist. As part of the process to strengthen the existing cooperatives, the project will assess the reliability of the cooperatives as well as their viability.

Expansion of services to adjoining project Wards by developed cooperatives

The project has developed 15 cooperatives during Phases I & II. Among them, some are mature and capable to expand their business area in other wards of rural municipality to scale up the transactions, so this would immediately enable the community members to have access to cooperative services. More than six viable developed cooperatives exist in core rural municipalities during phase I&II. These cooperatives are capable to expand the services in un-served areas of rural municipalities. If the cooperatives extend the services, project will provide the operational cost for the establishment of unit office, stationary supplies as per policy.

Development of New Cooperatives

In those Rural Municipalities where a promising cooperative for strengthening is not found, or if no cooperative is registered, the project will take the following approaches to develop new cooperatives following the step-step process.

Cooperative Development Process (step by step)

Below is the process as outlined in the operating procedure. Separate operational guideline is provided in Nepali language.

Step 1: Training of Trainers (ToT) on Institutional Development (5 days): The participants of this training are genuine leaders (one male & one female representing the targeted area), potential managers, FC & other social leaders. They will be marketing the cooperative concept in the villages.

Step 2: Cooperative Management Training (5 days): The participants of this training are ad hoc committee members, potential managers & Field Coordinators (FCs). This training is designed to develop the managerial skill of ad hoc committee members, in order to establish a cooperative.

Step 3: Establishment of the cooperative. This included the preparation of Statute, Registration and preliminary Annual Meeting.

Step 4: Office, Loan and Account Management Training (6 days): Transparent book-keeping is a critical element for future success. For this purpose, an Account, Office and Loan Management Training will be organized to develop managerial skills of the core personnel and executive members of cooperatives on Financial, Loan and Office Management.

Step 5: Exposure Visits: This is organized with a view to trigger the germination of new ideas. Under this, the members of Executive Committee, Account Committee and cooperative staff will have an opportunity to gain exposure to different cooperatives. This will be tentatively organized after one year of business transactions.

Step 6: Refresher Training on Account, Loan & Office Management (5 days)

Step 7: Business Plan Preparation Training (5 days). The Business Plan describes what business strategies the cooperative should adopt to address the potential risks to be encountered in the market.

Step 8: Linkage Development with various agencies, especially the financial institutions.

Step 9: Business Skills Development Training (5-15 days): for those Cooperatives that show a strong financial status, a strong interest in developing the Micro Enterprises linked to the Cooperative, and are operational self-sufficient.

Local Resource Person Mobilization

Local Resource Persons (LRP) are providing field level support to the RMs to undertake the activities planned in the Annual Work Plan. LRPs will also participate monitoring, evaluation and assessing impact.

The project aims to develop local capacity to deliver the services to communities as when and needed. The project will assess the situation of the technical input for the particular RM and support the recruitment of Local Resource Person (LRP) in each core RMs. LRPs will be mobilized and hired by the respective RMs.

Selection of LRP

RM will select the required number of LRPs in close coordination with the project. The selection of the LRPs will be done in a transparent way as decided by the RMPMC. While selecting the LRPs, the following criteria will be strictly followed:

- Agreement on the ToR and Terms and Conditions of the personnel to be recruited in the RMPMC;
- Public advertisement, within the RM area.
- Screening of the applicants.

The selected candidates for the LRP should have following competences:

- Willingness to work as LRP, active and physically fit;
- Experience in vegetable farming;
- Should live and stay permanently in the community;
- Willing to establish model garden (home garden and/or commercial farm);
- Staying in the village (going back to her/his history);
- Experienced in respective area; practically doing the work in relevant field
- Literate, at least able to read and write well;
- Priority to VLEW, Leader Farmers, JTAs;
- 50% female if more than one is proposed for the training.

Due consideration will be given to single women, economically vulnerable excluded groups if they meet the above criteria.

Capacity Building of LRPs

Training of LRPs will consist of a basic training followed by tailored follow-up and refresher trainings, either province-, district- or RM-level based on the number of LRPs to be trained and resources available. A five days basic training will be organized for the selected LRPs for the first time, followed by a 4 days refresher training after one or two cropping season. Trainings will mostly be outsourced to the Regional Agriculture Training Centers such as near Mahendranagar and Nepalganj.

The Project will coordinate with the Department of Agriculture for training of Village-Level Agricultural Extension Workers (VLEW). The VLEW training consists of 51 days theoretical and practical training. Suitable candidates from RMs will be proposed to the DOA for VLEW training with the possibility of co-funding by the Project.

Mobilization of LRPs

After completion of the training, selected LRPs will be mobilized by the RMPMC in close coordination with project staff and respective agriculture section of the RM. RMPMC decides the number of LRPs to be hired and appoints them for the field mobility. The project could mobilize the LRPs in other RMs as well other than the assigned RMs based on the need of input. LRPs will be mobilized for field level technical (WASH and livelihood) trainings, demonstrations, cooperative development depending on their individual expertise. The LRPs are paid based service providers. All LRPs are employed and contracted by the RMs.

They will be paid based on the decision of the RM or RMPMC following the options below:

Table 4: Payment Mode of Local Resource Persons

Options	Payment mode
Option I	Initial payment will be from RM-WRDF, which will be gradually shifted towards the RMs in such a way that RM-WRDF pays 100% of the salary in first year, 75% second year, 50% third year or so and RM pays 25% in second

	year, 50% in third year and so. This provision will apply for those who are hired on yearly basis.
Option II	Directly paid from RM-WRDF based on the agreement done if RMs are unable to contribute in the salary of the LRPs (Salary range: NRs 6,000-NRs 8,000).
Option III	Other than the yearly and monthly basis, the LRPs' fee will be included in the event proposal and paid from RM-WRDF.

6.2.3 Infrastructure Development for the Livelihood Needs

Multiple use of water

Multi Use Water Services (MUS) are water systems designed in such way that a single water system fulfills several functions - both domestic and productive water needs. As such, it takes into account the water demands for each of those components considered.

There can be a number of MUS designs depending on the type of water source, its location in relation to the community demand, water quality & quantity and desired/available technologies.

By definition, MUS could be the scheme which may cover different types of needs of the rural community by providing safe drinking water, irrigation, rural electricity, improved water mill and other domestic water based enterprises like horticulture, fisheries, animal/poultry farming etc.

Technology Options

Project has been supporting MUS schemes with varied multiple usage. Some of the multiple options for support could be:

- Drinking water and small scale irrigation service (gravity/RWH & sprinkler or pond irrigation). This shall be the most common MUS for support
- Drinking water, irrigation and small scale electricity services
- Irrigation and improved water mill services
- Irrigation with electricity services
- Water supply schemes with animal watering troughs

Design Criteria:

- Water supply component as basic water service
- Only overflowed water from drinking water service tank shall be collected for irrigation if primary service is drinking water service
- Pond/Sprinkler irrigation: 300-500 Liter/Ropani of land for pond calculation
- Soil cement tanks are preferred for irrigation tanks and pipe network to the field to irrigation off-takes

- Poly houses (drip irrigation) if practiced shall be constructed below the public stand post (preferred).

Criteria:

- The proposed water source/s must be sufficient to meet the water demand of dry period
- All schemes must be prioritized in WUMP (MUS option could be assessed during detail feasibility period, even-though not prioritized as MUS)
- Basic MUS shall be supported for "self-use for nutrition under home-gardens in all drinking water schemes
- Farmer shall contribute in soil cement tank/pond structure if constructed for personal use.
- Sufficient contribution from RM and users
- Possibility of income generation through water based livelihoods
- Reducing the hardship preferably of women, girl and disadvantage groups (DAG)
- Linked with local cooperative possibly RVWRMP supported

The basic MUS (basic WS+Sprinkler) could be supported even in non- core RMs if found possible.

Implementation process has been described in the overall guidelines for the Step-by-step project implementation guideline for irrigation.

Irrigation services

Irrigation is the process of acquiring water from a water source, conveying through structures (canal, pipes etc.) up to the fields and applying up to the root zone of the plants for agriculture purpose up to the optimum level of requirement of the plants, in areas where rain water is not sufficient to meet the demand by crops.

The objective is to provide irrigation round the year for double/triple cropping and increased/diversified crop production.

Technology options

A) Surface irrigation or conventional (stand-alone): Water is brought to crop fields through lined canal constructed with stone masonry or RCC canal or pipe. Off-takes are constructed at the canal itself.

Criteria:

- Project shall support existing/new small farmer managed irrigation system in intake works, conveyance system and other structures like crossings, distribution etc. as per need.
- The proposed irrigated area must have at least two crop cycles/year
- All irrigation schemes must be prioritized in WUMP of a core RM.
- All local materials and earth-work must be voluntarily contributed by beneficiaries. RM could increase its contribute.
- Priority for LIP listed area (stand-alone or MUS) irrespective of WUMP priority

- The community must set up a user's committee, a cooperative or a company for the operation of the irrigations system.
- Care-taker, water tariff and O & M fund is a must
- Preferably implemented by existing farmer group, registered in DAO or RM

Improved water Mill shall be designed where ever possible in canal irrigation system. If such IWM is designed, the canal will start from tail end of IWM. For remote clusters away from road head or grid, IWM shall be designed for long shaft with other end-uses.

B) Micro-irrigation: water is brought to crop fields through pipe and or stored in ponds or tanks. It could be *sprinkler system* where is applied in the form of artificial rain or **drip** where water is applied at root zone or pond where water is applied as necessary in any form. The technology could be:

- Gravity
- Pond
- Rain water harvesting
- Hydraulic ram or other lifting technologies

For advance level livelihood intervention area, the "personal water collection pond" system would be preferred. This system will be designed as piped one and fed to each pond. The pond owner will contribute in construction of pond.

Criteria:

- All gravity WS system shall be designed for micro-irrigation as far as possible.
- LIP listed area (stand alone or MUS) shall be prioritized irrespective of WUMP priority. Dalit community, less land HHs and DAG community shall be prioritized.
- Area with road nexus and market.
- O & M fund, care-taker and water tariff is a must.
- Community & RM contribution shall be as per project policy
- Linkages to cooperative is preferred
- Preferably implemented by existing "farmer group" registered in DAO or RM as per prevailing GoN rule and regulation.

Implementation of all irrigation and MUS infrastructure will follow the Step-by-step procedure as presented in Step-by-Step Guidelines.

6.2.4 Rural Advisory Services (RAS)

"Rural advisory services are all the different activities that provide the information and services needed and demanded by farmers and other actors in rural settings to assist them in developing their own technical, organisational, and management skills and practices so as to improve their livelihoods and well-being."

The Project will develop a comprehensive plan to reach the target indicator of 500,000 people receiving rural advisory services which will include strengthening of existing private, cooperative and government extension services.

Possible activities are:

- Farmer-to-farmer extension through farmer groups, LFs and LRPs
- Embedded extension services with Agro-Vets and Cooperatives
- Support and strengthen government extension services at RM level through trainings and other focused activities
- Explore possibilities of ICT supported technologies such as roll-out of existing mobile based extension apps and SMS services.
- Facilitate and provide support the establishment of Community Agriculture Extension Service Centers as described in the Agriculture Development Strategy of Government of Nepal (2015-2035)

The number of beneficiaries of the rural advisory services will be identified through midterm surveys, periodic surveys and studies.

6.3 Result Area 3: Climate Change Adaptation/Disaster Risk Reduction

6.3.1 Disaster Risk Reduction

Climate change is causing far reaching impacts to the Himalayan environment and lives of people. Climate change demonstrates itself in:

- rising temperatures and hence melting of the high altitude ice;
- increased and intensified rainfall during the rainy season;
- increased and intensified drought during the dry season;
- floods.
- Low rainfall during winter season and hence source depletion

Man-made environmental risks include:

- erosion of forests and catchment areas due to poor land-use management;
- overutilization of water resources;
- pollution of water resources;
- mismanagement of natural resources, e.g. sand and gravel extraction.

Other risks include:

- earthquake risk;
- vandalism;
- fires.

All the above lead to the increased insecurity of water supply for households and livelihoods.

The impacts are seen as direct and indirect losses through economy, social and environment affected. Direct losses may be physical damages to constructed structures rendering service level deterioration to closure. The indirect losses may be complicate with human suffering as loss of capital and labour force, loss of livelihood and migration affecting economy.

The project investments in infrastructure development are physical risk reduction measures that contribute to reducing structural vulnerability, hence the design and construction of hazard-resistant infrastructure is a priority work. Similarly impact from climate uncertainty is targeted through source recharge, conservation, protection and storage options and application of appropriate climate smart cropping and irrigation systems. Project also invests in training users on appropriate disaster risk and climate change resilient measures in all project activities.

Table 5: Disaster Risk Reduction and Possible Intervention Options in RVWRMP

A. Water Infrastructure		
Potential Risk agent	**Potential Impacts**	**Possible intervention options**
1. Water Supply		
Flood, land-slide, road construction & quarry operation	Physical infrastructure damage	Appropriately located, structure modification, material and construction quality, Risk transfer (scheme insurance & linkage to cooperative), bio-engineering
Grazing, open defecation, Surface run-off,	Micro-biological contamination	NO open grazing/defecation area declaration, Sanitation & hygiene promotion, run-off diversion channels, animal drinking space, Water safety plan, structure chlorination, PoU, Behaviour change & communication
Low rain, Deforestation, road construction, land use pattern change	Source discharge reduction/drying, pressure in existing water source use	Recharge, Plantations & protection, storage, awareness, planned environment management planning, ICS Policy Advocacy/facilitation to R/Ms to formulate building codes with mandatorily appropriate rainwater harvesting system
Fire storming in local emerging bazar areas/dense community	loss of property/negative impacts in livelihood	Provision of Fire Hydrant in WS system or fire extinguisher

2. Irrigation		
Low rain	Source discharge reduction/drying	Recharge, Sprinkler & drip, ponds, MUS, RW collection, water security plan,
Land-slide, flood	Physical damage, High debris flow	Afforestation, low cost intake, Silt chamber, appropriate structures, Risk transfer (scheme insurance & linkage to cooperative)
3. Multiple Use Water Systems		
Low rain	Source discharge reduction/drying	primary use priority
Land-slide, flood	Physical damage	Afforestation, Appropriately located, quality of material & construction, Risk transfer (scheme insurance & linkage to cooperative), ICS, bio-engineering
4. Improved Water Mills		
Low rain	Low discharge	Pond (storage), operational timing, canal design from tail end of IWM
Competing interests		
High rain, Flood	Physical damage	Appropriately located, Risk transfer (scheme insurance & linkage to cooperative)
5. Micro Hydropower		
Low rain	Source discharge reduction/drying	Recharge, Increasing vegetation through bio-engineering, use of energy for household purpose for afforestation
Climate change	Mostly source depletion, unexpected big flood	Measures of Climate change adaptation
Land-slide, flood	Physical damage specially intake, canal, powerhouse, High debris flow	Afforestation, bio-Engineering, geological testing and treatment; appropriate structures, Risk transfer
B. Water based livelihood		
Potential Risk agent	**Potential Impacts**	**Possible intervention options**
Low rain (Drought), high rain	Drought and flooding	Use drip irrigation to save water
		Use of waste water for HG
		Row and bed-planting

		Raised beds against floods
		Plant drought resistant crops and varieties
		Short duration crops and varieties to catch the season
		Organic agriculture for home gardens
		Use of animal manure for fertilizing
		Planting of fruit trees and fodder crops for improving soil sustainability
		Planting on ridges, contour lines
		Use of mulching for save water
		Use poly-house and plastic tunnel production to offset temperature changes
		MUS
		Training of famers, awareness raising and new technologies
		Bio-engineering
C) Lack of institutional capacity of local level (LDRRCC)	Lack of emergency response, coordination and policy linkages	Institutional support to local level LDRRCC (provision of stock piles for emergency response....)

6.3.2 Renewable Energy Options in RVWRMP

RVWRMP is supporting for renewable energy from first phase. Micro Hydropower is the major component and there are various other Renewable Energy Technologies that RVWRMP is being promoting. The project will support following renewable energy options:

A) Hydropower:
- Micro hydro with 30 kw-100 kw energy
- Electric Pumping for water supply (GoN sectoral agencies as lead agency)
- Hydraulic ram pumping for water supply and irrigation

B) Solar Energy:
- Solar Water Pumping for Water Supply and Irrigation
- Solar Cooker (to be piloted in the livelihoods context)
- Solar Dryer (to be piloted in the livelihoods context)

C) Improved Water Mill
- Short shaft
- Long shaft for advance level livelihood application

- Ghatta Electrification

D) Improved Cooking Stove

- Mud stove: Preferred for hill region
- Rocket ICS: Preferred for small family in hill region
- Metal cooking stove: Preferred for high mountainous region (>2000 mts)

E) Other Renewable Energy option

- Hydraulic Ram pumps (Implemented for water supply and livelihoods context for irrigation-during Phase II)
- Biogas (attached to the latrines; promotion only)
- Biomass Briquette (to be piloted in the livelihoods context)
- Biomass fuels (to be piloted in the livelihoods context)

There will be step-by-step guidelines prepared for all types of renewable energy options. Every option will have four different phases - Planning Phase, Preparatory Phase, Implementation Phase and Post Construction Phase. Official monitoring visit comprising project and RM representatives for the payment and public auditing will be embedded in the project cycle.

6.3.3 Micro Hydro Power: Types of Schemes

A. New micro-hydro schemes:

The new micro-hydro plant will be supported for 30-100 KW capacity. All such new plants shall follow the RVWRMP policy and contribution as guided by PIG. The new plant will be implemented through cooperative model for local financing, construction, operation and maintenance. The Cooperative will be made responsible for day to day activities from planning, construction to operation of the service. RVWRMP will support the cooperative and RM in all the stages of MHP implementation. Besides the budget, RVWRMP support will mainly be in terms of facilitation, technical back stopping, quality control and capacity enhancement.

B. Rehabilitation of existing micro-hydro schemes

Rural Municipalities shall be encouraged to rehabilitate sick micro hydropower plants through cooperative, if existed in the rural municipality. RVWRMP shall provide technical support for repair & maintenance, replacement of electro-mechanical equipment or wooden poles and setting up sustainable institution, enhancing capacity development and operational strategy preparation. Level of financial subsidy from the project shall be kept as minimum as possible.

The type of support will be identified through proposal submitted by concern RM and assessed by the project.

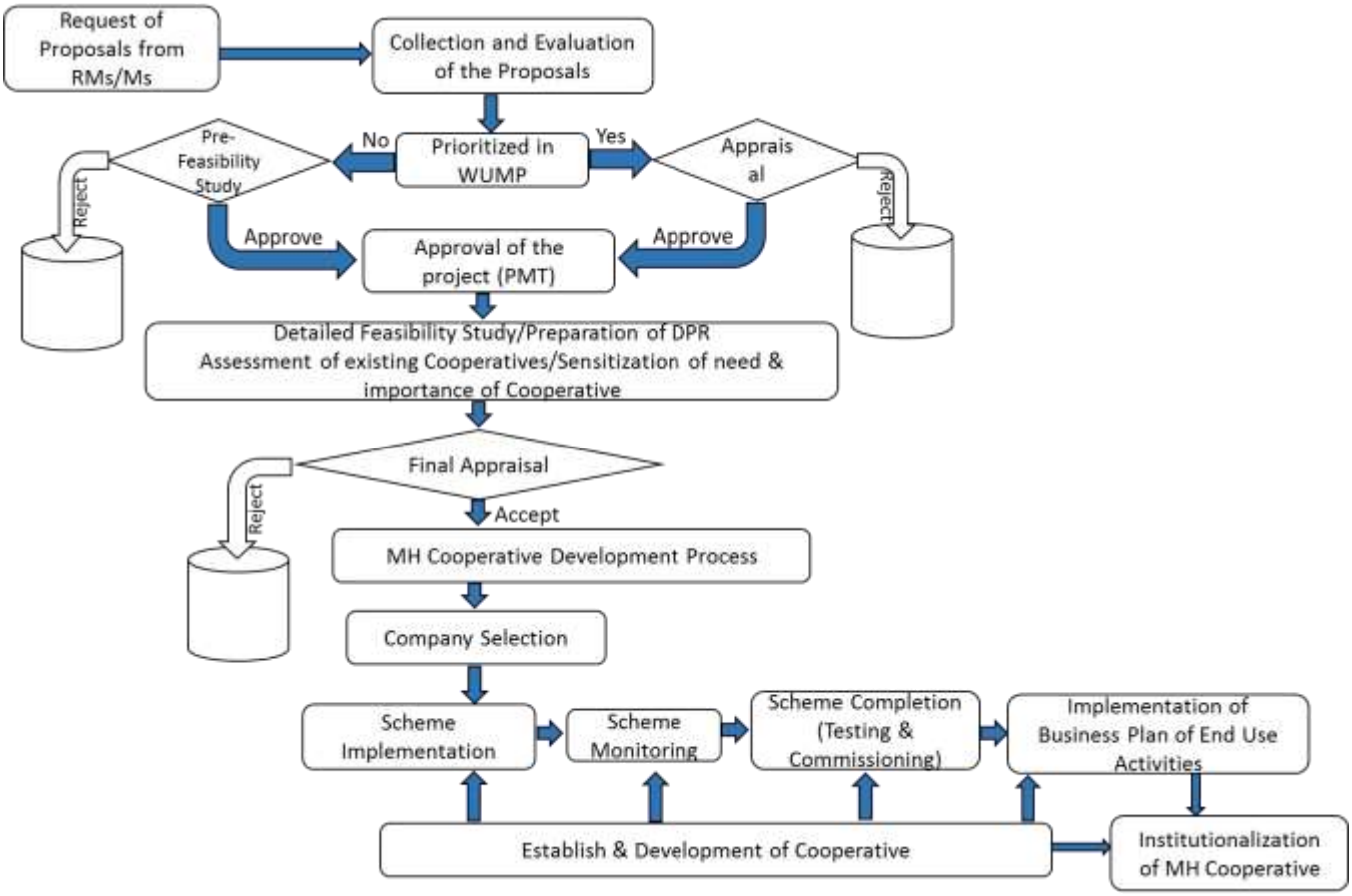


Figure 7: Flow Diagram of MHP Implementation

To ensure the sustainability of MHP development, the MHP will be implemented and owned by RVWRMP supported cooperatives. The cooperative development follows the project's proven cooperative development procedures. All beneficiary households will be the shareholders of the cooperative. An Implementation phase and operation & maintenance agreement of MHP is formulated between Cooperative and RM. RM, cooperative and users invest their cash and kind as provisioned in the step by step approach of the project MHP implementation. Cooperative will procure material as per project's community procurement manual.

The RVWRMP shall support the RM and cooperative to hire a consultant or consultant firm to carry out a detailed feasibility study (DFS) and design estimate preparation. RVWRMP, through the PCO, will facilitate the final preparation of all bidding documents and collect the "Expressions of Interest" from private companies for electro-mechanical components of MHP. The cooperative will collect the sealed quotations from the eligible companies. Cooperatives make decision of selecting company and make agreement with them. Training to cooperative on MHP implementation will be provided by RVWRMP on step-by-step procedures of MHP implementation, financial management and procurement training, book keeping

training, productive energy use training and utility management training. Project will be responsible for technical facilitation.

Concern RM will guarantee investment, the payments to consultant and installer and monitoring through management contract with cooperative with multi-year planning of fees and costs.

O & M mechanism

The cooperative will explore the possibilities of establishing a long term service contract with the supplier(s)/service providers for regular repair and maintenance of the electro-mechanical component.

Every micro-hydro plant will be operationalized through operational and maintenance contract with RM. Sustainable billing mechanism and fee structure and transparency will be the key issue. The installer will have to make a long term service contract with cooperative for future maintenance and replacement assessment even there is no need of maintenance or replacement every year. The installer company will visit the project annually and cost of such visit will be paid by operational agency or cooperative.

Improved Water Mill (IWM)

The main objective of intervention of improved water mill in RVWRMP would be

- Reduction of drudgery of specially women to improve the living standard of rural women and men.
- Creation of employment opportunities for rural poor people and increase the productivity.
- Reduction of CO_2 emission and to contribute in climate change (Short shaft IWM reduces 3.126 ton CO_2 and Long shaft reduces 4.519 ton CO_2. Similarly an Improved Water Mill with Electrification saves 6.075 ton CO_2/year).

Project will support IWM installation. IWM will be owned by beneficiary community or individual. The type of shaft will be as per scope of utilization. Through *ghatta* electrification, electricity can be generated. Each Irrigation system is encouraged to make the provision of IWM instead of standalone irrigation system. All implementation process will be as per SbS and project will encourage affiliation with cooperative, *ghatta* owner group and *ghatta* owners association for institutionalization.

Improved Cooking Stove (ICS)

Biomass energy occupies a very importance place in energy consumption of the country. As fuel wood is crucial to rural populace of the country for meeting their cooking as well as heating needs, the rate of exploitation of forest resources for fuel wood has gone beyond a sustainable level and is one of the causes of deforestation in the country.

ICS is a device that is designed to improve combustion efficiency of biomass, consume less fuel, save cooking time, convenient in cooking process and creates smokeless environment in the kitchen or reduction in the volume of smoke produced during cooking against the traditional stove. The improved cooking solutions improve not only the adverse health condition of the people but also the environmental situation with reducing the deforestation rate. The improved cooking stoves improves fuel saving via improved fuel efficiency as well as lowers emissions through improved combustion efficiency.

The process of improving the cooking stoves in the communities is as follows:

- Development of skilled human resources for implementation of improved cooking stoves as demanded by community.
- Coverage of entire local level and support for indoor smoke free movement

ICS will be implemented as separate schemes and will be implemented by UC of water supply or Cooperative. ICS plan will be synchronized with total sanitation strategy. Based on the community demand and appropriate technology suitable for the particular location, the ICS technology will be selected. Whole RM will be covered by ICS for declaration of indoor pollution free (IPF) RM. After declaration of IPF, the IPF sustainability will be closely monitored through cooperative or RM WASH CC or appropriate mechanism and the monitoring will be closely linked with total sanitation plan and strategy.

Water supply and Irrigation options with renewable energy will be implemented as SbS procedures of water supply and irrigation sector.

Table 6: CCA/DRR related Capacity Building Activities

1	Green House emission reduction/calculation training to RM/Project staffs
2	ICS promoter training and incentives
3	IWM Installation Training
4	Training on Energy Efficient Technology to RM/Project staffs
5	CCA/DRR ToT to GP staff, GPO and RM/Project staffs
6	Training on Bio-Engineering Technology to RM/Project staffs
7	Training on Land Slide Treatment Technology specially for MHP
8	Awareness programme to community regarding CCA/DRR
9	Training on 3R Technology
10	Learning visit regarding CCA/DRR to Project Staffs and RM Engineer
11	Workshop/Studies/Exposure Visit
12	Climate smart irrigation/cropping technology training
13	Institutional support to local level DRRCC

6.4 Result Area 4: Governance

Result area 4 is designed to enhance the capacity of the different levels of the GoN administration, especially the Local Government Level, to provide WASH and livelihood services to their constituencies.

Specific objectives are:

- Provide **support to the local level administration** in implementing, monitoring and reporting of the RVWRMP III interventions, which are defined in the RVWRMP III Project Document;
- Facilitate **transfer of knowledge and skills** to the local level administration of the key competences and tested methodologies of RVWRMP;
- Create a support structure for the implementation of **the increased volume** of Project investment and **diversified interventions**, especially in livelihood and agricultural sectors;
- Maximizes the efficient utilization of **the present staff's expertise and experience** and guarantees a smooth transition from the District-based support structure to RM-based support structure;
- Guarantee the continued **implementation** of the RVWRMP III activities **at the community level** without disturbance;
- Facilitates **a gradual hand o**ver of Project's staff functions to the RMs and other Government entities in Provinces 6 and 7.

The actual activities of Result 4 include joint planning, implementation and monitoring activities of the RVWRMP and the participating RMs.

Capacity building is an important component of t Result 4. Capacity building is extended to the central level (DoLIDAR/PCO) staff, elected members and administrative staff of RMs, community members undertaking different project activities, support organization staff and RVWRMP staff.

Capacity building in its many forms and at many levels is at the core of the approach to all result areas. Approaches and individual activities are ultimately built on people's needs, priorities, aspirations and also limitations: the low availability of skilled human resources and low educational status and illiteracy are characteristic to the Project working area. Hence, capacity building activities are needed in all result areas. At the activity level capacity building can be classified into two broad categories:

- Promotion and awareness creation together with skill enhancement through sensitization, mass meetings, campaigns, special events, orientation and observation and study tours.
- Human resources development through various kinds of trainings (vocational/technical courses, workshops, seminars, on-the-job training, learning by doing, etc.).

Four levels of Capacity Building

The projects sees its role as strengthening the nascent local administration to become effective service provision entity and assisting the local administration in strengthening their capacity to govern.

National and Provincial Level

The Project will have a budget line for capacity building at the national and provincial level that can be used organizing trainings as needs arise as well as to participate in capacity building measures within the sector development efforts, such as Sector Development Plan (SDP).

The RVWRMP will support, by participating in national and provincial level policy forums and sharing lessons learned about working in a remote mountainous area, contribute towards preparing a roadmap for multi-sectoral regional cohesion policy. Special focus will be contribution to policies designed for poverty reduction in remote and mountainous areas either under Agriculture Development Strategy or at Provincial level.

RVWRMP will actively participate the national and provincial policy forums, as well as organize 6 national forums, in order to inform national and provincial authorities in WASH, agriculture and small industries sectors about RVWRMP experiences.

Local Government Level

Enhancing the rural municipalities' capacity to implement, maintain and further advance the objectives of the RVWRMP project will be the main thrust of the Phase III. The project will closely work with the newly elected representatives and executive officers to facilitate and train them in the intervention areas of the Project.

All rural municipalities will be trained to promote effective access to energy, markets, irrigation and WASH services. The rural municipalities elected representatives and staff will be trained to undertake:

- Rural Municipality Profile
- Rural municipality wide planning exercises, building up from WUMPs and LIPs;
- Budgeting procedures for livelihoods and WASH sectors;
- Support services to users' committees, farmers' groups and cooperatives;
- Use of private sector as support agents and solicit support from federal and provincial departments;
- Monitoring and evaluation systems;
- Technical support systems for water supply scheme sustainability;
- Support systems to communities to upkeep ODF and reach total sanitation status.
- Technical human resources development including institutional development of cooperatives as per demand of the RM/Ms.

Working with women leaders

RVWRMP will give special emphasis to the enhancing the capacity of new female elected RM members. A workshop modality, where only local women leaders are facilitated to make long and short term gender based plans and budgets has been piloted and is being implemented in a number of RMs. It has been well received, as women leaders often have less experience in taking management roles in communal affairs. More capacity building events for the female leaders will be designed and piloted during the coming years.

At least every core RM should have a gender based planning and budgeting workshop, preferably before the annual budgeting cycle.

The women leaders' gender based planning and budgeting workshop also brings out issues specific to women's needs. One of the issues is **menstrual hygiene management**. Women leaders are encouraged to bring issues of MHM and design campaigns of **menstrual dignity, school programmes, and improved sanitation and hygiene measures** in their communities.

The Project shall provide chance to all the local levels (86) to analyse their need and demand for the project support in capacity building in cost sharing basis. The project will supply a set of human resources to each RM for effective implementation of the project activities, while doing so the RM staffs and officials will be trained on planning, implementation, monitoring and evaluation of water resources and livelihood development activities on-the-job basis.

Community level

Community-level capacity development will be based on building awareness of the value of community ownership of the investments, combined with training in running and managing community organizations and in sustainable operation and maintenance of the schemes constructed with the Project support.

The Project, through the SOs enhance users' committees' capacity in technical, financial, institutional and organizational management. Key capacity building activities at community level shall be as follows;

1. Awareness raising campaigns, consultations and monitoring for behavior change in sanitation and hygiene, operation and maintenance and nutrition through mobilization of school and community.
2. Home garden, income generation and nutrition training.
3. Micro finance and cooperative development training to cooperatives members.
4. A subject to be emphasized in the community based training is the **message of menstrual hygiene management**. Teachers, Community Health Volunteers and other influential persons in the communities should receive training in MHM and menstrual dignity.

Support Organization level

Support Organizations provide support to community and RM in social mobilization, technical works and capacity development. They are entitled to carry out step-by-step process and relevant capacity development activities to UCs, community awareness campaigns and livelihood related community level trainings. Therefore, SO and its staffs should be capable enough to facilitate community and RM.

Mainly following capacity building activities will be intended to the SO and its staffs;

- Trainers of Training (ToT) training
- Training on step by steps scheme implementation procedure
- Technical survey, design and BoQ preparation of water supply, irrigation and micro-hydro schemes
- Livelihood related trainings

6.4.1 Financing for the Capacity Building Activities

There are two funding sources available for capacity building at different levels. One is The Rural Municipality level Water Resources Development Fund (RM-WRDF – the Investment Fund) available through RM Funds, and another is the capacity development fund available through PSU.

The following Budget breakdown has been used for different Capacity Building activities for planning purposes at RM and PSU/PCO level (**Table 7**).

Table 7: Budget breakdown headings

Result 1 – Water Sanitation and Hygiene	
01	Community level capacity building
02	Sanitation, hygiene & WSP
03	Technical training
04	Post-Construction activities
Result 2 – Livelihoods	
01	Cooperatives and Micro Finance
02	Home Garden Management
03	Income Generating Activities
Result 3 - CCA/DRR	
01	Improve Cooking Stoves and Improved Water Mills
02	Water and Recharge Structures
03	Micro Hydro Power
04	Disaster Risk Reduction and climate change adaptation
05	Rural Advisory Services
Result 4 – RM/District/Provincial/Central Level	
01	Rural Municipality Capacity Building, Gender based training, women decision-makers training
02	Provincial/Central level capacity building
03	SO capacity building
04	Special events/conferences/festivals
05	RVWRMP Staff Training

The indicative ceiling of the CB budget available for each RM will be provided during the AWP preparation process. This ceiling includes both GoN/GoF and RM sources that will enable RMs to clearly express the expectations on monetary terms while in RM level discussions.

Capacity development activities will be included in the Annual Work Plan accepted by each RM.

Similarly, the available budget from livelihood related sections of the RMs will also be included in the respective annual work plan. If there is a very good justification for a higher CB budget, exceptions can be made, but in these cases the full participation of Office of RME and RMPMC is to be assured.

Though an overall budget ceiling is provided for each RM, the PSU does not set any ceiling for all the individual budget sub-headings, in order to give flexibility to RMs to decide on their capacity building activities fitted to their needs. However, the Project Management has a veto right to comment and recommend budgetary adjustments if the proportional budgeting under different headings is not balanced.

The training events that intends to have participants from more than one RM of the particular district, the budget will be provisioned **in host RM** and the event shall be participated by more than one RMs of the same district.

The **community-level scheme-related capacity building as per Step-by-Step Manual** is included into **each scheme cost** and as such, channelled through RM-WRDF as was practiced before. All the RM and community level training cost that covers only one RM shall be channelled through SO. The estimated budget will be included in annual SO contract.

Classification of Capacity Building Activities by Source of Funding

Most of the capacity building activities that are participated by the participants from RMs of one district shall be funded through RM-WRDF. Whereas, the advanced type of training activities that is participated by selective participants from RMs of more than one district shall be funded from PSU/PCO. General classification of these activities are given below:

Table 8: Classification of Capacity Building Activities by Source of Funding

Thematic Area	RM-WRDF Funded	PSU/PCO Funded
Users Level capacity building	All scheme related trainings	Special event that need to be piloted at community level (i.e. not in regular Step-By-Step)
SO Level capacity building	Regular monthly meeting cost, training conducted for SO of respective RM or district.	All SO trainings that is participated by SO staffs of more than one district.
Local human resources development	Local Service Providers participating from respective RM or district.	Local Service Providers participating from more than one district. Information, Education and Communication Materials for the training. Outsourced expert trainer (if needed)
Livelihood	Leader Farmers Training	

Thematic Area	RM-WRDF Funded	PSU/PCO Funded
	Home Garden Management Training	All ToT and other trainings that participated by more than one district's participants
	Other RM Level Skill Development Trainings all trainings that conducted for the participants of one district	
Technical Training (LLB, VMW, RWH, WRT, RET, Livelihoods, etc.)	All technical trainings	External Resource Person cost in special case (if needed)
Cooperative and Micro Finance	All Cooperatives related training that cover only one RM or district.	ToT and other cooperative related advanced trainings that covers more than one districts.
Events, Festivals and Awareness Campaigns	All regular events that can be planned annually, such as National Sanitation Week, Women's Day, Chhau campaign, sanitation campaign etc.	Special events, workshops, conferences and other occasions arising over the year as agreed case-by-case (district and central/province level)
Sanitation and Hygiene	All community/RM level training campaigns	Advanced training to SO staffs, and other trainings that is participated by audiences from more than one district.
RM Level Capacity Building Activities	Regular meeting/workshops RMPMC meeting	RM Accountants training RM Engineers Training
	All UC/RM/RMPMC level exposure visits/trips, human resources development Procurement and book keeping training to UCs.	Policy formulation, local governance, effective implementation of laws, technical trainings, incl. GIS, GPS, accounting training that are participated by the participants from more than one RM.
	All RM level events organized for particular RM/district participants	All workshops that cover more than one district.

Thematic Area	RM-WRDF Funded	PSU/PCO Funded
Central Level Capacity Building Activities	None	All central level capacity building activities. Coordination meeting with RMs, Supervisory Board and province level planning and coordination meetings.
Exposure Visits	All exposure visits that has participants from one RM.	Project Staff exposure visits, Central level exposure visits.

6.4.2 Norms for Budgeting Different Capacity Building Events

The budget breakdown of the event will be presented to the participants before the training, for the purpose of transparency of the activity. Also the expenditure will be presented at the end of the each training in the training report.

If any training materials such as tools or various items are handed over at the end of the training, there need to be clear records on this: what was handed out and signed as received. The materials can be handed over only for the participants based on a transparent system. Alternatively, they are to be returned to the RM store to be used in the next training. The training proposals should be able to anticipate whether the items will be returned or not.

All the trainings/meetings and workshops shall be conducted only after approval of the event proposal, as planned in the annual work plan and decided by RMPMC in case of RM-WRDF funded activities. It is noted, the scheme level capacity building activities are a part of the SO proposal, so no separate training proposal is needed.

Norms for community level trainings

Following rates of the expenses are given for all kind of trainings (UC level/RM-Ward level) that are organized at the same scheme area or ward. The trainings will be facilitated by RM Ward staff and SO staffs. The costs will be incurred from RM-WRDF.

Table 9: Norms for UC/Ward Level Training

Sn	Expenditure Heading	Maximum ceiling	Remarks
1	Stationeries	NPR 50/participant/event	
2	Tea and snacks	NPR 100/participant/per day	No Cash payment
3	Hall rent	NPR 500/day	Maximum (as per actual) if needed
4	Classroom materials	NPR 500/event	For the training of 3 or more days
Note:	Only for the training (not for meeting and others)		

Norms for RM level trainings

The participants participated from different wards of RM in the RM headquarter (or the participants from other RMs as well) following norms shall be applied. The costs will be incurred from RM-WRDF.

Table 10: Norms for Rural Municipality Level Training

Sn	Expenditure Heading	Maximum ceiling	Remarks
1	Stationeries	NPR 100/participant/event	
2	Tea and snacks	NPR 150/participant/per day	
3	Hall rent	NPR 1000/day	Max'm (as per actual) if needed
4	Classroom materials	NPR 300/day	
5	Food and accommodation cost	NPR 600/participant/day	See below
6	Transportation cost	As per actual	
Note: Breakdown of the food and accommodation cost NPR 600 is (lunch = 200, dinner = 200 and accommodation = 200). The payment to the participants shall be done on the basis of actual requirement of food and accommodation outside their home. For example, if one day event is organized and participants need to have one time lunch outside their home, they are paid only for lunch, but if dinner and accommodation is also required, the payment shall be done accordingly.			

Norms for District level trainings

Full-board training system will be applied at PSU and district level up to the extent possible. In the case, management of food and accommodation is not possible, a non-board system will be applied with justification. Under the full-board system, the budget covers breakfast, lunch, dinner, tea and snacks. Under non-board option, only day time snacks are covered and DSA equivalent to food and accommodation cost is provided. If the lunch or dinner is provided equivalent amount will be deducted from the DSA amount. In case of full board training, NPR 300 will be provided as incidental cost. The same norms applied for travelling to and from duty station to training venue. Actual public transportation cost to the participants is reimbursed. No special/reserved vehicle cost shall be paid. The norms shall be applied to all type of trainings.

Staff of RM and other line agencies will not be paid any training allowances under the non-board option. They are entitled to get DSA from DCC/project/concerned office as mentioned in the training proposal. No accommodation allowance will be paid for the participant of training that is organized in their duty station, RM or resident location of the participant.

The following rates of the expenses are given for all kind of district level trainings that are organized at district headquarter or nearest training centre (it also refers to the training centres outside district headquarter). The costs will be incurred from PSU/PCO CB budget or RM-WRDF budget and applied to cooperatives, RMs, SO training etc.; as classified in the **Table 8** above.

Table 11: Norms for District Level Training

Sn	Expenditure Heading	Maximum ceiling	Remarks
1	Stationeries	NPR 150/participant/event	
2	Tea and snacks	NPR 200/participant/per day	Including water, cold drinks etc.
3	Hall rent	NPR 2000/day	if needed, maximum, as per actual
4	Classroom materials	NPR 300/day	
5	Food and accommodation cost	NPR 1200/participant/day	See below
Note: Breakdown of the food and accommodation cost NPR 1200 is (lunch = 250, dinner = 250, accommodation = 400, incidental cost = 300). In case of full board training, the incidental cost shall be paid in cash to the participants. If lunch or dinner or accommodation is provided by the organizer (half board), the payment to the participants shall made proportionately as per the breakdown.			

Norms for technical trainings

The following rates of expenses are given for budgeting all kind of technical trainings e.g. VMWs, WSSTs training, rainwater harvesting jar construction masons training, local latrine builders and all type of residential training that are organized at a place/scheme where participants from various other RMs/schemes participate. The training will be managed by RMPMC and the cost will be incurred from the RM-WRDF. The cost of the training will be budgeted in host RMs annual work plan and all the cost of training including travelling cost of the participants is covered from the same budget. Travelling day will be paid at the rate of 1,200 per day and cost of public transportation as per actual. RMPMC will nominate a training in-charge from RM office. The Training in-charge will be responsible for the management and reporting of the training.

Table 12: Norms for technical training organized at village level

Sn	Expenditure Heading	Maximum ceiling	Remarks
1	Stationeries	NPR 100/participant/event	
2	Tea and snacks	NPR 200/participant/per day	
3	Food and accommodation cost	NPR 600/participant/per day	(L=200, D=200, A=200)
4	Management and Coordination	NPR 500/day	Training in-charge
5	Hall rent	NPR 1000/day	if needed, as per actual
6	Classroom materials	NPR 5000/event	
7	Equipment and tools	As per estimation	
8	Transportation cost	As per actual	
9	Opening and Closing ceremony cost	NPR 100/participant * 2 times	
10	First Aid	NPR 3000/training	

Norms for Exposure Visits

The following rates of expenses are given for UC/Farmers/SO/RM/RMPMC/Cooperatives exposure visits to different places. The visits are he managed by RMPMC and the costs will be incurred from RM-WRDF. RMPMC will nominate a person in-charge of the visit from RM office. The person in-charge will be responsible for the management of the visit.

Table 13: Norms for exposure visits

Sn	Expenditure Heading	Max'm ceiling for UC, SO Staffs/Coops/Farmers etc.	Max'm ceiling for RMPMC
1	Stationeries	NPR 150/participant/trip	NPR 150/participant/trip
2	Tea and snacks	NPR 200/participant/day	NPR 200/participant/per day
3	Lunch/Dinner & accommodation	NPR 1600/participant/day	NPR 2000/participant/day
4	Transportation cost	As per actual	As per actual
5	Other fees	As per actual	As per actual
6	First Aid	NPR 3,000/trip	NPR 3,000/trip

General Norms for Resource Persons

1) All Resource Persons shall be specialists in the subject matter.
2) Strong efforts should be made to have gender balance if there is more than one resource person. It is acknowledged that it may be difficult to find female specialists in some areas, but it will greatly aid the training process, especially for female participants. At least some local resource persons should speak local languages.

A. Local Resource Persons

a) Line agencies, local body staff and cooperative personnel from same district, who doesn't need to take leave from their regular job to facilitate the training or the training facilitation is a part of their JD/assigned task.
b) No service contract is required for Local Resource Person.

B. External Resource Persons

a) Freelancer or consultant
b) GoN, and line agency or NGO staffs who need to take leave to facilitate the training.
c) CV of external resource person need to take approval from respective authorities (TL/DTL in case of PSU CB funded and CAO in case of RM-WRDF funded CB activities) before training/event proposal

approval. If a CV of a resource person has already been approved for CV Roster, he/she can be directly hired as External Resource Person (as individual Short Term Service Provider).

d) Signing a **Service Contract before the event is MUST** for external resource person. Respective coordinator is responsible for having the contract approved prior to the event.

e) One training day consists of minimum of 6 hours.

Local Resource Person Fee

The fee (Including tax) of Local Resource Person shall be applied as follows (**Table 15**).

Table 14: Basis for Local Resource Persons Fee (Amount in Rupees)

LEVEL	**RATE PER SESSION WITH HAND-OUTS IN A DAY**	
	Per Session	**Remarks**
Gazetted officers (Central level training)	3,000	Max 3 sessions/day
Gazetted officers (district or regional level training)	1,700	Max 3 sessions/day
Non Gazetted (at RM/Ward/community level training)	1,000	Max 3 sessions/day
the above rate includes hand-outs and presentation materials, in case working/approach paper is prepared additional NPR 1500 is provided (only in case of central and district level training/workshops)		
1. A session shall be of at least 1.5 hrs. In technical subject matter. Briefing the training objectives, welcoming the participants, inaugurating, conducting pre or post-tests etc. shall not be considered as session and paid. 2. Rate above is the maximum for Specialized Level Gazetted officers. Other levels (G1, G2 and G3 Gazetted Officers) will be lower than the rate above and will be indicated in respective training proposal prepared for the purpose.		

External Resource Person Fee

The fee (including tax) of External Resource Person shall be applied as follows:

Table 15: Basis for External Resource Persons/Consultants Fee (Amount in Rupees)

Education	**Experiences**	**Amount/day/person**
Master or above	More than twenty years of experience	9,000 – 15,000
	Fifteen to twenty years of experience	7,000 – 10,000
	Ten to fifteen years of experience	6,000 – 9,000
	Five to ten years of experience	5,500 – 8,000
Bachelor or above	More than fifteen years of experience	5,000 – 7,000

	Ten to fifteen years of experience	4,500 – 6,000
	Five to ten years of experience	3,500 – 5,000
	Up to five years of experience	2,700 – 4,000
Intermediate or equivalent or above	More than fifteen years of experience	3,000 – 5,000
	Ten to fifteen years of experience	2,500 – 4,000
	Five to ten years of experience	2,000 – 3,000
	Up to five years of experience	1,750 – 2,500
Skill Technician or above	More than fifteen years of experience	1,900 – 2,500
	Ten to fifteen years of experience	1,700 – 2,200
	Five to ten years of experience	1,400 – 2,000

Above rates include the hand-outs and presentation preparation. In case of the training fee provisioned to pay from PSU-CB fund, DSA as per the Project norms is paid, as appropriate. The provision shall clearly be mentioned in the service providers' contract.

For highly specialized Resource Persons where maximum range of above mentioned rate do not apply, the Resource Persons can negotiate for a lump sum amount that covers travelling allowance, professional fee, and preparation of training materials through a Proposal that will be reviewed by the PSU Specialist concerned and Deputy Team Leader and for endorsement to the (dis)/approval of the Team Leader.

[1] In special cases the above fees can be increased by 10-15 % (subject to prior approval of Team Leader)

6.4.3 Research and Study

RVWRMP encourages evidence-based research and studies. The research and studies can be conducted independently in-house in a specific area or collaborating with the sector players and/or specific sector's expert agencies. The core importance of the research and studies for RVWRMP have been visualized as:

- A tool for building knowledge and effective and efficient learning
- A means to learn and understand various issues
- A guidance / feedback for the improvement on the project's interventions
- A way to ensure and justify the results of project's intervention
- A means to find opportunities for the communities / RMs, etc.
- A means to evaluate the Project working modality and approaches..

In the past, RVWRMP has been supporting for such research and studies area like Joint Sector Review, Water system functionality surveys, WUMP's effectiveness study, etc. in a collaborative effort. Similarly,

there are in-house researches had been conducted and disseminated the findings through paper presentation in different national and international forums as well as publications in journals and books.

RVWRMP continues its research and studies in phase III focusing in the following core areas, but not limited to this, through mobilizing its CB Fund:

- Community-based Planning and policy
- Technological innovations
- DRR and Climate Change
- WASH and Behavior change
- Gender and Social Inclusion issues
- Water and energy based livelihood
- Cooperative

Behavior and practice-focused surveys

Behavior change is proving to be a tricky and difficult issue, some communities having persistent unsanitary and harmful practices. Changing peoples' behavior in issues such as sanitation, hygiene and menstrual dignity clearly requires of a variety different approaches. Training and preaching is not always effective. RVWRMP will fund and encourage practice focused field based surveys supporting especially aspired improvement of the menstrual hygiene management and dignity.

Approaches

The approaches to promote research and studies will be as follows:

- **Collaboration:** Collaboration for research and studies can be at central level and/or at local level. When the sector feels the need of such studies, like Joint Sector Review, or in other sector specific area, as mentioned in the focused area above, RVWRMP will join hand to materialize such research and studies. Similarly, at local level, RMs may feel need of research and ready and seeking for collaboration, RVWRMP will join such studies. RVWRMP rather encourages such local level collaboration.
- **In-house and independent:** Based on the focused area, mentioned above, RVWRMP encourages its staff to explore area of research and studies in-house. If such studies require the external expertise at some points, RVWRMP will hire it.
- **Papers and publication:** RVWRMP encourages its staff to disseminate and amplify the learning and innovation to the larger audiences to influence for the further replication or for the policy change. Presenting the papers in national and international seminars and workshops and providing the papers to journals and other different publications are the most important platform to share the knowledge and practices, where RVWRMP will contribute.

7 Support Organizations

Support Organization staffs are frontline cadres of project who are in direct contact with beneficiaries to deliver quality services and enhance the capacity of the *community*. Therefore, achievements of project objectives are highly influenced by the performance of Support Organization (SOs). Their proper selection, mobilization and monitoring is an important part of project implementation to achieve the intended results in the field. The SO will strictly follow the project guidelines while implementing any kind of activities in the field. Thus SOs will have major responsibilities in implementation of project activities.

At the beginning of Phase III, five districts had Support Organizations (SO) and remaining five had individual service providers to facilitate RVWRMP activities at community level. The project shifts its working approach from working with DCC to rural municipalities, thus project previously working with 10 local governments (DCCs) need to deal with 48 local governments (RMs).

Due to the increased number of local government partners, RVWRMP is required to make the work more efficient. As the Technical Assistance personnel is diminishing toward the end of the Phase, it is not possible to monitor the quality of numerous Support Persons.

RMs shall phase out Support Person working modality and hire NGOs as Support Organizations by the end of FY 2074/075.

One objective of working with the Support Organizations is to develop local professional private sector pool, which will later be available for the RMs.

The recruitment procedures of SOs are undertaken together with the RMs, so that they will also **go through the process as prescribed in the Procurement Act.**

The following principles are used in the SO recruitment:

- The Rural Municipality shall appoint a Gaopalika Project Officer (GPO) in each core Program Rural Municipality to mobilize the field staff team, and support the Rural Municipality in project implementation, reporting and coordination. Cost of GPO shall be provisioned in annual work plan of Rural Municipality under the RM-WRDF. GPO shall be supervised by CAO of RM and be accountable to CAO of RM and WRA of the Project.
- One SO per core RM (core 27) shall be selected by the end of FY 2074-075 applying competitive bidding system, as per Procurement Act, following QCBS evaluation system as explained in proceeding chapters.
- It is mandatory to recruit SOs in the RMs where SP modality was applied.
- In case of SO modality RMs, RMPMC has right to continue existing working SO or hire new SO based on their performance. Following Process shall be applied to continue existing working SOs;
    - RMPMC decides to conduct annual performance evaluation of the SO through joint evaluation team of RM and the Project.
    - The evaluation team evaluate the SO performance of FY 2074/075 on the following basis

Sn	Indicators	Score (100)
1	Timely completion of planned activities	15
2	Quality of construction (with materials)	15
3	Pursue of s-b-s, PIG and other project guidelines	20
4	Transparency	10
5	Reporting	5
6	GESI	5
7	Social Mobilization	20
8	Regularity and Moral conduct	10
	Total	**100**

  - If SO obtains minimum 60 marks in APE, the evaluation team recommend RMPMC to continue the existing SO.
  - If RM decides to continue existing SO, all the human resources of the SO will be reselected by the joint team of RM, SO and the Project.
  - SO shall submit the financial proposal and shall be approved by RMPMC through negotiation.
  - Annual performance based contract shall be signed between RM and SO in prescribed format.
- In case of new selection, SO shall be selected by joint team formed by RMPMC that comprises representatives from RM and the Project.
- Performance based contracts are introduced and a reward and punishment system is applied.
- Code of conduct agreed and applied to all staffs working in the field.
- It is important to include a female field staff within the SO, either as FC or HP.

Human Resources Requirement

For the FY 2074-075 exactingly working human resources will continue in the respective RMs, from FY 2075-076 new schemes will be started and number of wards of RM will have project activities. Therefore, In addition, each Core Program Rural Municipality shall have one SO having following set of human resources starting from fiscal year 2075-076. RM shall recruit the SO with the support of the Project. Selection and placement of SO in all core Program Rural Municipality shall be completed by the end of FY 2074-075. PMT shall decide required number and type of human resources in Program (non-core) RMs as per the volume of work in those wards. No new SO will be selected for other RMs rather additional human resources will be managed by the SO working for one of the core-program RMs. Following is the maximum human resources for one core RM. Number and type of human resources will be flexible as demanded by volume of work and number of scheme implemented in particular fiscal year.

Table 16: Number of Human Resources by SO at RM Level

Position	Maximum Number	Remarks
Field Coordinators	2	Additional number of LPs, WRTs and HPs will be agreed between RMPMC and PMT case by case depending upon the number of related activities implemented at a time in Rural Municipality and availability of similar human resources from Rural Municipality and from other agencies or of office of the RME.
Sub Engineer	1	
Livelihood Promoter	1	
Water Resources Technicians	3	
Health Promoters	2	
Office Assistant	1	
Total	**10**	

In the context of RVWRMP, SO refers to the non-profit making non-governmental organizations registered in the district administration office under the "Organization Registration Act, 2034" and obtained "tax exemption certificate" from respective tax office.

Since the RM-WRDF contains fund from GoF and EU, no VAT shall be paid to the SOs and for the project purpose, no VAT registration is mandatory. The SOs applying for the project, must have obtained "Tax Exemption Certificate" from respective tax office. If the selected NGOs are registered in the VAT and is obligatory to pay VAT for them, it is NGO's responsibility to pay VAT and all other taxes. No any additional costs shall be paid to NGO from RM-WRDF for tax provision.

7.1 Selection Process of the Support Organizations in the RMs

Selection Criteria

The SO shall be selected on a competitive basis. The RMPMC shall decide on SO selection, either RMPMC shall lead SO selection process or shall request the Project to lead the selection process. In both the cases, representatives from both RM and the Project will be in evaluation team. The selection process shall be as follows;

Short Listing

NGOs having at least 5 years of experiences in water resources development may apply for pre-qualification in prescribed format. The NGO will submit all required documents as evidence along with their application. Pre-qualification forms can be procured from respective RMs and the Project offices. The application of support organization will be evaluated on the basis of the following main aspects:

Table 17: SO Shortlisting Criteria

Parameters for shortlisting	Maximum Scores
A. General information of SO, including staffing, offices, transportation etc.	10
B. Experience of organization	50
C. Organizational set-up	40

Technical/Financial Proposal

Technical/Financial proposal from short listed NGOs will be asked within specified time period. Maximum three NGOs shall be shortlisted for one RM. One NGO can apply for only one RM. NGO should provide all the requirements and documents as evidence along with technical proposal format. Technical proposal documents shall be procured from respective RM offices. Technical proposal shall be evaluated by a technical team nominated by RM on the basis of the following main aspects (listed below).

The detail of the selection process, terms and conditions shall be supplied to shortlisted NGOs together with bidding documents. The bidding documents shall be a part of this guideline. Scoring criteria and other details of the NGO is presented in **SO selection and mobilization Manual.**

Table 18: Technical and Financial Evaluation Criteria

Parameters	**Maximum Scores**
Technical Proposal	
A. Specific experience on water supply and livelihoods activities in last five years.	10
B. Evaluation of **proposed key personnel** (Field Coordinators and Sub-Engineer) • CV evaluation • Written Test and Interview	 20 40
C. Coordination and Collaboration	10
D. Existing working human resources with NGO	10
E. Quality of proposal	10
Total Technical proposal	**100**
Financial proposal	**100**
Weighting 80% for technical and 20% for financial proposal	

An NGO will be selected based on the composite score of technical and financial proposals.

Evaluation Committee

As decided by RMPMC, an evaluation team shall carry out SO proposal evaluation and recommend RMPMC for SO selection. The evaluation team is composed as **Case I** in the table below**, if the RM is leading the selection process.** This is envisaged to be the case in most selection processes.

Case II relates to a situation where there is a formal request from the RM to RVWRMP to undertake the selection process.

Table 19: SO Evaluation Team

Case I, Team composition of SO evaluation (led by RM)	Case II, Team Composition of SO evaluation (led by the Project)
Members nominated by RMPMC 2 persons Member nominated by PMT 1 person	Members nominated by PMT 2 persons Member nominated by RMPMC 1 person

SO Selection Steps

SO selection will be done as per these guidelines following steps below:

Step 1: RMPMC decides on SO selection, nominate selection committee or request to PSU/PCO for facilitation on SO selection.

Step 2: A selection committee review SO selection and mobilization manual, finalize scoring criteria and shortlisting formats to proceed for selection process as per approved criteria and scoring system.

Step 3: Announcement for short listing: The RM publishes 15 days' notice in district based newspaper, DCC and RM notice board for short listing among the NGOs that fulfil the criteria mentioned in this guideline and SO selection and mobilization manual.

Step 4: Evaluation for short listing: The evaluation committee evaluates the applications based on pre-approved criteria and scoring system. Maximum 3 NGOs for one RM will be shortlisted. RMPMC approves a shortlisting of NGOs.

Step 5: Request for Technical/Financial Proposal: 21 days' notice will be RM notice board for technical and financial proposal among short listed NGOs. Shortlisted NGO shall buy bidding document from RM office.

Step 6: Technical Proposal Evaluation: Received proposals will be evaluated by evaluation committee based on pre-approved criteria and scoring system.

Step 7: Financial Proposal Evaluation: After computing technical proposal, financial proposal will be evaluated and composite score shall be calculated.

Step 8: The selection committee will complete the scoring and submit report to RMPMC (in case of the RM lead process) and to PMT (in case of the Project lead process).

Step 9: RMPMC decides and on SO selection and notify NGO on the selection.

Step 10: SO announce vacancy for recruitment of required staff other than the HR included in technical proposal.

The human resources selection process is described below.

SO Staff selection Process

Selected SO is responsible for recruitment of required number of different type of human resources as mentioned in the tender document. SO staffs selection process will be done as per this guideline according to the steps described below:

Step 1: **Vacancy Announcement:** Minimum 15 days' notice in local and/or regional newspaper or national newspaper will be published, mentioning the required qualifications and experiences.

Step 2: **Formation of evaluation committee:** SO shall form evaluation committee (3 to 5 members) comprising of a RVWRMP representative, RM representatives and SO representatives. The required sector specialists among RMPMC member agencies might also be invited for the interview process. Scoring sheet of shortlisting, written test, interview and final result will be approved by selection committee before shortlisting process starts.

Step 3: **Short Listing:** The evaluation committee will evaluate the applications in reference to submitted evidences and short list the candidates in 1:3 proportion as far as possible. The Scoring criteria for shortlisting will be as follows;

1. The candidates who don't meet minimum criteria will be dropped out[2] as per published notice and the criteria mentioned in SO guidelines. Candidates having permanent residence in the vacancy announced RM will get special preference while shortlisting the applicant, if minimum educational qualification and experience is met.
2. Further evaluation of eligible candidates will be computed on the following basis using a standard evaluation sheet. All the scoring will be done based on the evidence submitted and working periods as an intern or on the job trainee or volunteer will not be considered as working experience.
    a. Academic Qualifications 10
    b. Relevant working experiences, including trainings 60
    c. GESI aspects (additional points for women or DAGs) 30
3. Merit list of the candidates will be prepared and top scorer (1:3) candidates will be informed for written test and interview. Name list of shortlisted candidates will be published in SO and RM notice board.
4. Syllabus of written test may be provided to short listed candidates upon request.

Step 4: **Written Test and Interview:** The evaluation team will carry out a written test and interview in the same day. The setting of written test questions will be done with the help of sector specialists confidentially. Both objective and subjective types of questions will be asked and a minus system will be applied for objective types of questions. Interviews of all shortlisted

[2] The evaluation committee may disqualify the candidates who had poor track record working with project or had serious violation of project code of conduct in the past.

candidates will be done in the same day of written test. The Standard Public Service Commission scoring system will be applied for oral interview.

Step 5: **Final Scoring:** After completion of all the tests, marks obtained by the candidates will be computed in following basis;

a. CV evaluation 15%
b. Written test 50%
c. Oral interview 35%

The evaluation committee will finalize the process immediately after completion of all tests and submit to SO with recommendation. The list of waiting candidates will also be recommended. SO will submit to RMPMC for no objection and after getting no objection SO will sign contract with selected staff in the format prescribed in the tender document. The waiting list shall be valid for six months of recruitment. SO in consensus with RMPMC may decide to hire candidates from the waiting list, on a merit basis, if the SO needs a similar type of human resources within the validity period of the waiting list.

Key human resources (Field Coordinators and Sub-Engineers) that are evaluated together with technical proposal can't be changed than proposed. In case of changes of those staffs within six months, the RM shall discontinue the contract with the NGO.

Short Term Service Providers Selection Process

Short term service providers are generally recommended to be selected from the existing roster or waiting list of previous selection process. SO may use the list of previously contended candidates. SO will ensure the competency of the candidate though CV evaluation, written and interview before hiring such persons. It is recommended to have output based contract with such service providers. The tenure of such service providers should be limited to maximum six months. No short term service providers will be hired to complement SO regular jobs. The fee of such service providers will not be more than fee of existing SO staffs in the district. Short term service providers are not entitled to receive facilities other than basic service fee.

Gaopalika Project Officer (GPO) Selection Process

The Rural Municipality shall appoint a Gaopalika Project Officer (GPO) in each core Program Rural Municipality to mobilize the field team of SO, and support the Rural Municipality in project implementation, reporting and coordination. Cost of GPO shall be provisioned in annual work plan of Rural Municipality under the RM-WRDF. The Project shall recruit the GPO and recommend Rural Municipality for placement. GPO shall be mobilized under direct supervision of CAO of RM and WRA of the Project. Job description of GPO is provided in SO selection and mobilization manual. The GPO selection process will be done as per this guideline according to the steps described below:

Step 1: RMPMC requests the Project office for GPO placement.

Step 2: **Vacancy Announcement:** Minimum 15 days' notice in local and/or regional newspaper or national newspaper will be published, mentioning the required qualifications and experiences. The vacancy will also be published in the project website.

Step 2: **Formation of evaluation committee:** PMT shall form evaluation committee among PSU/PCO staff. Scoring sheet of shortlisting, written test, interview and final result will be approved by selection committee before shortlisting process starts.

Step 3: **Short Listing:** The evaluation committee will evaluate the applications in reference to submitted evidences and short list the candidates in 1:3 proportion as far as possible. The Scoring criteria for shortlisting will be as follows;

The candidates who don't meet minimum criteria will be dropped out[3] as per published notice and the criteria mentioned in SO selection and mobilization manual.

Further evaluation of eligible candidates will be computed on the following basis using a standard evaluation sheet. All the scoring will be done based on the evidence submitted and working periods as an intern or on the job trainee or volunteer will not be considered as working experience.

a. Academic Qualifications 10
b. Relevant working experiences, including trainings 60
c. GESI aspects (additional points for women or DAGs) 30

Merit list of the candidates will be prepared and top scorer (1:3) candidates will be informed for written test and interview. Name list of shortlisted candidates will be published in Project notice board.

Step 4: **Written Test and Interview:** The evaluation team will carry out a written test and interview in the same day. All the written tests will be done in computer.

Step 5: **Final Scoring:** After completion of all the tests, marks obtained by the candidates will be computed in following basis;

a. CV evaluation 15%
b. Written test 50%
c. Oral interview 35%

The PMT will approve final selection and GPO will be recommended to the RM for annual performance based contract in the prescribed format. The contract format is given in SO selection and mobilization manual.

[3] The evaluation committee may disqualify the candidates who had poor track record working with project or had serious violation of project code of conduct in the past.

Annual Performance Evaluation

The performance review of the SO is a regular process and the annual performance evaluation will be made on the basis of work carried out by the SO throughout the year. Performance of the SO will be assessed during each monitoring visit of different schemes, and by analysing their reports. Final performance evaluations of the SO will be made annually, by the team assigned by RMPMC. A project representative is mandatory in the evaluation team to support the RMPMC. The final evaluation will be approved by RMPMC. The indicators of SO evaluation will be as mentioned in SO selection and mobilization guidelines. Based on the score obtained by SO in APE, RMPMC will applied a following reward or punishment system for SOs,

- SOs obtaining score more than 85, will be rewarded 10% of HR cost as a bonus.
- SOs obtaining score more than 75 and less than 85 will be rewarded 5% of HR cost as bonus
- SOs obtaining score more than 60 and less than 75 will continue in work with commitment of further improvement. In case of obtaining the score 50 to 60, written commitment within specified time period will be submitted with RMPMC.
- SOs obtaining score less than 50 will not have their contract renewed.
- In case of SO staffs whose performance is below standard and not improved as suggested by the monitoring team and RMPMC, the RMPMC has a right to ask SO to replace the staff member with another qualified person.

Annual Performance Evaluation of GPO shall be done annually by joint team of RM and the Project based on the criteria mentioned in **SO selection and mobilization manual.**

8 Project Funding and Accounting

8.1 Water Resources Development Fund

Rural Municipality level Water Resources Development Fund (RM-WRDF) is established in each core-program and program local levels. The Governments of Nepal and Finland (including fund from EU) and the concerned rural municipality contribute funds in the RM-WRDF annually as stipulated in the Annual Work Plan (AWP) of respective fiscal year.

RM-WRDF is administrated and audited as per Local Government Rules and Regulations approved by the GoN. While both GoN and GoF contributions are released to the same account. Fund from European Union (EU) also transferred to RM-WRDF through GoF. Fund from GoN is released to RM-WRDF through the regular processes of Government of Nepal, whereas GoF/EU contribution is released directly from Ministry for Foreign Affairs of Finland to RM-WRDF. Therefore at the end of the fiscal year, leftover GoF fund (if any) (including EU fund) is not frozen and carried over to the next fiscal year. In case of GoN leftover fund, it is frozen as per the GoN financial rules.

RMs will expend all RM contribution at the end the fiscal year. If the RM contribution amount is left over, it will be carried over to next fiscal year.

Funds under the RM-WRDF are for financing in all type of public construction related activities, service fee and related cost of Support Organization, Administrative Cost and all type of capacity development activities in the District (except central level capacity development and intra-district capacity development activities).

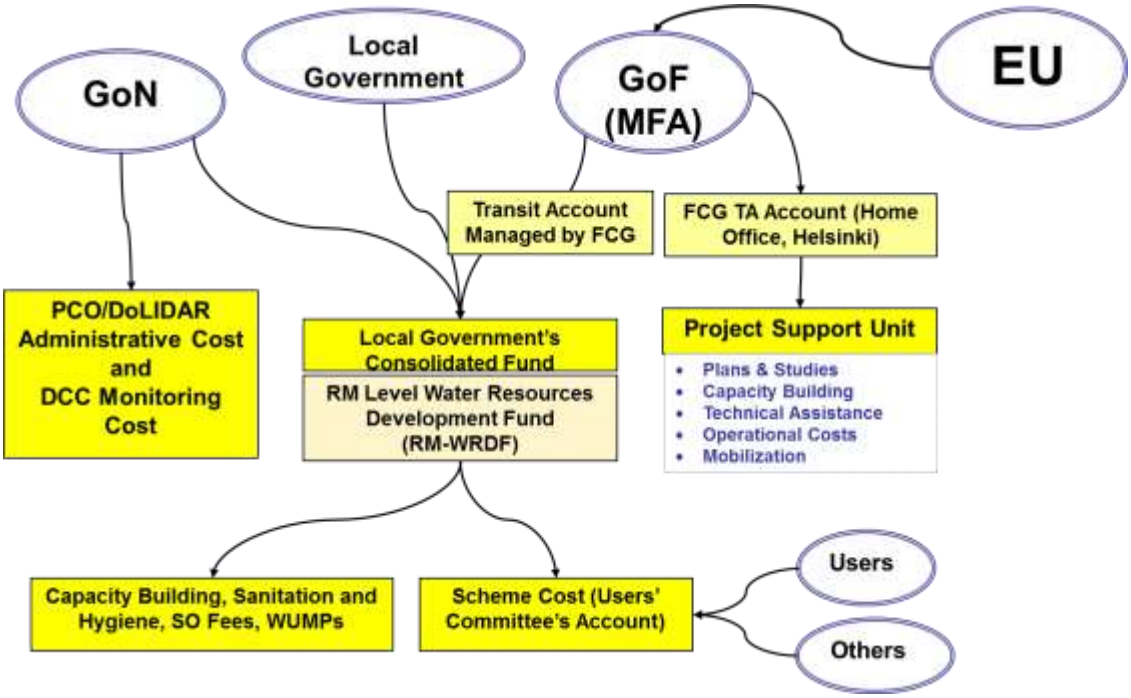


Figure 8: Fund flow of RVWRMP III

The guiding principles of Project funding and accounting lies on the transparency, accountability and proper utilization of the fund. There is a zero tolerance on financial misconduct and negligence. This applies to both project staff and the various stakeholders dealing with financial transactions.

The following chapters elaborate each account in more detail.

Project has three types of funding:

1. Investment account in RM-WRDF receives funds from the two governments and RM, and is administrated by office of Rural Municipal/Municipal Executive as any account under RM Fund. It also includes all type of capacity building budget that is conducted at scheme and RM level. The fund is contributed by GoN, GoF/EU and respective RM.
2. Office & Administration Account is GoN funding, to be administrated by the Project Coordination Office (PCO) in Dadeldhura. Monitoring cost to each project working DCCs to be provisioned as planned in annual work plan. The cost also cover project related administrative cost of National

Project Director's office at DoLIDAR. The fund shall have some fund for SO capacity building that need to participate from number of districts.

3. Project Support account is Finnish Technical Assistance funds, to be directly administrated by the PSU Team Leader.

8.2 Local Contributions and the Project Subsidy

The cash contribution from the RM, and both cash and kind from the users for a scheme, are required to demonstrate commitment and ownership that is mandatory for scheme implementation. The contribution from RM and users will be ensured during feasibility study. To optimize mobilization of local resources subsidy from the project will be kept as minimum as possible.

Minimum cash and kind contributions from the Rural Municipality and users, and maximum level of subsidy from the Project different types of technologies are given in Table 20. Subsidy for private connection water supply scheme, MHP and WUMP shall be on competitive basis as proposed by the RM in their proposal. The cash and kind contribution from the users will be calculated during preparation of cost estimates and evaluation. The contribution % mentioned below is indicative only. Users and RM contribution is minimum and subsidy from the Project (GoN+GoF/EU) is maximum. The contribution from the RM is one of the major performance evaluation parameters in their annual performance evaluation (see 12.2).

In RVWRMP, to ensure labor contribution from the users in real sense, components/task of the scheme is allocated to the users. The system shall be continued. The allocated components to the users is presented in Annex 1 for their in-kind contribution.

Table 20: Contribution Pattern (% of contribution)

Components		Contribution in %			Remarks
		RM (Cash) (Min)	Users (Cash+Kind) (Min)	Project Subsidy (Max)	
Drinking Water Supply	Basic	12	26	62	• Community contribution is 1% in cash for investment and 1% for operation and maintenance. In case of community kind contribution, it's managed through allocation of community contribution components. • The contribution from RM and community is minimum and the Project is maximum.
	Private	20	30	50	
	Rehab	40	30	30	
	RWH	20	15	65	
	Source Improvement	20	30	50	
	Lifting Schemes	20	20	60	
Irrigation	Conventional Irrigation	20	30	50	
	Non-Conventional Irrigation	20	30	50	
	Rehab of Irrigations	30	30	40	
	Pond Irrigation	30	20	50	
	Private Pond	30	50	20	
	Lift Irrigation	20	20	60	

Sanitation	School Toilet	30	20	50	• RM contribution for MHP scheme (min 15% of total cost) and Users contribution (10% cash of total contribution) will be in form of share capital.
	other Institutional Toilet	50		50	
	Public Toilet	50		50	
	Total Sanitation Structures	20	60	20	
Renewable Energy	Micro Hydro Scheme - new	15	35	50	
	Micro Hydro Scheme - rehab	50	30	20	
	Improved Water Mill	15	35	50	
	Smokeless stove – Mud	15	50	35	
	Smokeless Stove – Metal	15	40	45	For mountain area only
	Smokeless Stove – Rocket	15	40	45	
Livelihood	Livelihood Infrastructures	50		50	
	Micro Enterprises	50		50	
	Cooperatives Development	50		50	
	LRP development	50		50	
Plans	WUMP/LIP, TS Plan	50		50	
	Periodic plans (including WUMP/LIP)	75		25	

8.3 Capital Investment - Public Construction

The *Capital Investment* expenditure heading includes all type of construction of such as water supply, irrigation, micro hydro, improved water mills, MUS, improved cooking stoves, gravity goods ropeway, recharge ponds, environmental conservation and public/institutional/school toilets. This expenditure is accrued through Users Committees (UCs).

All of the expenditure made under the heading will be publicly audited. UCs are accountable for construction of the schemes within the mentioned timeframe and as per the quality described in design report. Any type of misuse of fund is strictly forbidden. The expenditure and accounting procedure of the investment fund is explained in Step-by-Step Manual and Community Procurement Manual.

UC Account is maintained to cover the cost of construction materials, wages payments, material transportation and other expenditure. Contribution from RM-WRDF (GoN, GoF/EU and RM), contribution from users and income from other sources are deposited in this account. The following tables describe the timeline for instalments to be paid for UC for different schemes:

Table 21: Instalments to Water Supply UC from RM

Instalment	Amount	When?
First	50% of agreed amount	After Signing implementation phase agreement, quotation process completed and quotation approval by UC

Second	30% of agreed amount	After public auditing and submission of expenditure statements and recommended by monitoring team
Third/Final	(Max) 20%	After final completion of scheme, final public auditing as verified and recommended by monitoring team.
Total	100%	

Table 22: Instalments to Irrigation UC from RM

Instalment	Amount	When?
First	30% of agreed amount	After Signing implementation phase agreement, quotation process completed and quotation approval by UC
Second	30% of agreed amount	After public auditing and submission of expenditure statements and recommended by monitoring team
Third/Final	(Max) 40 %	After final completion of scheme, final public auditing as verified and recommended by monitoring team.
Total	100%	

Table 23: Instalments to Micro Hydro UC from RM

Instalment	Amount	When?
First	30% of agreed amount	After Signing implementation phase agreement, market survey and quotation approval by UC
Second	30% of agreed amount	After public auditing and submission of expenditure statements and recommended by monitoring team
Third	(Max) 40 %	After final completion of scheme, final public auditing as verified and recommended by monitoring team.
Total	100%	
Note: For more details, refer to the **micro-hydro step by step manual** for RVWRMP contribution norms and payment modality, RMPMC may modify the installments based on the partnership from other agencies in MHP construction.		

Generally, installment payment of all schemes will be done in three installment but for the schemes like, improved water mills, improved cooking stove, point source improvement and other smaller repair type of schemes, RMPMC may decide to pay in two installments.

Final instalment to UC shall be released based on the final evaluation of the work this is based on the Measurement Book. Therefore, final instalment may not be equal, and in any case shall not be more than the amount mentioned in the agreement.

Since the cost estimate is prepared on the basis of approved norms (assumptions), any leftover material or construction tools at the construction site, if not specifically mentioned as returnable in the design report, shall be handed over officially to the UC as property of the community for the operation and maintenance of the scheme. If the leftover construction materials are in large quantity, then it will be as per the recommendation of the monitoring team, max. 50 % of such materials shall be handed over to RM for any maintenance & repair work of any schemes with in the RM. It will be decided case by case. Other remaining are handed to UC for future maintenance work. Any fund for scheme cost not spent as per the design report shall remain as a property of the RM-WRDF. Such surplus amount shall be adjusted while making the final payment to the UC.

The standard agreement for implementation of scheme is made in between RM and UC, and witnessed by the Project and ward chairperson. The agreement paper mentions role and responsibilities of all the stakeholders. The agreement template is provided in Step-by-Step Manual. Following additional cost is provisioned for scheme implementation.

1. Store rent in road head (as per need);
2. UC management cost (max up to 2% of total cost), depending upon the size of the scheme as mentioned in scheme design report and agreement paper;
3. The RMPMC may approve an additional estimate for scheme materials in case it can be justified, e.g. due to unexpected rise in market price, changed design due to natural conditions or a natural calamity. Such additional estimate must be adjusted in the final revised estimate.

The contingency, which is maximum 5% of the scheme cost, shall be provisioned in design report of the particular scheme for any kind of unexpected price escalation or damage of the structure or materials due to natural calamities or short period hiring of technical persons for supervision and support (max 3 months in implementation phase). The contingency amount can never be used for other than mentioned topics in scheme. The monitoring and other cost are separately provisioned under recurrent heading under RM-WRDF.

8.4 Recurrent/Program – Capacity Building

The Recurrent expenditure heading includes all type of capacity building/ awareness/exposure visit, livelihood/cooperative promotion, follow-up/sustainability monitoring, and supervision & scheme/monitoring from DCC/RM.

All of the expenditure made under the heading will be based on proposal approval or mentioned in RM-SO agreement under approved RM work plan. SO or RM personnel are responsible and accountable for administration of such fund within the mentioned timeframe; any type of misuse of fund is strictly forbidden. The expenditure and accounting procedure of this fund will be made as provisioned in local

governance act and respective regulations. Implementation of capacity building activities shall be done as follows;

- **Scheme level capacity development activities and awareness campaigns:** Cost of all scheme level training and awareness campaigns shall be included in SO proposal and released to SO account in bimonthly instalment as per the bimonthly plan prepared and submitted by the SO. SO will clear the advance of the training/workshop/campaigns by submitting reports, expenditure details and bills and vouchers to office Rural Municipal/Municipal Executive.
- **RM level technical training and workshops:** RM level technical training and workshops shall be organized by RM Office. GPO will be responsible to conduct the activities. GPO shall prepare proposal as decided by RMPMC and take advance form RM-WRDF. The advance will be settled together with event/training report and necessary bills and vouchers to office of RME.
- **Project level training from PCO:** Some type of training/workshop events that need to be conducted including the SO staffs or other participants from more than one districts. In the case it will not be that practical to fund such events from RM-WRDF, for the fund funding of such events, separate budget is provisioned under PCO (funded by GoN only). Such kind of training/workshops will be implemented according to the activities and budget finalized by PMT. PCO shall be responsible for preparing proposal and conducting the event in close collaboration with relevant PSU sector specialists.

Administrative/Monitoring cost: Cost of PCO Staffs salary, PCO office running cost, PCO staffs capacity building, monitoring cost from NPD and Monitoring cost from DCC is included under this heading.

Monitoring and administrative cost to respective DCCs is provisioned as allocated in the AWP. The cost is provisioned for the monitoring cost of project related activities from DCC side together with the Project monitoring team.

8.5 Procurement of Construction Materials

Procurement of construction materials required for the schemes shall only be done by UCs. Therefore, UCs led the procurement process, and the role of RMPMC/RME office shall be limited to facilitating the process. The role of RMPMC/RME/Project staff will be in facilitating on preparation of comparative charts and quality and quantity inspection of procured materials.

In case where UC and/or its users consider that UC need support in market survey, quotation evaluation and quality check and inspection, RMPMC shall provide such support.

The Project Document (a part of bilateral agreement between the governments of Nepal and Finland) clearly indicates that UC is accountable for procurement and management of construction activities, and that the fund flows to UC accounts. Therefore the procurement practice needs to go through UCs. In this regard, capacity development and sustainability through quality services being one key objective of the project, the clause 44 of Public Procurement Act 2063 states: *"Construction Works can be Carried out by Users Committee or Beneficiary Community: If economy, quality or sustainability is increased in having a construction work carried out or obtaining services related thereto from the users committee or*

beneficiary community or if the main objective of the project is to create employment and to have the beneficiary community involved, such work can be carried out by or such service can be obtained from a users' committee or beneficiary community by fulfilling the procedure as prescribed."

Therefore, according to the provisions mentioned in the bi-lateral agreement (the Project Document of RVWRMP III), the Public Procurement Act clause 44, this Implementation Guidelines makes it mandatory for UCs to carry out all scheme related procurement, implementation and management regardless of the total cost of the scheme.

Although the procurement, implementation and management of schemes under RVWRMP III are carried out only by UCs, the Public Procurement Act (2007) and its regulations are not applied to UC, the community procurement shall follow the procurement principles like competition, public audit and participatory decision making process during procurement by UC. Role of RMPMC/RME and the project is to ensure proper use of the guidelines.

UC procures materials from the manufactures having received Nepal standards or from the authorized suppliers of manufacturer having received Nepal Standard/Indian Standard/British Standards or equivalent. UC should purchase only those construction materials and equipment which meet the detailed technical specification and quality certified by office of Rural Municipal Executive (RME). UC is required to purchase the materials from a firm registered at VAT office unless otherwise waived according to financial regulations of GoN.

Preparatory Works of procurement during Preparatory Phase of scheme

1. UC must have received capacity development training on procurement process before undertaking the responsibility of procuring construction materials in preparatory phase. Such training should be conducted at district level participated by number of users committees.
2. The training shall have included proficiency topics on existing procurement modes/processes under procurement act, technical specifications and quality standards of pipe, cement and other construction materials.
3. Community Action Plan having a procurement plan is attached in the Implementation Phase Agreement to be signed in between the UC and RM for implementation of the scheme.
4. Mass meeting of users will form a Procurement Committee comprising of max 3 members of which at least 1 member shall be from users.
5. UC shall call a mass meeting to discuss and decide on the existing modes of procurement. Criteria will be established for each mode of procurement, which can fall under any one of the following:

    Mode 1: Direct Purchase (up to NPR 500,000 with VAT bill) - Public procurement rules
    Mode 2: Competitive sealed Quotation (any amount as decided by UC)
    Mode 3: Tendering Process (any amount as decided by UC)

It is the responsibility of RMPMC and SO to provide support to UC in preparing quotation/tender documents, market survey, identification of quality materials and preparing comparative charts in any

mode of procurement (as described in the following chapters 7.3.2 and 7.3.3). Detail Process and steps of community procurement is provided in **Community Procurement Manual.**

Direct Purchase

Users Committee may procure the materials directly from the market with open quotation, if the estimated cost of the external material cost is less than amount NPR 500,000. Such type of procurement done only for those items which may need immediately for the schemes or was missed during major procurement. There should be UC decision to procure the material and it should be duly approved by mass meeting. It is responsibility of SO to ensure the quality of the materials directly purchased from the market. UC should take VAT bill for such procurement. If the materials need to procure in local market that amounts less than NPR 20,000.00 no VAT bill is mandatory.

Procurement by Competitive Sealed Quotation

Generally, minimum three UCs of the RMs process at once for procurement or UCs. If a single UC has amounting more than 6 million rupees can alone proceed for the procurement. RMPMC may also suggest UCs to announce sealed quotation notice RM wise e.g. UCs of one RM can proceed for procurement at a time. For any kind of procurement exceeding NPR 500,000, following steps shall be followed for this mode of procurement process, details are provided in UC procurement manual.

a) Procurement related orientation (one day) shall be provided to all UC members during preparatory phase.
b) A procurement committee shall be formed by a mass meeting at the end of preparatory phase having 3 members, including at least one female. Out of three members from a committee, two members will be from UC and one member from users (not a UC members).
c) RMPMC organizes the training to UC officials and procurement committee for book keeping, materials procurement process, identification of quality of materials, in RM headquarter. The training will be organized in RM headquarter.
d) UC decides to publish procurement notice in local and regional or national newspaper considering the availability of materials in the market. Considering the market centers of the project working districts, the UC shall publish notice in at least one local and one Dhangadhi or Nepalgunj based newspaper. UC shall delegate the authority to publish the notice to procurement committee. The notice should have following information;
    I. Place where quotation forms available and fee (if decided by UC)
    II. Mode of delivery of sealed quotation
    III. Place and date of submission of quotations and name and contact number of contact person.
    IV. Date, time and venue of opening the sealed quotation.
    V. Key conditions of supply of materials.
e) SO in support of GPO/TF and RME preparing quotation format with conditions and detail of technical specifications.
f) The time frame of submitting of quotation should be minimum 15 days from the first date of publication of notice.

g) A copy of notice should be circulated to DCC/DTO, Chamber of commerce and Industry of the district or suppliers association and RVWRMP offices.
h) Cover letter with detail of conditions and mode of payment, quotation format and detail of technical specifications should be signed by UC chairperson or procurement committee chairperson. Number of such procurement documents should be prepared and supplied to respective places from where it's decided to distribute. UC/UCs may decide to make the documents available for distribution and submission in RMs, RVWRMP offices in PSU Dadeldhura, Dhangadhi, Kathmandu, TSUs and Helvetas office at Surkhet. Cost of Quotation (not refundable) form procurement shall be deposited by supplier in respective RMs bank account. A copy of voucher should be submitted to get the quotation form.
i) If minimum three quotations are not submitted during specified time frame, second notice of 7 days shall be published.
j) Even in second time, if required number of quotations are not submitted, any number of sealed quotation shall be evaluated.
k) All of the submitted sealed quotations will be collected at respective RM and opened in presence of representatives of all UCs/procurement committees, RM, SO/SP and RVWRMP representatives. A technical team shall support UC preparing comparative chart. All concerned UC/procurement committee members will approve the chart. Representative of RM financial administration section and at least one technical staffs (either from RM or the project) is mandatory in quotation evaluation committee.
l) Based on the approved comparative chart, UC/procurement committees shall decide to select a low bided supplier and notify the supplier or manufacturer. While selecting the supplier, the track record of supplying materials in the previous phases of the project will also be considered.
m) UC will process for agreement with selected supplier issuing letter of acceptance.
n) Once the agreement is done in prescribed format, UC shall issue supply order to the supplier. All the related formats are presented in UC operational manual. RM shall release first installment amount only after finalization of agreement with supplier or manufacturer.
o) Once the materials are ready to supply, assigned technicians shall verify the quality and quantity of the procured materials. None of the materials shall be transported without technician's verification. The assigned technicians from SO/SP, RM or RVWRMP shall ensure following points during verification;
    I. Quantity of materials as per bill.
    II. Quality of materials as per supplied specification.
    III. Rate of materials quoted in the bill is same as approved rate
    IV. if any of the materials are not with specified quality, it should be replace or if the verification is done in road head of site, such materials should be immediately returned to suppliers.
p) UC shall conduct public audit of the procurement immediately after procurement process is completed. UC shall pay the cost of materials only after receiving the materials, no guarantee is required for the supply.

Procurement of solar and electric components for Water Scheme and Electro-mechanical components for Micro Hydro Schemes

For the procurement of electro-mechanical equipment for micro hydro scheme, solar and electrical components for lift schemes following process shall be applied.

1. Considering the number of such schemes in AWP, Project Coordination Office call for expression of interest (EoI) from supplier or manufacturer in National newspaper. The PCO shall analyze the received EoI and list all the qualified supplier or manufacturer. The recommended list shall be valid for two fiscal years (applicable to already done work). The supplier or manufacturer should fulfill the following criteria to be recommended for the supply of equipment.
    a. Registered according to GoN prevailing rules.
    b. Registered in VAT
    c. Proven evidence of supplying and installing the equipment successfully it should be reflected in their profile. Experience of minimum three years in design, supply, installation and commissioning of respective technology, preferably project working area.
    d. Tax Clearance of previous fiscal year.
    e. Committed to provide O&M service as requested by the UC for minimum 5-10 years after construction.
2. PCO shall recommend the list of suppliers or manufacturers that fulfil above criteria.
3. Respective UC shall provide notice with quotation format to all recommended suppliers.
4. Remaining process shall be as mentioned above.
5. UC/RM could 'ask for rates for any similar scheme' with the lowest/approved bidder for procurement of materials and services any time with in one years. The rates shall not be more than the already agreed scheme quoted rates. Agreement could be done by negotiation.

In the case, RVWRMP office at Kathmandu will facilitate to distribute quotation forms and collect filled quotations (if needed). Transportation and delivery of submitted sealed quotations from submitted place to respective RM headquarter shall be responsibility of the Project.

Procurement by Tendering Process

UC shall decide to follow tendering process, if the UC realizes that they are not capable to handle the procurement business. It **MUST** be decided by mass meeting held during preparatory phase. In that case, procurement shall be done in joint management of RMPMC and UC.

Joint Management: RMPMC shall establish a mechanism for joint management with UC for procurement of materials. Joint Management shall have the following mechanisms:

a) Formation of a Bid Committee by UC with 2 to 3 coming from its members and one staff from Support Organization/Support Person. The chair of this committee shall be the person decided by UC. It is advised to form a bid committee representing from number of UCs.

b) RMPMC shall nominate additional members from RM technical section, Account section of RM, Legal adviser of RM and any other person as decided by RMPMC.
c) Whole bidding process shall occur under the official name of UC.
d) RMPMC will decide on the selection of procurement method as per prevailing act of local government.
e) RMEO infrastructure development section chief with assistance of WRA/WRE will prepare a complete set of bidding documents.
f) UC will nominate one of its members as a responsible person for selling of bidding documents. The person will be responsible for documentation of records. The Bid Committee shall nominate RMEO to check the applications of bidders and will recommend for the issuance of bidding documents.
g) Bid evaluation shall be conducted by members of the Bid Committee. RMPMC will approve the whole bidding process and selection of bidder. Bid committee shall be chaired by UC chair.
h) RMEO technical section chief with assistance of WRA/WRE shall Contract documents and on behalf of the Bid Committee.
i) RMPMC shall establish a mechanism for quality assurance for procurement of materials.
j) RMEO technical section chief and RVWRMP technical staff shall check and approve the quality of materials and shall recommend to RMPMC for payments.
k) RMPMC shall recommend to respective UCs for payment.
l) UC shall make payments based on the recommendation of RMPMC and approval from a mass meeting of users. Transparency and accountability is vital, therefore participation from all sectors of the users should be encouraged in the mass meeting.

Following "Anti-Corruption Measures" of Ministry for Foreign Affairs of Finland, RVWRMP III has zero tolerance in any kind of corruption. For any kind of irregularities, immediate action shall be taken by respective authorities. It applies to all the stakeholders involved with RVWRMP III. Please refer **Chapter 9** for details.

Project Support Account (TA funds)

This account covers funding for a range of capacity building activities, pilots, studies and plans, technical assistance and office running costs from the contribution by the Government of Finland/European Union. It is administrated and audited as per the rules and regulations of the Government of Finland. The Team Leader of the TA Team must approve all expenditure under Project Support Account prior procurement. S/he is also the signatory of the Project main bank accounts.

8.6 Fund Flow and Release to Rural Municipality Level

The GoN contribution for the Investment will be channelled to RM-WRDF (investment account) as per the budget allocated in the red book (budget) annually. Money comes from the Ministry of Finance to the District Treasury and further to RM Consolidated Fund and to RM-WRDF. The flow of the fund will follow the regular GoN process to reach the RM-WRDFs.

RMPMC should forward the Annual Work Plan for the activities endorsed by RM Council to the Project. The PSU will compile, check and forward them to DoLIDAR. DoLIDAR will finalize the annual budget for each rural municipalities.

The contribution of Finland/EU to the RM-WRDF will also be reflected in the Red Book. It will be deposited to RM-WRDF directly by the Ministry for Foreign Affairs, Finland, upon the written request sent by the rural municipalities. PSU facilitates the fund flow through a separate account as a bank draft/direct deposition to RM account for RM-WRDF based on the request as soon as the funds have arrived to Nepal.

The funds from GoN are usually deposited to Local Governments Reserve Fund/RM-WRDF on trimester basis. The Finnish funds will be deposited on trimester basis or on actual need basis; these requests can be done at any time of the year. Thus the funds from the two governments do not necessarily reach RM-WRDF at the same time or not even during the same trimester. DoLIDAR and PSU are responsible to monitor that the share of GoN and GoF contributions, as well as the RM contribution, are as stipulated in the Project Document. DoLIDAR and PSU are also responsible to monitor that there is not too much money in the RM-WRDF in relation to the annual/ trimester plans and in relation to actual progress of work.

RMPMCs are encouraged to install a public board in RM to show the payments made from the project transparently.

8.7 Fund Flow to UC and SO Level

Funds for Implementation Phase will be channelled directly to UC bank account on instalment basis as stipulated in the contractual agreement. UC will operate the bank account independently. Both UC and SO will receive funds on instalment basis, as indicated in the Agreements with RM.

UC Account is maintained to cover the cost of construction materials, wages payments, material transportation and other expenditure. Contribution from RM-WRDF, share of users and income from other sources are deposited in this account.

RM shall allocate fund from its own budget to the RM-WRDF as provisioned in AWP of each year. The fund shall be separately provisioned for scheme investment, WUMP, LIP and other works. The money will be deposited to RM-WRDF as per need and is one of the pre-requisite to implement the project in the RM.

Funds to SOs will be released by RM-WRDF on instalment basis as provisioned in the agreement. SO payment will be made in each two months in instalment basis. Cost of capacity building activities at scheme level will be released to SO base on the agreement. SO human resources and other running costs will not be provided in advance. RMPMC has right to withhold the payment of SO until submission of the report or completion of any activity that planned for specified time period. Terms and conditions provisioned in the agreement will be strictly followed by the SOs to receive any payments.

RMPMC will decide on the mode of expenditure of investment of livelihood related activities (modest or advanced). In cooperative RM wards, such fund can be released to the cooperatives. If the activities confined within particular scheme in such case, the fund will be provided to UC. In other cases RMPMC will decide.

8.8 Monitoring and Auditing of RM-WRDF

Water Resources Development Fund is established under RM fund to invest for RVWRMP schemes and activities at rural municipality level. Generally, following activities are funded by RM-WRDF.

- Investment to schemes: The amount released to UC account in instalment basis for investment as per the implementation phase agreement signed between RM and UC.
- Payment to Support Organization as per the performance based annual contract signed between RM and SO.
- Salary, logistics and other cost of Gaopalika Project Officer (GPO).
- Salary and other agreed cost to Service Providers as per performance based contract signed between RM and SPs (if any)
- Capacity Building Activities: That includes; UC level capacity building activities, as per step by step procedure, technical trainings like VMW, LLB, RWJ Mistry, celebration of special events, home garden management training, leader farmer training, community organizations training, cooperatives related training, RM/UC level exposure visits.

None of the activities will be funded from RM-WRDF which are not approved in annual work plan of the RMs.

All the payments from RM-WRDF are made in written recommendation of Water Resources Advisor or assigned project representatives. The progress of activities are endorsed by RMPMC meetings. Status of income and expenditure of RM-WRDF is regularly monitored by RMPMC. WRA in close coordination with account section of RM verifies the payment made in respective month and sends the monthly financial report to PSU.

A joint team represented by PSU, PCO accounts officer and DCC accounts officer of respective district monitor the RM-WRDF visiting to each RMs minimum twice a year. First monitoring will be carried out during January-February and second monitoring during May-June of each year. The team will randomly verify the payments and its procedure. The team will prepare on site report and submit to Chief Administrative Officer (CAO) of respective RM, National Project Coordinator and Team Leader of the project.

RM-WRDF is a part of RM-fund and all type of auditing of RM-WRDF will be done as per prevailing GoN/local government rules and regulations.

Auditing Investment Account

Auditing of the accounts will be done as per the prevailing financial rules and regulations of GoN. Therefore, the records, bookkeeping and accounting of these accounts should strictly adhere to the principles of financial rules and regulations of GoN, as applicable to the local governments and the User Committees. Internal audit of these accounts will be done by RME Office or as provisioned by GoN and final audit by the Office of the Auditor General. CAO on behalf of RM will be responsible for timely auditing

of the fund. The clearance of audit objection and recommendations of the account will not be carried out to the next fiscal year. It should be cleared as soon as possible.

Auditing Support Organization Account

A separate audit of the funds provided from RM-WRDF to SOs is not necessary since they are subject to audit their books and accounts every year as demanded by the act they are registered to. However, SOs should retain audited books and account pertaining to the funds received from RM-WRDF. Joint team from the Project and RM shall randomly monitor account of SO at least once a year. The team shall monitoring the account of SO and provide written suggestions for improvement (as needed). To maintain the internal secrecy of books and account relating to other sources, SOs are suggested to maintain separate ledger for the funds received from the RM-WRDF for RVWRMP purpose. The SOs shall submit audit report each year to the Project office.

Auditing User Committee Account

Since RMs have to get their RM-WRDF audited by the Office of the Auditor General separate audit at UC level is not required. However, RMs should ensure that the UCs are following the suggested book keeping and accounting system and also see that the funds are used as intended. All the scheme expenditures are audited through public audit minimum 3 times in a scheme cycle as mentioned in **step-by-step manual.** In case the RMPMC feels it necessary to get UC account audited, management of the audit will be done by RMPMC. In case of micro hydro schemes, the accounts of MH cooperatives shall be audited as per cooperative act and related regulation. The fund required for the audit should be covered from the management cost of UCs, which is a part of cost estimate. Public audit of the funds released to the UC is mandatory before getting second and/or final instalment from RM-WRDF.

8.9 Book Keeping at Users Committee Level

Any organization or registered committee that deals with money has to keep a written record of all its financial transactions. Systematic bookkeeping includes exact information on various incomes and expenses. It shows to whom payments have been made, when, for what purpose and what is the financial position after each transaction. This information allows a committee to budget and make realistic plans for future activities. Both a committee itself and concerned authorities need the bookkeeping also for monitoring and audit of the use of money. Please refer **Scheme Booklet *(yojana khata)*** for Detail. Update and maintaining of scheme booklet (*yojana khata*) is mandatory for all the UCs. The booklet provides necessary information on recording of decisions, income and expenditure of cash and kind including bank account statements.

Many stakeholders including RM, SO, cooperatives, different COs, UC and users are involved in the RVWRMP. Every partner has a certain financial role, and each of them also wants to have a clear picture of the financial situation. It is very important that the UC has a good knowledge in bookkeeping and keeps written record of all its incomes and expenses. Systematic bookkeeping is especially important in RVWRMP because the implementation funds go directly to the UC bank account based on the progress of work.

In this project users are the owners and UCs are the implementer of the scheme. They are involved both physically and financially. Because the users invest their own money to the project, they are interested and entitled to know how their money is used at every step of the project. UC has to keep a clear record (bills, receipts, important decision and minute, technical evaluation and documents supporting the expenditures) of all financial transactions and make the records available to users and auditors whenever needed.

How to keep the records?

Government of Nepal have a two accounting system such as double entry and single entry system and also applying several formats to keep and update records of transactions. Yet, UC does not have professional staff for this purpose and dealing with many papers may be confusing also to the water users. UC have a less knowledge in double entry book keeping system so UC is recommended to keep and update the basic records as a single entry system with the use of a minimum number of forms. Clear records as regards to the persons who have worked in full wage, who have worked in low wage or who have worked without wage have to be maintained separately. Standard forms developed by MoFAGA for works to be done by users committee has to be adopted to keep the records. Relevant formats have been included in scheme booklet and the Step-by-Step Manual of the Project. UC should follow the following steps for records keeping process.

Who will keep the records?

The UC, as provisioned in their statute will have the main responsibility of recording all transactions and keeping the financial records updated. The UC has to keep safely the bills and vouchers obtained in relation to the works done. This responsibility should be taken into account when selecting a suitable person for a UC treasurer. It is also recommended that all UC members know how to keep records updated. SO/SP should assist UC frequently in bookkeeping. All the decision and procurement related quotation, comparative charts and mass meeting records should be kept safely. All the book of accounts will be checked during monitoring of the schemes.

Scheme related procurement

UC has the key role to play in procurement and financial matters. This is important part of capacity building: the community members as UC have to learn where and how to procure materials, what they cost, how to assess quality and organize logistics, otherwise the future sustainability of the scheme can be questionable. Therefore, it is utmost importance to take all these steps carefully: some UCs are more experienced than the others. On-The-Job learning is the way forward even if it may take time and effort from all concerned. If the financial reports are not in a written form, clear and reliable, the whole program may suffer. Unclear financial reports may lead to distrust and disputes among the users as well as with concerned authorities. Further details are given in **Community Procurement Manual.**

Reporting

The scheme implementation funds will be released to the UC account for the investment. This includes money that users invest in the scheme, and the contributions from RM-WRDF. Part of the funds will be

an advance from RM-WRDF according to the scheme progress. UC assisted by SO will submit monthly expenditure statement of funds to the RMPMC as prescribed in this guideline. RMPMC has also right to ask for financial and progress report as and when needed. In addition, UC is required to provide progress reports on project construction to the concerned local government on monthly basis. The UC should keep the original bills and receipts along with financial statement. To clear the respective advance and get new instalment/final payment from RM-WRDF only technical evaluation of work will be required for payment to UC. Information about the expenses made by UC will be exposed in public audit.

Monthly financial reports (*Kharchako Phantwari*) will be forwarded to PCO/PSU/DoLIDAR within first week of next month.

8.10 Public Audits

Public audit is integral part of scheme implementation for any kind of schemes funded by the project. None of the payments to UCs are made from RM-WRDF without public auditing. UC is responsible to arrange the public hearing in consultation with SOs/SPs and RMPMC. In any kind of public auditing, representation from three fourth of the households and having minimum 50% of female participants among attended is mandatory. Similarly, proportional representation from all sector/clusters/wards and ethnic/caste groups is pre-requisite. If the intended participants are not attending the audit, it will be valid. Timing of the public audit in any of the RVWRMP supported schemes will be as follows;

1. **At the end of preparatory phase** : The Audit will focus on designs and cost estimates of the schemes, layout of the schemes, verification of rates of materials and labors, early planning for O&M fund and VMW selection, formation of procurement committee etc. The audit approves the design report and all the preparatory phase activities. Only after the audit the scheme go ahead for implementation phase. Detail process of conducting the audit is presented in step-by-step manual.
2. **During implementation phase:** When UC procures, transport and store the external materials and start construction of the schemes, second public audit is organized to discuss on the progress of the scheme, approve the procurement process and income and expenditure made by UC till the period. If the audit approve the expenditures, UCs can request for second installment to the RMPMC. Scheme information board is installed in a visible place in prescribed format that clearly shows the layout of the scheme and cost of the scheme in cash and kind and from different sources. At the beginning of implementation phase estimated cost of the scheme is indicated and after completion of the scheme and financial clearance actual expenditure by component and by shareholders is updated in the board. The board should be kept in public place so that all the visitors to scheme area can easily observe the board. An additional public audit in between second and final public audit may also be needed for the larger sized schemes and if some kind of transparency related issues are raised by the communities. GPO in consultation with SO staffs can suggest UC for the organization of such audits.
3. **Final Public Audit:** The final public audit will be done when the scheme is completed. When final monitoring team will agree on completion of the scheme, technical personnel of SO/DTO and SPs will measure the quantity of works and verify the UC's book keeping and prepare the final measurement

book (MB). The scheme expenditure shall be approved from the "Public Auditing". The final payment will be made as per the final measurement book conceded by the public auditing.

4. The public audits mentioned above are minimum, UCs can organize additional public audits as per need and as demanded by community, SO or the Project.

Financial Clearance of schemes

After completing all the construction works and financial transactions publicly audited and monitored by a joint team of RM and the Project, financial clearance of the schemes will be made. Following documents will be needed for the financial clearance of the scheme.

- Request letter from UC
- Measurement book
- Work completion report
- Minute of public auditing
- Recommendation of ward chairperson
- Final field monitoring report
- Recommendation from WRA of the project

9 Anti-Corruption and Transparency

Phase III will implement measures of the MFA to address corruption, putting into practice MFA's Anti-corruption Handbook for Development Practitioners and having 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 alleged corruption cases.

The Project has developed its modalities and procedures to make all the project activities as transparent as possible. As directed by the Project document and practiced before all the scheme level procurements are carried out in a transparent manner at the lowest appropriate level (predominantly by UCs), accountable to water user groups. Public audits at the community level are among the key instruments. In Phase III, funds for all types of investments will flow from RMs to UCs' account directly as practiced in earlier phases of the Project. All the scheme related procurements will be carried out by user committees only.

In the context of the Project, transparency refers to the situation where all the stakeholders including beneficiaries, local government and stakeholders, support organization are fully aware about the financial status of the scheme, scheme progress and issues, working modality, terms and conditions of agreement made between RM and UC. In addition the beneficiaries and stakeholders have an opportunity to discuss on the issues and get clarification on any kind of doubts or misunderstanding. Transparency is maintained in all levels and all phases of scheme cycle. It is essential aspect of governance.

Transparency Tools

The Project use following tools in its implementation process;

Table 24: Transparency Tools Used in the Project

Participation of beneficiaries in decision making process	• Monthly meeting of RMPMC to review progress and plan the activities • UC meeting in regular interval to discuss on progress and issues of the scheme. • Minimum 6 mass meetings in each scheme to discuss and decide key aspects of scheme implementation. Mandatory provision to have representation from two third of beneficiary households • Minimum 50% of female and proportionate representation of all ethnic group in all committees including UC. • Participatory prioritization and planning of schemes in WUMP based on hardship of the community.
Community Procurement and book keeping	• After receiving necessary training on community procurement and quality of materials, procurement committee and UCs carry out procurement of scheme related materials and services independently following the procurement manuals. Adopted process and cost is publicly audited.
Public Audits	Project strictly follow step by step process while implementing the schemes. Public audits are carried out in mass meeting minimum 4 times in a scheme cycle as follows; • First public audit to approve design and estimate of the scheme, approval of all preparatory phase activities, selection of VMW, formation of procurement committee, fixation of rates and wages etc. • Second public audit to approve procurement process, income and expenditures, review progress and find the solution for problems. • Third public audit to approve income and expenditure of the scheme construction, fix salary of VMW and water tariff, review the benefits of the scheme received by the community, and prepare plan for post construction phase. • After construction of the scheme, public audit is done annually as general meeting where schemes income expenditure is approved, operation, maintenance of scheme is reviewed, O&M fund is audited and necessary regulations are formulated.
Capacity Building	Apart from the awareness campaigns, UCs are trained on financial management, community action plan, GESI/HRBA, CCA/DRR, sustainability, procurement, Sanitation and Hygiene/BCC that enhance

	their capacity to complete the scheme in quality manner with proper plan and commitment for operation and maintenance and maintain sustainability of the financial deals and decisions.
Scheme Information Board	Scheme information board having detailed information on estimated cost of the scheme by components and stakeholders including community map of the scheme is installed in public place immediately after signing implementation phase agreement. The board is updated after completion of the scheme indicating actual cost of the scheme.
Field Monitoring	Monitoring by visiting the scheme area and RM is done as mentioned in this guidelines in regular interval that facilitate to track the progress and foresee the problems at all levels. Details about participatory monitoring is presented in chapter 10 of this guidelines.
Manuals and guidelines	The project has developed number of manuals in Nepali languages to capacitate the users that facilitate community to understand the project working modality and approach while implementing the scheme. Key guidelines are; • Step-by-Step Manual for water supply and irrigation scheme implementation. • Step-by-Step Manual for Micro Hydro Scheme implementation. • UC operational manual • Community Procurement Manual • Scheme information booklet (Yojana Khata) • Pictorial handbook of key pipes, tools and fittings that are used for WSS schemes. • TS/BCC self-monitoring chart • O&M fund management booklet and water tariff cards • Home Garden Management Manual • Cooperatives Development Manual • Leaflets/Booklets/Posters/Flexes of different aspects of the Project.

Code of conduct for project staffs and stakeholders

The Code of Conduct clarifies the standards of behaviour that are expected from RVWRMP staff and other organization's staff working for RVWRMP schemes at field level in the performance of their duties. It gives guidance in areas where staffs need to make personal and ethical decisions. The Code of conduct guides about the ethical, financial, behavioural conducts to be strictly followed by respective person and

organization the CoC also describes about disciplinary actions in the case of not perusing it. The code of conduct is presented in **Annex 3** of this guidelines.

Code of conduct is annexed to the employment contracts of the Staff and by signing the employment contract they agree to follow the Code of Conduct.

Serious breach of Code of Conduct will lead to a warning from the supervisor of the staff member of the Team Leader. Three warnings will lead to disciplinary action, in worst case the termination of the employment contract.

10 Grievances Management Mechanism

Rural Village Water Resources Management Project is implemented under local governments. Office of Rural/Municipal executives, in support of RMPMC are executing body of the Project. The final project document (November 2017) has provisioned the overall management and implementation responsibility of the project to local government. Thus RMs are the primary body to address different type grievances arose during implementation of the Project. Grievances management mechanism of the Project is described in **Figure 9** and **Table 25** below.

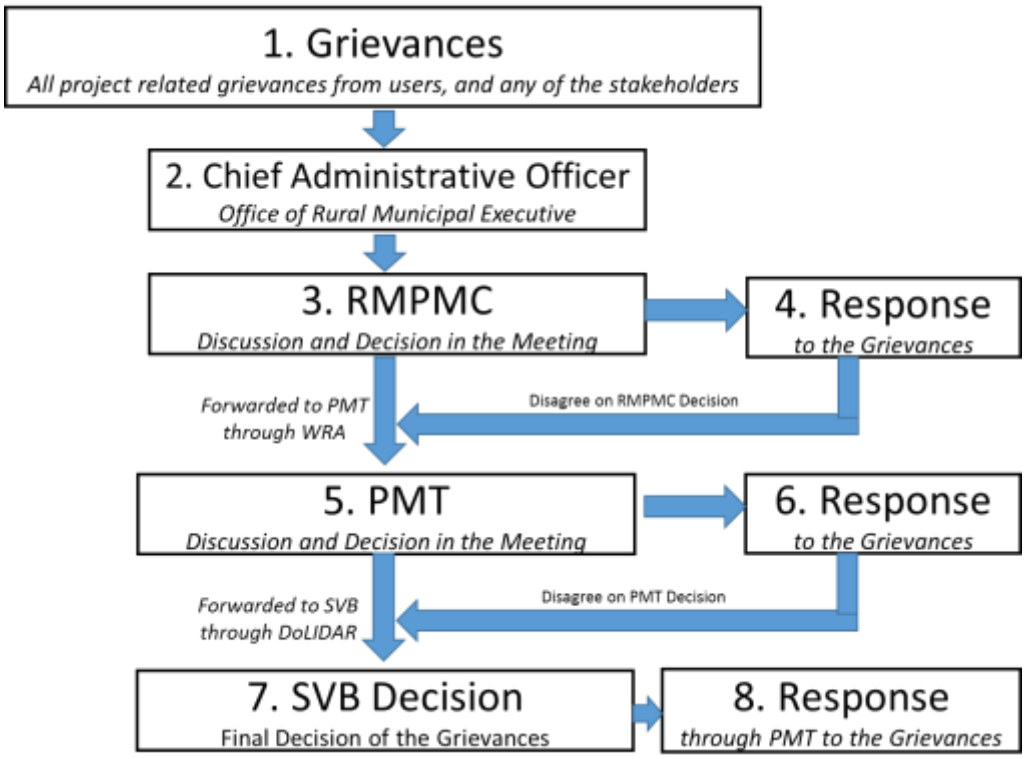


Figure 9: Grievances Management Mechanism of RVWRMP

The Process mentioned below while addressing any kind of project related grievances. The project shall not be compelled to response the grievances that are not received according to the process mentioned in this guidelines.

All the grievances should be tabled in written with enough justifications, none of the verbal complains shall be entertained. The grievances should be submitted by concerned person/organization only, no third party or political mediation shall be considered.

Table 25: Grievances Management steps of the Project

Steps	Description
1. Grievances	Users, users committees and all other relevant stakeholders have right to table the grievances in written form with enough proofs regarding the project activities and dissatisfactions.
2. Grievances Submission	Chief Administrative Officer (CAO) of RM, as a member secretary of RMPMC is responsible person to receive the grievances. The submitted grievance letter will be formally registered in Office of RM executive.
3. RMPMC Decision	CAO shall include the grievance in agenda of RMPMC and the issues shall be discussed in RMPMC meeting. In case of non-core RMs, meeting of RM chair, vice chair, CAO and WRA shall decide on the grievances.
4. Response to Grievances	All the grievances shall be responded in written by office of RME within two weeks of date of registration. The grievances that do not fall under the ToR of RMPMC shall be forwarded to the Project Management Team.
5. Project Management Team Decision	The grievances forwarded by RMPMC shall be discussed and decided in the PMT meeting. Similarly, if the applicant couldn't be satisfied with RMPMC decision can also submit written grievance to the Project Management Team within two weeks of response from RMPMC. PMT will analyse the grievance and respond the applicant. If the issue need to be taken to the Project Supervisory Board, it will be forwarded to DoLIDAR and the grievance will be discussed in forthcoming SVB meeting.
6. Response to Grievances	PMT will respond to RMPMC in case the grievance forwarded by the RMPMC. Similarly, the respond to the applicant shall be made in writing two weeks of registration of the application, in the case the grievance is received due to disagreement of RMPMC decision.
7. Supervisory Board Decisions	PMT may forward the grievances to the project SVB in it has major financial implication or that doesn't fall under the ToR of the PMT. Similarly, if the applicant couldn't be satisfied with PMT decision can also submit written grievance to the DoLIDAR within two weeks of response from PMT. National Project Director of the project will include the grievance in SVB agenda in forthcoming SVB meeting.
8. Response to Grievance	PMT shall respond to RM or the applicant in writing as decided by the Project Supervisory Board and the decision shall be final.

	In case of disagreement on SVB decisions, the applicant has right to seek judicial treatment according to prevailing rule and regulation of government of Nepal.

11 Monitoring and Evaluation

Monitoring and evaluation (M&E) are important to ensure that the intended results of the project interventions are achieved both in terms of quantity, quality and process. Monitoring should be relevant, timely and accurate and should produce the analysis of data and information that project stakeholders require to understand the process, progress and impacts of RVWRMP. Furthermore, the information collected should serve also the interests of the national and sector stakeholders:

- Inform decision making
- Track progress and process
- Measure outputs, impacts and results
- Increase accountability; in both way: downward (to the community level) and upwards to sectors and competitive authorities
- Encourage investment and willingness to contribute
- Build capacity

M&E is built into RVWRMP project's organizational and implementation structure. It is continuous and systematic flow of information within all steps of the project. The information flow should be two-way flow, providing immediate feedbacks and recommendations for those being monitored. These include both regular reports from SOs, UCs, RMPMCs etc., and formal monitoring visits at the time of critical stages of activities.

The core elements of the RM and scheme level monitoring in RVWRMP are:

- Process follow-up (Step-by-Step manual, Project Implementation Guideline, Fund flow and reporting).
- Tracking the information against logical framework of project and verification of data (Reports) provided by SO and UC.
- Physical verification of construction material & constructed services
- Ensuring quality of construction works.

Also assessing impacts of the activities against set indicators is important. The project level (logical framework) monitoring is done in PSU utilising the MIS system. PSU also provides information to national monitoring systems and government stakeholders.

RVWRMP Comprehensive Monitoring Concept

Monitoring and evaluation is a participatory process. The primary purpose of the participatory scheme level as well as RM-level monitoring and evaluation are to benefit those implementing the schemes and other activities, in terms of their progress' contribution to the result indicators and its objectives, like RM,

UC and SOs. At the same time the monitoring visits, findings and recommendations can be used for performance evaluation of the various stakeholders. This aims at encouraging all teams for best performance and high quality results and impacts.

The information collected should also serve the sector stakeholders at Provincial and National level; see **Figure 9** below. In this regard the practices and related indicators will be aligned with the other sector stakeholders.

The Monitoring and Evaluation Format will provide further details with regards to indicators, practices and expectations at each level. The monitoring formats at the RM/scheme level have been printed as separate monitoring books for feeding to the Management Information System (MIS) hosted by PSU.

All RVWRMP M&E information will be adequately disaggregated to assess the inclusiveness of the project activities with particular regards to women and disadvantaged ethnic groups such as Dalit, Janjatis and other minorities. The HRBA&GESI Strategy and Action Plan provides detailed indicators in this regard. GESI as a cross-cutting theme is included across all monitoring systems.

Rural Municipality based Water Resources Development Funds will be closely monitored by PCO/PSU and make tally with Government of Finland requested format with government of Nepal's format. Regular annual auditing of the RM-WRDF fund by Office of Auditor General Observation Government agency of Nepal will monitor the account system and provide the report about the transaction. Project will strictly follow the policy of preventive audit observation of MoFAGA. RM will make the auditing of all the RM-WRDF fund transection by Office of Auditor General (OAG) as per rule of GoN and take further action for any kind of unsettlements.

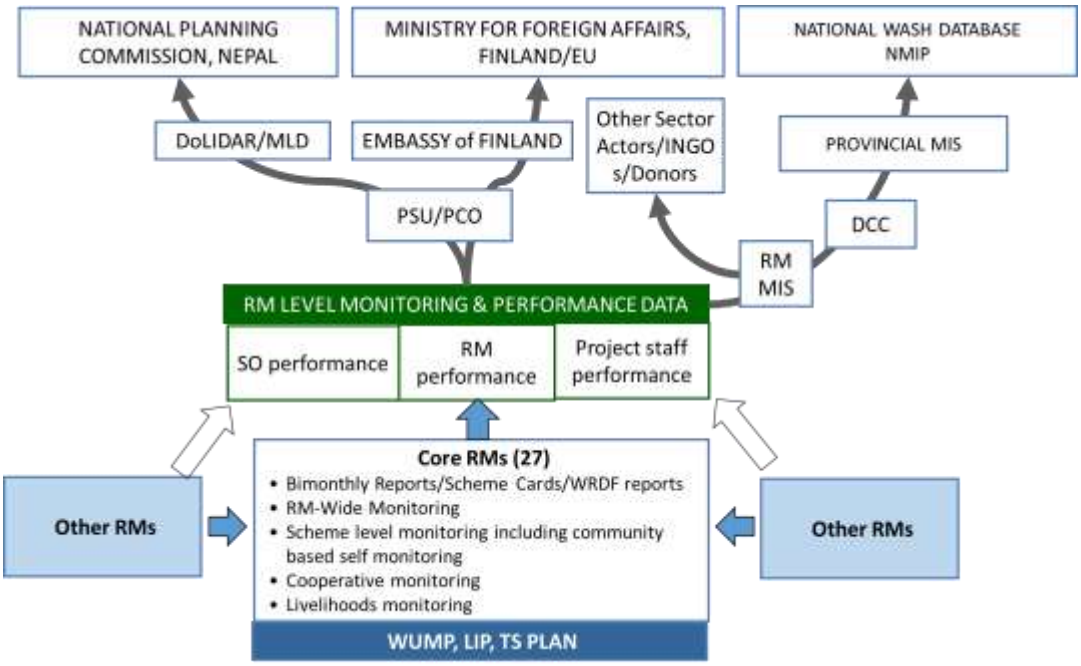


Figure 10: Monitoring and flow of information

Through the whole project cycle a comprehensive database will be maintained in order to record:

- Water source inventory of all project core RMs.
- Existing social, institutional, hygiene and sanitation status
- Functional status of existing water systems
- GESI disaggregated demographic data and beneficiary data
- Water Quality Monitoring data
- Contribution from beneficiaries, local governments , Governments of Nepal and Finland
- Capacity building data at all levels
- O&M fund status of all schemes
- Livelihood related

Monitoring at Different Levels

M&E of project activities will be carried out at different levels from community to project level as described below. In addition to the recommended minimum monitoring visits, ad hoc supervision/follow up visits will be carried out by DTO and PSU. Report of each monitoring visit should be submitted to RME through RMPMC. RMPMC will also include the findings of each monitoring visit in monthly report to PSU. The reports of monitoring visits should be made available to MOFAGA and the Project when requested.

Table 26: Monitoring at different levels

Level of monitoring	Frequency of monitoring	Description
Central level	Minimum two field visits per year by central level authorities	A high level officials from MoFAGA/DoLIDAR and Embassy will independently monitor the project activities. The team will provide report of findings to MOFAGA and DoLIDAR. A copy of the findings of the monitoring will be provided to the Project Support Unit. Progress review meeting will be organized between Federal department and the Project in every trimester before submitting trimester progress report to the Ministry. RVWRMP will contribute to the central level MIS system for regular tracking of information from the RM/province level in an annual basis.
Project level	At least twice a year coordination & monitoring visits; Regular monthly reporting	RVWRMP/PSU independently monitors the RM project activities to facilitate and ensure the Step-by-Step procedure and implementation guideline including fund flow at least twice a year by visiting project RMs. The team will discuss with RMPMC and give recommendations for further improvement of the project. Findings report will be forwarded to DoLIDAR/MoFAGA/Supervisory Board, and RME/RMPMC.
RM level	Annual	A team comprising of DCC/RM/Project representatives or as decided by RMPMC will monitor the water services, SO performances, Livelihood activities and micro finance and cooperative development activities in annual basis. The information collected during the visit will be utilized for annual performance evaluation of SO and RM.
Scheme level	At least 3 visits in water supply and irrigation, 4 visits in micro-hydro scheme during scheme cycle.	Schemes will be closely monitored by the users, Ward Committees on regular basis as they are very close to their schemes. In addition, a Monitoring Team comprised of TSU and Office of RM will monitor the schemes at the various critical stages. The critical stage of monitoring is identified and mentioned in step-by-step manual. The findings of each monitoring visit should be validated by UC/users and to be recorded in UC register.

RM Level Monitoring

WUMP preparation process will be monitored at RM level. Other RM level monitoring visits will be organized in annual basis to monitor overall water services, RM's Performance, SO performances, sustainability aspects, livelihood promotion activities and micro finance and cooperatives development related activities.

Scheme Level Monitoring

Step-by-Step Manual and the individual scheme-monitoring formats (as Scheme Monitoring Books) will serve as the main basis for scheme level monitoring. The aspects to be monitored and the methods/techniques applied during each monitoring visit are provided in the Monitoring and Evaluation Format. Scheme level monitoring costs are to be covered from the RM-WRDF.

RM-WRDF Monitoring

RM-WRDF will be monitored by the project monitoring team (DCC/PSU/PCO Account section Officers) and report to RME/RMPMC/PSU/PCO) minimum two times a year.

Table 27: Minimum Frequency of Scheme Level Monitoring Visits According to Technology

SN	Description	Frequency of Monitoring during different Phases of project Cycle*				
		Planning Phase	During CAP approval	During Implementation Phase	End of Implementation Phase	Total Visits
A	Water Supply and Sanitation					
	a) Environmental sanitation/Institutional Sanitation		1	1	1	3
	b) Rain Water Harvesting		1	1	1	3
	c) Gravity Flow water supply MUS		1	1	1	3
B	Irrigation		1	1	1	3
C	Micro-hydro		1	2	1	4

Table 28: Appropriate time of various monitoring visits for water supply, sanitation and irrigation scheme

SN	Description	Desired time for Monitoring
1	Preparatory Phase of individual scheme (First Visit)	During CAP Approval: At the same day of mass meeting when layout of the scheme, Training, design and BoQ and community action plan.
2	Implementation Phase of individual scheme (Second Visit)	After collection of local materials and procurement of non-Local Materials: Visit should be made after the procurement/collection of construction materials by the UC, which takes place after the first instalment for construction of scheme from the RM.
3	Implementation Phase of individual scheme (Third Visit)	During post construction seminar (After completion of scheme): This visit is to make to ensure the completion of all proposed activities of implementation phase (including quality of construction works, Book keeping, store management, SO performance, quality of training, transparency/public audit and Step-by-Step follow up).

RVWRMP capacitates RM and local level stakeholders, to establish RM level MIS system for the sustainability of MIS at local level.

Monitoring Teams

RM Level Monitoring

RM level monitoring is carried out once in a year and is linked to annual performance evaluation of SO and the RM. various stakeholders should take part in RM level monitoring (visits) of the Project. It is highly recommended that Monitoring Team include at least one female member if at all possible especially to collect information from women of the community. For to ensure the Step-by-Step approach and quality of project activities, the monitoring team will be composed as below;

Table 29: Composition of RM Level Monitoring Team

Stakeholders	Recommended team members
DCC	• DCC Chairperson or members • Local Development Officer or District Engineer or DTO/DDC representative
RVWRMP	• Water Resources Advisor or Water Resources Officer or Facilitator • One of the PSU specialists/Officer/ Engineer/Facilitator
RM	• RM Chairperson and executive Officer • RM level monitoring committee, all RMPMC members
SO	• Team Leader or Chairperson or Representative • SO staffs and SPs at field as observer

Scheme Level Monitoring

Monitoring Task force formed at RM level having at least one RMPMC member is responsible for scheme level monitoring. Considering the frequency of the monitoring visits, the scheme level monitoring will be made more participatory. The monitoring team is recommended to be composed as follows;

Table 30: Composition of Scheme Level Monitoring Team

Stakeholders	Recommended team members
RM/RMPMC	• Monitoring task force chair • At least one RMPMC member or any person assigned by RMPMC • At least one technical staff (preferably officer level) from RME office • Other members as per requirement
RM Ward	• Ward Chairperson • Ward members of respective ward
SO	• SO staffs (as observer)
RVWRMP	• WRA or WRE, or technical staff • PSU representative, If needed

RMPMC will plan all the monitoring visits in advance and invite the members with enough time margins so that the team members can manage the field trip.

Field Monitoring Reports

All the field monitoring reports will be prepared at the spot of monitoring and signed by all the visiting members. The findings of the monitoring will be presented to the beneficiaries and the key recommendations will be written in respective minute book of beneficiaries (e.g. UC Register Book). The monitoring teams are requested to check these recommendations by the previous team before proceeding further in their task.

All the reports will be submitted to RMPMC of respective RM. After RM level monitoring brief workshop on findings will be organized to RMPMC for further action. Summarized report of field monitoring will be forwarded to PSU.

12 Management Information System (MIS)

The Management Information System (MIS) is a systematic way to organize the data for quantity, quality, progress and process tracking of existing and progress information in terms of physical as well as financial. Modern database plays the role of information generation, communication, problem identification and helps in the process of decision-making. The MIS therefore, plays a vital role in the management, administration and operation of an organization. RVWRMP will have two different level of MIS in the following way:

Project level MIS

The project level MIS, with reference to the project's logical framework, manages the information with inter linkages to help the project management team to plan, organize, and control the project. The analysis of the information also contributes to the project management for learning, sharing and meeting the project's compliances. The MIS identifies the information that is required and its relevance to the project and its implementation that will be able to compare the present state of affairs on a project to the aims laid down and analyse the differences so that corrective or remedial action can be taken.

To access the information on the project's requirement, this system works with different tools for tracking the information and its process:

Table 31: Project Level MIS

S.N.	Tools	Related information	Time and process
Planning phase			
a.	Water Use Master Plan/LIP	Overall status of water resources, WASH coverage, existing water resources related schemes and their functional status, potential use of water available in the M/RMs in project's working. This is a multi-year plan.	The entry point of project's intervention. It takes around 6 months to develop. According to the WUMP implementation guideline. The whole master plan is owned by the M/RMs. The detail data of Project related M/RMs are linked to the project's MIS.
b.	Annual work plan (AWP)	Annual plan for activities including investment as well as recurrent / programme, such as scheme implementation, awareness, capacity building, entrepreneurship, cooperative, Sustainability as well as GESI, etc.	Before starting the fiscal year. M/RMs approve the AWP through the council. The AWP is entered in to the Central Government's "Line Ministry Budgeting Information System (LMBIS)", later on it becomes the authorization for the implementation. Revision is possible with the budget line once in a year.
Implementation phase			
c.	M/RM level water resource development fund (RM-WRDF) reporting	Financial transaction with respective to the line of activities of AWP and LMBIS.	In Monthly basis. Project's district team collect information of expenditures and "*fatbari*" from all M/RMs. A set format is filed by the project's district team and check

			the figures and send to PSU's finance team CC to PCO and MIS.
d.	Scheme Card	The detail information of all schemes.	In Monthly basis. Project's district team collect the information from scheme level via M/RMs and send to PSU's MIS team in a set format.
e.	Bi-monthly report	All the software activities (awareness, capacity building, sustainability indicators, home garden, advance level livelihood and cooperative) and their disaggregated beneficiaries	In Bi-monthly basis. Project's district team collect the information from M/RMs and send to PSU's MIS team in a set format.
f.	Annual Progress Report (APR)	Overall compilation of all reports measuring against project's target.	In an annual basis. Project's district team collect the information from M/RMs and send to PSU in a set format.
g.	Mobile application based monitoring (KoBo tool)	Household level Total Sanitation Monitoring indicators and other if required. **Specific emphasis on surveying menstrual hygiene management and menstrual dignity practices.**	In real-time basis. During monitoring visits by HPs or other person for other indicators, if required.

Beyond the above tools, the project will conduct baseline / end-line, mid-term surveys when required. Some short of information will also be collected when the project have to report to the sector as per requirement or for further research and studies.

12.1 Rural Municipality/Municipality Level MIS

The Context:

- According to the Government of Nepal's legislative provisions, RMs, themselves, are responsible to collect, update and maintain all the information of their respective RMs and produce reports and plans according to their requirement. For this purpose, all RMs should have MIS system and maintained by a focal staff.
- Nepal Government has central systems, such as LMBIS, LLFMIS, WBRS, etc. These systems are opened periodically, controlled by the central offices, for the specific fiscal year to enter the data into it and

only produce the hard copy result. RMs cannot have access and control over it and cannot compile their information for multiple years.

- No RMs are eligible to get Government's development fund unless they have produced development plans such as sector, periodic and annual plans based of the M/RM's profile.
- M/RMs have realized that there are lack of capacity to develop such MIS themselves and seeking the technical support from development partners and are ready to collaborate as well.

Establishment of RM Level MIS:

RVWRMP will support the willing RMs to design a MIS system directly answering to their management information needs.

The planning of the MIS system will be linked with the support to WUMP/LIP and Profile preparation process. All work on the MIS design will be done strictly in cooperation with the RMs, requesting for this kind of support. The MIS will be designed as user friendly and also taking into consideration the constraints of internet access, equipment etc. available in the RM headquarters. The ownership of the MIS system will be RM's from the beginning.

A schematic picture of the possible structure of the MIS system is presented below.

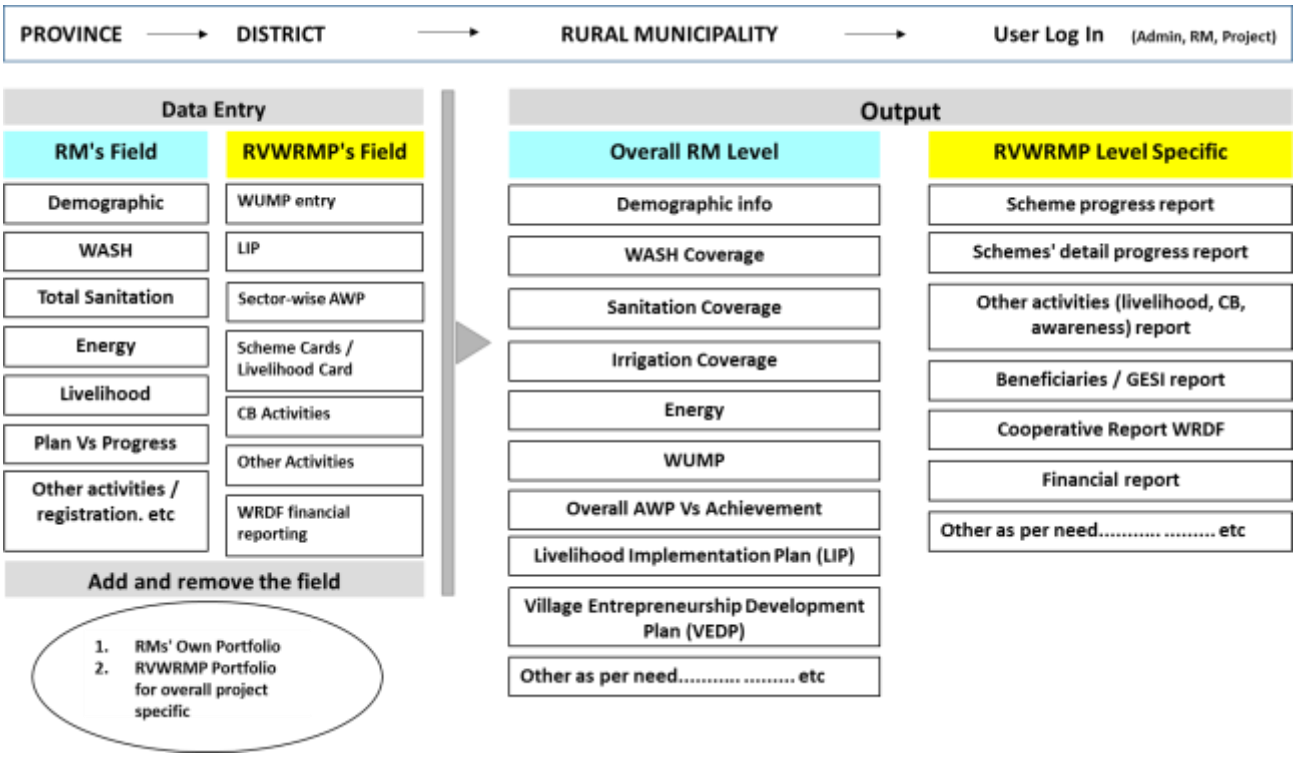


Figure 11: RM Level MIS Framework

Capacity building of RMs on RM level MIS

Since, M/RMs are newly setting up their physical structure and they're growing up their capacity, their development partners also have responsibilities to support them. Hence, RVWRMP will capacitate M/RMs through different MIS related trainings and workshops to function their MIS.

12.2 RM Annual Performance Evaluation and Budget Allocation System

Project working core-program RM, DoLIDAR and the Project has mutually agreed to apply performance based evaluation system. The APE system is presented in detail in MoU between DoLIDAR and the RM. APE will be carried out in the month of August each year by joint team following the steps mentioned below;

1. RMPMC will nominate 2 members for APE team from among RMPMC members.
2. PMT will nominated 2 members from PCO and PSU
3. A team will collect all required information from PCO, PSU and Office of RME and score the performance. A scoring pattern and sheet shall be as annexed in MoU between RM and DoLIDAR.
4. APE team will submit report to the RMPMC and the RMPMC meeting will approve the APE. A copy of the report will be submitted to PCO/PSU.

Table 32: Annual Performance Evaluation Criteria of RM

Sn	Parameter	Indicator	Score	Means of Verification
1	Planning Vs Achievements	Physical Progress	20	Analysis and verification of approved plan and report
		Financial Progress	10	Analysis of actual expenditure and approved budget of RM
2	Rural Municipality contribution and expenditure	Released RM contribution	15	Analysis of financial report of RM
		Expended RM contribution	5	Analysis of financial report of RM
3	Monitoring and Reporting	Monitoring of schemes as per SBS	10	Monitoring and Progress Reports
		Reporting from RM to PCO/PSU	5	PCO/PCO records
4	RMPMC Meetings and review meetings	Regularity of RMPMC meeting	5	RMPMC Meeting Minutes
5	Utilization and Transparency of RM-WRDF	Proper utilization of RM-WRDF and transparency maintained	10	Annual Progress Report,
		Suggestion of Monitoring team applied	5	Monitoring reports and RM records

6	Policy Formulation and Proper implementation of PIG and Project guidelines	Policy Formulation as per MoU	5	RM council meeting minutes
		Proper follow of project guidelines and PIG	5	Scheme and RM level monitoring reports
7	Collaboration of the Project Activities with other agencies	Sharing of financial resources with other section of RM and stakeholders	5	Annual Progress Report, RMPMC Minutes, proposals/contracts
	Total		100	

Reward System to RMs

Based on the APE score received by the RM in previous fiscal year, the Project will apply reward system for best performing RMs. Mode of reward will be as follows;

1. RM scoring equal or more than 90 marks :
    a. The project will facilitate to add 10 – 20% more investment budget for the RM.
    b. The project will support for additional livelihood activities
    c. The project will organize (for PSU fund) special exposure trip to RMPMC in national level workshop/seminar or to the area where livelihood activities are well demonstrated inside the country.
2. RM scoring equal or more than 80 and less than 90 marks:
    a. The project will facilitate to add up to 10% more investment budget for the RM.
3. RM Scoring equal or more than 60 and less than 80 marks:
    a. The project will continue with the budget ceiling available and will encourage RM to increase their performance in coming days.
4. RM scoring less than 60 marks:
    a. The project will recommend to reduce 10-20% of investment budget from allocated ceiling.

13 Visibility

RVWRMP follows the EU guidelines in its visibility and communication actions. The more detailed guidelines can be found in the Project Communication and Visibility Guidelines and in its annexed Branding Guidelines.

In phase III special focus will be paid on visibility of the project. This means that the financiers will be acknowledged by using appropriate logos wherever the project is implementing activities and is having its schemes. The appropriate logos will be attached in all produced material, office stationeries, infrastructure, promotional products and vehicles in order to acknowledge the financiers and as a basic

rule of transparency. In all materials produced by the Project, the RVWRMP-logo will be placed in a visible place. Also the emblems of the Government of Nepal, the EU logo and the logo of the Ministry for Foreign Affairs of Finland will be placed in a visible place. All the emblems will enjoy an equally prominent place and size as portrayed below.



Figure 12: Logo of Financiers of the Project

RVWRMP will pay special attention to increase visibility on scheme level. The water schemes will have an RVWRMP identification plate with the financiers acknowledged. Likewise, hoarding boards presenting the water schemes and the livelihoods activities in the community should be displayed in prominent places in the communities.

EU disclaimer

The EU is not responsible for the contents of communication material prepared by contractors, implementing partners or international organizations. These must therefore include the following disclaimer in their publications:

"This publication has been produced with the assistance of the European Union. The contents of this publication are the sole responsibility of RVWRMP and can in no way be taken to reflect the views of the European Union."

Communication at project implementation level

Public Communication and advocacy: One of the communication objectives is to ensure that the beneficiary population is aware of the roles of the partner and of the EU in the activity and raise awareness on how the RVWRMP work together to support water supply and sanitation, livelihoods and GESI issues. Therefore special attention should be made on communications and visibility on RM level. The local media should be invited frequently to cover the local achievements and impact of the action, not on administrative or procedural milestones. Paid advertisements should be promoted in local newspapers, radio stations and calendars and other relevant material.

Campaigning toward the Project Objective is included as one part of communications. This includes raising awareness on project issues, including GESI and HRBA. Awareness raising on project issues should be done on community (ward/ cluster), RM and DCC level.

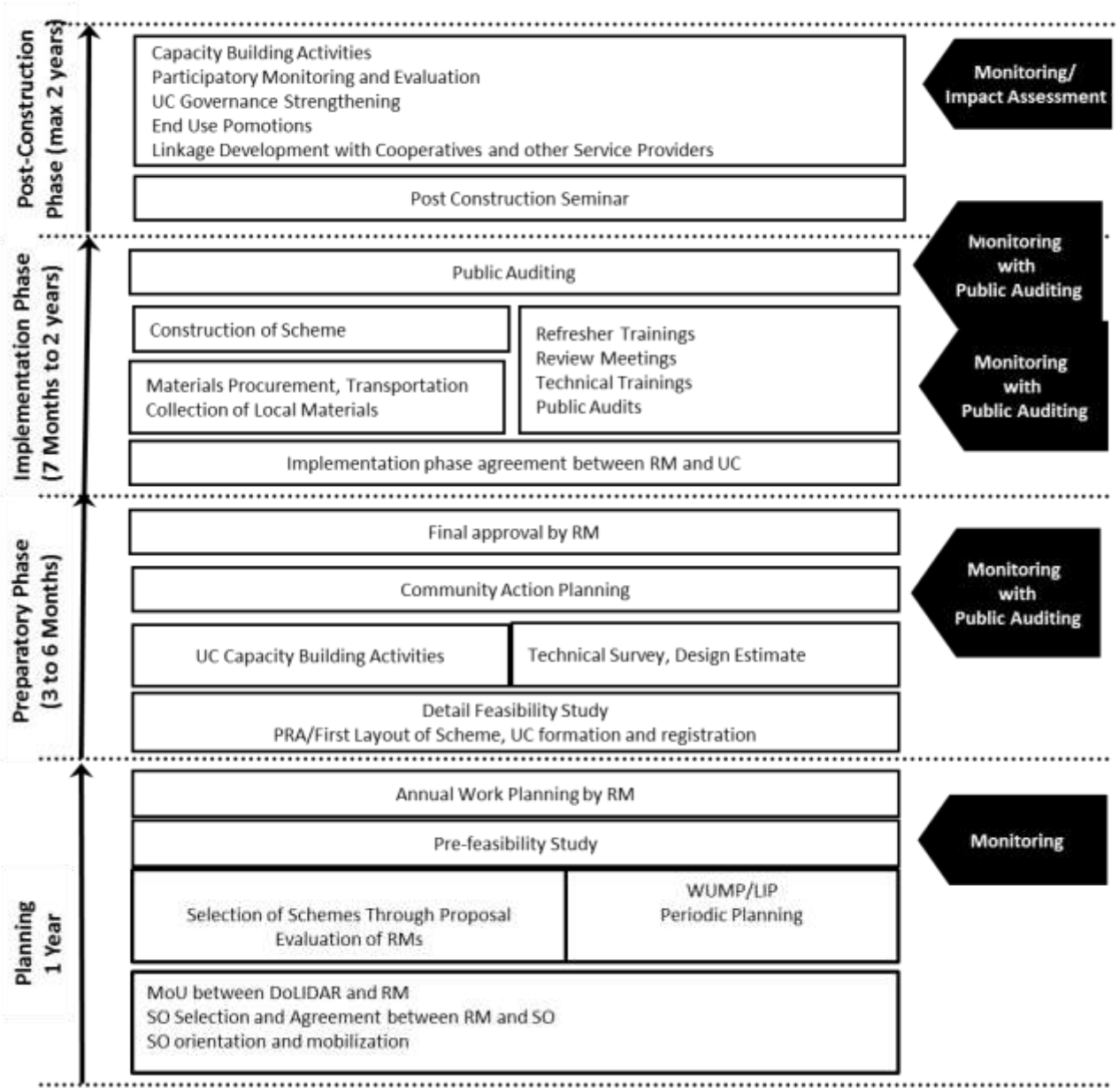
Menstrual hygiene management and dignity will be given special attention, in terms of production of materials – Flexes, posters and leaflets.

Knowledge Management: One important aspect of capacity building of the local governmental bodies is the transferring of knowledge from the Project of the Rural Municipalities, DCC and provincial authorities. This will be ensured by developing Project and local government websites and making information publicly available at RM/DCC and establishing a management information system at RM/DCC level.

Table 33: Knowledge Management in the Project

Type of communication	*Target audience*	*Objective*	*Tools*	*Indicators*
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, publicized project visits, social media, digital newsletters	Number of published articles, publications etc.
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 sensitizing journalists, producing radio ads/programs, printed materials (posters, comics), community activities in connection of festivals etc.	Number of posters, events, radio programs, visuals etc. produced
Knowledge Management	Project staff, Rural Municipalities, DCC, Provincial authorities	Avoiding loss of gained knowledge Making information easily available to all stakeholders Transferring knowledge from Project to Rural Municipalities, DCC and Provincial authorities in view of phase out	Developing Project and local Government websites. Making information publicly available at RM/DCC Establishing MIS at RM/DCC	Number of established MIS systems
Visibility	All stakeholders	Increase visibility and give recognition to the funding agencies	Logos added in all produced materials, production of promotion materials	Number of produced promotion materials

Annex 1: Step-By-Step Approach of RVWRMP for Scheme Implementation



Annex 2: Community Contribution (Cash and Kind) for Different Type of Technologies

<table>
<tr><td colspan="5">A. Gravity Flow Water Supply Schemes</td></tr>
<tr><td colspan="2">Cash</td><td colspan="3">Kind</td></tr>
<tr><td>Investment</td><td>O&M Fund</td><td>Description</td><td colspan="2">Contribution</td></tr>
<tr><td rowspan="5">NPR 2000/tap</td><td rowspan="5">NPR 2000/tap</td><td rowspan="3">Local materials collection and transportation (Stone, Aggregate, Wood, Bamboo etc.)</td><td>Non-local material transportation from road head to site</td><td>1 WD/HH</td></tr>
<tr><td>Sand collection and transportation</td><td>1 WD/HH</td></tr>
<tr><td colspan="2">All other local materials collection and transportation</td></tr>
<tr><td>Digging and burying of pipeline</td><td colspan="2">All distribution pipeline works</td></tr>
<tr><td>Structure construction</td><td colspan="2">Unskilled labour for tap stand construction</td></tr>
<tr><td colspan="5">Total contribution (Cash + Kind), excluding O&M fund, will not be less that 26% of total scheme cost, if it's found less than 26% in calculation, users will contribute remaining % of contribution from transmission line digging and burying or other components.</td></tr>
<tr><td colspan="5">In case of private connection schemes, the project subsidy will be maximum 50%. Community will invest cash for pipe, fittings, material and labour for yard connection from minimum 25% kind and 1% upfront cash contribution.</td></tr>
<tr><td colspan="5">B. Rainwater Harvesting Scheme (6.5 cubic meter jar)</td></tr>
<tr><td colspan="2">Cash</td><td colspan="3">Kind</td></tr>
<tr><td>Investment</td><td>O&M Fund</td><td>Description</td><td colspan="2">Contribution</td></tr>
<tr><td rowspan="4">NPR 2000/HH</td><td rowspan="4">0</td><td rowspan="3">Local materials collection and transportation</td><td>Non-local material transportation from road head to site</td><td>1 WD/HH</td></tr>
<tr><td>Sand transportation from road head to site</td><td>1 WD/HH</td></tr>
<tr><td colspan="2">All other local materials collection and transportation</td></tr>
<tr><td>Rainwater harvesting jar Construction</td><td colspan="2">All unskilled labour required for RWH Jar construction</td></tr>
<tr><td colspan="5">Total contribution (Cash + Kind), will not be less that 16% of total scheme cost, if it's found less than 16% in calculation, users will contribute remaining % of contribution from non-local materials transportation</td></tr>
<tr><td colspan="5">C. Lift Schemes</td></tr>
<tr><td colspan="2">Cash</td><td colspan="3">Kind</td></tr>
<tr><td>Investment</td><td>O&M Fund</td><td>Description</td><td colspan="2">Contribution</td></tr>
<tr><td rowspan="5">NPR 2000/tap</td><td rowspan="5">NPR 2000/tap</td><td rowspan="3">Local materials collection and transportation (Stone, Aggregate, Wood, Bamboo etc.)</td><td>Non-local material transportation from road head to site</td><td>1 WD/HH</td></tr>
<tr><td>Sand collection and transportation</td><td>1 WD/HH</td></tr>
<tr><td colspan="2">All other local materials collection and transportation</td></tr>
<tr><td>Digging and burying of pipeline</td><td colspan="2">All distribution pipeline works</td></tr>
<tr><td>Structure construction</td><td colspan="2">Unskilled labour for tap stand construction</td></tr>
<tr><td colspan="5">Total contribution (Cash + Kind), excluding O&M fund, will not be less that 20% of total scheme cost, if it's found less than 20% in calculation, users will contribute remaining % of contribution from transmission line digging and burying or other components. In case of private connection schemes, the subsidy from the project shall not be more than 50%.</td></tr>
</table>

<table>
<tr><td colspan="6"></td></tr>
<tr><td colspan="6">D. Point Source Improvement</td></tr>
<tr><td colspan="2">Cash</td><td colspan="4">Kind</td></tr>
<tr><td>Investment</td><td>O&M Fund</td><td>Description</td><td colspan="3">Contribution</td></tr>
<tr><td rowspan="5">NPR 2000/tap</td><td rowspan="5">NPR 2000/tap</td><td rowspan="3">Local materials collection and transportation (Stone, Aggregate, Wood, Bamboo etc.)</td><td colspan="2">Non-local material transportation from road head to site</td><td>1 WD/HH</td></tr>
<tr><td colspan="2">Sand collection and transportation</td><td>1 WD/HH</td></tr>
<tr><td colspan="3">All other local materials collection and transportation</td></tr>
<tr><td>Digging and burying of pipeline</td><td colspan="3">All Pipelines</td></tr>
<tr><td>Structure construction</td><td colspan="3">Unskilled labour for tap stand construction</td></tr>
<tr><td colspan="6">Total contribution (Cash + Kind), excluding O&M fund, will not be less that 30% of total scheme cost, if it's found less than 30% in calculation, users will contribute remaining % of contribution from transmission line digging and burying or other components.</td></tr>
<tr><td colspan="6">E. Conventional Irrigation Schemes (Canal and Pond)</td></tr>
<tr><td colspan="2">Cash</td><td colspan="4">Kind</td></tr>
<tr><td>Investment</td><td>O&M Fund</td><td>Description</td><td colspan="3">Contribution</td></tr>
<tr><td rowspan="3">NPR 200/Ropani</td><td rowspan="3">NPR 100/Ropani</td><td rowspan="2">Local materials collection and transportation</td><td colspan="2">Non-local material transportation from road head to site</td><td>1 WD/HH</td></tr>
<tr><td colspan="3">All other local materials collection and transportation</td></tr>
<tr><td>Earth work</td><td colspan="3">All</td></tr>
<tr><td colspan="6">Total contribution (Cash + Kind), excluding O&M fund, will not be less that 30% of total scheme cost, if it's found less than 30% in calculation, users will contribute remaining % of contribution from non-local materials transportation.</td></tr>
<tr><td colspan="6">F. Non-Conventional Irrigation Schemes (Sprinkler and Drip)</td></tr>
<tr><td colspan="2">Cash</td><td colspan="4">Kind</td></tr>
<tr><td>Investment</td><td>O&M Fund</td><td>Description</td><td colspan="3">Contribution</td></tr>
<tr><td rowspan="3">NPR 300/HH</td><td rowspan="3">NPR 100/HH</td><td rowspan="2">Local materials collection and transportation</td><td colspan="2">Non-local material transportation from road head to site</td><td>1 WD/HH</td></tr>
<tr><td colspan="3">All other local materials collection and transportation</td></tr>
<tr><td>Earth work</td><td colspan="3">All</td></tr>
<tr><td colspan="6">Total contribution (Cash + Kind), excluding O&M fund, will not be less that 30% of total scheme cost, if it's found less than 30% in calculation, users will contribute remaining % of contribution from non-local materials transportation.</td></tr>
<tr><td colspan="6">G. Micro Hydropower</td></tr>
<tr><td colspan="2">Cash</td><td colspan="4">Kind</td></tr>
<tr><td>Investment</td><td>O&M Fund</td><td>Description</td><td colspan="2">Contribution</td><td></td></tr>
<tr><td rowspan="3">NPR 2000/HH</td><td rowspan="3">NPR 1000/HH</td><td rowspan="3">Local materials (Sand, Aggregate, Stones) collection and transportation (e/m equipment & non local civil materials)</td><td colspan="2">Transportation of e/m equipment</td><td>50% of total work volume</td></tr>
<tr><td colspan="2">All local materials collection and transportation</td><td></td></tr>
<tr><td>Earth work</td><td colspan="2">All</td><td></td></tr>
<tr><td colspan="6">Total contribution (Cash + Kind), excluding O&M fund, will not be less that 25% of total scheme cost, if it's found less than 25% in calculation, users will contribute remaining % of contribution from non-local materials transportation. In addition the community will invest share to the MHP equivalent to 10% of total cost. Thus the total contribution from the community in MHP is 35%</td></tr>
</table>

Annex 3: Code of Conduct of RVWRMP III

The Code of Conduct clarifies the standards of behaviour that are expected from RVWRMP staff and other organization's staff working for RVWRMP schemes at field level while performing their duties. It gives guidance in areas where staffs need to perform personal and ethical decisions.

Highest standards of conduct are required to achieve goal and objectives of the project. To achieve this full commitment of all stakeholders and its staffs is essential. Demonstrated ethical and practical behaviour helps to achieve project objectives. Thus this code of conduct is developed and issued for all the staffs related to RVWRMP activities.

Objectives of the project is not only to construct the infrastructure rather the project is for strengthening the capacity at different levels and to establish good governance culture. Staff behaviour is therefore the matter of imitation by the community and they make their impression towards the project accordingly. It also affects success and sustainability of the program. Therefore the staffs working for RVWRMP must establish themselves as a role model. By which community learn the hygiene and GESI behaviours and start to show similar behaviours.

The Code of Conduct is applied to all RVWRMP staff including SO staff as well as support persons and short term service providers (consultants) working for RVWRMP. It also applies to the other stakeholders' staff visit scheme site for RVWRMP related activities. Rural Municipality Project Management Committee (RMPMC) of respective district is responsible for the effective management of the Code of Conduct in the RM level and Project Management Team (PMT) is responsible for PSU staffs. Water Resources Advisor of respective district and Chief Administrative Officer of PSU will submit the case of violation of the conduct to their respective committees.

The standards of the conduct are divided into following four categories:

A. Role Model Demonstration

All the offices of RVWRMP and field office of Support Organization must have:

1. Safe and clean toilet with water and soap facility.
2. Proper disposal system of solid and liquid waste.
3. Cleanliness of office and surrounding and IEC materials demonstrated in office.
4. All the staffs follow hygiene behaviours including hand washing in critical stage.
5. Provided attention in personal, household and environment sanitation.

B. Behavioural Standard

6. All the staffs strictly follow the terms and condition agreed through their respective employment contract.
7. Treat everyone with respect, courtesy and consideration. Be sensitive to the local culture, traditions and religions. Do not criticize local language, culture and custom and observe strict GESI-sensitive behaviour.
8. Conduct yourself in a professional and disciplined manner. Act with impartiality. Do not engage in activities that are incompatible with your duties, including giving public statements that may adversely reflect on your status as project personnel and public pronouncements which may compromise your impartiality.
9. All the staff must maintain high degree of transparency in financial deals. Involved in any kind of irregularity in those deals or support for it or ignore the findings will form a basis for immediate disciplinary action. The discounts provided by supplier/ manufacturer must be presented in invoice itself in any kind of procurement. The staff should very proactively involve maintaining financial transparency in the deals made by UC, SO and any kind of transaction made from RM-WRDF. It is duty of each staffs involved in the project to report any kind of financial misconduct or irregularity to respective supervisor immediately.

10. RVWRMP direct staffs are not allowed to take any kind of payment or advances from RM-RM-WRDF. In general, borrowing credit from UC members and community is strictly not allowed either from scheme fund or personal amount.
11. Don't promise anything to anybody that's not approved from concerned authority especially to users that not included in work plan. Don't express the things related to work any subject matter that is not clear to you; rather reply after confirming with your seniors.
12. Never accept any kind of food without cost from community.
13. Don't wear strange and fancy dresses while working at community level.
14. Don't use English words or strange languages at community level even among friends when community people are around.
15. Never participate in any political debates or support any of the political parties or groups in your working area; never participate in political rallies or influence your decision supporting any group during office or off hours. Also consider posting political opinions that directly or indirectly supports any of the political parties in social media.
16. Use of office equipment, stamps, stationeries, etc. for non-official purpose is not allowed.
17. Finnish vehicle policy and **Basic Operating Guidelines (BOG)** to be strictly followed.
18. Participation in physical violence and any kind of discrimination including social discrimination is forbidden.
19. Don't involve in any kind of criminal conviction those are punishable according to prevailing rule and regulation of Government of Nepal.

C. Sexual Misconduct

20. RVWRMP has zero tolerance policy toward sexual exploitation and abuse. Involvement in such misconduct is matter of immediate disciplinary action.
21. It might be moral or physical and applied to both male and female staff.
22. Touching, hugging, offer something, teasing, whistling activities with sexual intention also fall under it.
23. None of the staff will never be involved in such activities or support or encourage others or present any kind of sexual audio-visual aids.

D. Alcohol and Drugs

24. Consumption of alcohol during duty hour in any place is strictly prohibited.
25. Drug consumption or trafficking including the objects that are prohibited by prevailing government law is strictly forbidden.
26. Staffs are suggested not to drink in front of community and stakeholders. All staff should note that excessive consumption of alcohol at the community level will be noticed by the beneficiaries and brings bad reputation not only to the person but also to the project and SO.

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