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## JULY 16, 2019 TO JULY 15, 2020

### RURAL VILLAGE WATER RESOURCES MANAGEMENT PROJECT RVWRMP III (2016-2022)

Competent Authorities: Ministry of Finance Nepal and Ministry for Foreign Affairs of Finland

Implementation: Ministry of Federal Affairs and General Administration (MoFAGA)/DoLI; Rural Municipalities of the Provinces Sudurpaschim (Far-West) and Karnali.

TA Consultant: FCG International Ltd

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## Abbreviations

<b>BCC</b>	Behaviour Change Communication
<b>CB</b>	Capacity Building
<b>CCA/DRM</b>	Climate Change Adaptation and Disaster Risk Management
<b>DCC</b>	District Coordination Committee
<b>DDC</b>	District Development Committee (now: DCC)
<b>DMM</b>	Dignified Menstrual Management
<b>DoLI</b>	Department of Local Infrastructure
<b>DWS</b>	Drinking Water Supply
<b>EU</b>	European Union
<b>EUR</b>	Euro
<b>FCG</b>	Finnish Consulting Group
<b>FCHV</b>	Female Community Health Volunteer
<b>FY</b>	Fiscal Year (Nepal, from mid-July to mid-July)
<b>GESI</b>	Gender Equality and Social Inclusion
<b>GoF</b>	Government of Finland
<b>GoN</b>	Government of Nepal
<b>GWRO</b>	Gaunpalika Water Resources Officer
<b>HDI</b>	Human Development Index
<b>HG</b>	Home Garden
<b>HH</b>	Household
<b>HRBA</b>	Human Rights Based Approach
<b>ICS</b>	Improved Cooking Stove
<b>IEC</b>	Information Education and Communication
<b>IPC</b>	Implementation Phase Completed and financially cleared
<b>IPC*</b>	Implementation Phase Completed but not Financially Cleared
<b>IPO</b>	Implementation phase ongoing
<b>IWM</b>	Improved Water Mill
<b>kW</b>	Kilowatt
<b>LF</b>	Livelihoods Facilitator
<b>LIP</b>	Livelihoods Improvement Plan
<b>LMBIS</b>	Line Ministry Budgetary Information System
<b>M</b>	Million (MEUR: million Euros)

<b>ME</b>	Micro-enterprises
<b>MFA</b>	Ministry for Foreign Affairs (of Finland)
<b>MHM</b>	Menstrual Hygiene Management
<b>MHP</b>	Micro-hydro Power
<b>MICS</b>	Multiple Cluster Indicator Survey
<b>MIS</b>	Management Information System
<b>MoFAGA</b>	Ministry of Federal Affairs and General Administration
<b>MoU</b>	Memorandum of Understanding
<b>MUS</b>	Multiple Use Water System
<b>NPR</b>	Nepalese Rupee
<b>NRM</b>	Natural Resources Management
<b>O&amp;M</b>	Operation and Maintenance
<b>ODF</b>	Open Defecation Free
<b>OSS</b>	Operational Self Sufficiency
<b>PCO</b>	Project Coordination Office
<b>PoCo</b>	Post-Construction phase
<b>PSU</b>	Project Support Unit
<b>QARQ</b>	Quality, Accessibility, Reliability, Quantity
<b>RE</b>	Renewable Energy
<b>RM</b>	Rural Municipality / Gaunpalika
<b>RMSU</b>	RM Support Unit
<b>RVWRMP</b>	Rural Village Water Resources Management Project
<b>RWH</b>	Rain Water Harvesting
<b>SDG</b>	Sustainable Development Goals
<b>SO</b>	Support Organisation
<b>SP</b>	Support Person (individual hired by DCC earlier)
<b>TA</b>	Technical Assistance
<b>TF</b>	Technical Facilitator
<b>ToT</b>	Training of the Trainers
<b>TSU</b>	Technical Support Unit
<b>UC</b>	Users' Committee (water, sanitation, micro-hydro, irrigation, etc)
<b>VC</b>	Value Chain
<b>VDC</b>	Village Development Committee
<b>VMW</b>	Village Maintenance Worker
<b>WASH</b>	Water, Sanitation and Hygiene
<b>WRA</b>	Water Resources Advisor
<b>WRDF</b>	Water Resources Development Fund; also referred to as "RM-WRDF"
<b>WRE</b>	Water Resources Engineer
<b>WRT</b>	Water Resources Technician
<b>WSP</b>	Water Safety Plan
<b>WSS</b>	Water Supply Scheme
<b>WUMP</b>	Water Use Master Plan
<b>WUSC</b>	Water Supply and Sanitation Users' Committee

## Glossary

**Core RMs:** RVWRMP first phase started in 53 Village Development Committees (VDCs). In the second phase, the first phase VDCs were continued and 61 more VDCs were added. Ten District Development Committees (DDCs) were the local government bodies through which the project was implemented. After the federal restructuring of Nepal, VDCs and municipalities were merged, and became Rural Municipalities and Municipalities. At that time 27 Core RMs were selected. Core RMs have the project's institutional support unit (RMSU), RM-based project funded staff and the fully fledged project package including water supply, sanitation and hygiene (WASH), irrigation, multiple use systems (MUS), livelihoods, improved water mills, improved cooking stoves, institutional toilets and gender equality and social inclusion (GESI) capacity building.

**Non-core RMs** have proposal-based water supply schemes and such as home garden support as part of the scheme. There will be no new round of call for proposals. There are 36 Non-Core RMs. In total with Core and Non-Core RMs there are 63 RMs where the project was active in FY05.

**Home Garden:** Home gardens aim to improve the diet and nutritional intake of the rural people. Home gardens are a standard package together with the water supply facilities. The purpose is to utilize the excess and recycled water from water supply schemes. The 'ideal' home garden has four components: vegetables, spices, fodder, and fruit trees. This combination of plants and trees maximizes the nutrient value of the available space in sustainable way. Without one or more component, it is not considered to be a good home garden. The term "kitchen garden" is sometimes used instead of home garden, but they often lack some of the components of home garden.

**LMBIS:** The Line Ministry Budgetary Information System (LMBIS) is a browser-based budget entry system of the Ministry of Finance. All offices, departments and ministries under the Government of Nepal need to enter their project budgets into LMBIS. This process has to be completed two weeks before the budget speech (15 Jetha; around 29 May). LMBIS is the foundation of the Red Book national budget. Once entered in the LMBIS the budget is fixed for the fiscal year.

**Mobile Application KoBo ToolBox:** KoBo ToolBox and its mobile application KoBo Collect are used for a range of studies and data collection purposes in RVWRMP. For instance, the Sanitation and Health Promoters conduct home visits to verify the Total Sanitation status. RVWRMP has explored other open source mobile applications such as M-Water. KoBo turned out to match best RVWRMP's needs and possibilities. It has features for developing questionnaires, on- and off-line surveys with photo and Geographical Information System coordinates, with easy uploads to main server, and data can be managed in Excel format and user-friendly reports.

**Multiple-Use Water Systems (MUS)** are water systems designed in such a way that a single water system fulfils several functions - both domestic, productive and other water needs like renewable energy. As such, it takes into account the water demands for each of those components. By definition, MUS could cover different types of needs of the rural community by providing safe drinking water, irrigation, rural electricity, improved water mill services, and supports other domestic water-based enterprises like horticulture, fisheries, animal/poultry farming etc. MUS schemes are high in the priority list of the RVWRMP menu.

**Non-Conventional Irrigation** is an irrigation technology that differs from a conventional canal system, and they are relatively modern systems. Water is brought to crop fields through pipes and stored in ponds or tanks. This may include range of water acquisition and application technologies such as Sprinkler and Drip. Sprinkler system is the method of watering the plants in the form of spray which breaks in to drops and stimulates the natural rainfall with controlled frequency, intensity and duration; whereas drip irrigation is a system where water is applied at root of the plant and is generally used in plastic tunnel houses.

**Conventional Irrigation** system is a traditional irrigation method where water is brought to the field through mud or lined canals, and off-takes are provided from the canal itself to deliver water to the field.

**Three Star School WASH Procedure** of Government of Nepal, School WASH Procedure, 2074, 2nd revision approved by Director General Level dated on 2076/06/14 explains the milestones as follows:

- ★ One star: all children participate in daily supervised group hand washing with soap sessions (ideally before group hand washing); schools have general toilets that are functional, clean, and used by all children (no open defecation in school catchment area); every child has access to a water source in the school catchment area to practice hand washing with soap daily and for drinking purposes; and schools have hygiene education integrated in the School Implementation Plan.
- ★ Two stars: Children wash their hands with soap after using toilet; improved sanitation and menstrual hygiene facilities are available; and potable/drinking water is available and accessible in school catchment area so that children practices safe health practices and drink water.
- ★ Three stars: fully meets the national standards as per Child, Gender and Disabled friendly framework. This includes social norms on good hygiene practices and behaviour are institutionalized; improved child friendly school sanitation facilities for all children, boys and girls, including disabled students; and national inequities are eliminated by ensuring all schools in the country have same standards for WASH in Schools.

The school can be rated as 'One Star' after scoring 30 points on the related criteria. Similarly, after fulfilling the criteria for Two Star or Three Stars, the school can be specified as 'Two Star' or 'Three Star' for School water, sanitation & hygiene. The criteria for School WASH are measured against 10 indicators: 1. Water Supply; 2. Toilet; 3. Clean, Green and Hygienic Environment; 4. Food Hygiene; 5. Hygiene Facility; 6. Hygiene Education; 7. Menstruation Hygiene Management Facility; 8. Institutional Arrangement and Sustainability; 9. Disaster Risk Management; 10. Monitoring and Accountability.

**Service level as per QARQ indicator:** 'the sustainable provision of water of a given quality, quantity, accessibility and reliability at a given place as per the proposed usage'. Project follows QARQ service level indicator as below:

- Quantity: > 45 litres per capita per day
- Accessibility: Within 15 minutes round trip
- Reliability: 12 months uninterrupted service
- Quality: Free from e-Coli (Presence/Absence vial test)

**Step-by-Step approach and scheme status:**

- IPC Implementation Phase Completed and financially cleared
- IPC\* Implementation Phase Completed but not financially cleared
- IPO Implementation phase ongoing

## List of Working (Rural) Municipalities

Sn.*	Sn.**		RMM Name	RM Type
1	1	Achham	Ramaroshan RM	Core
2	2	Achham	Turmakhand RM	Core
3	3	Baitadi	Dilasaini RM	Core
4	4	Baitadi	Pancheswor RM	Core
5	5	Baitadi	Shivnath RM	Core
6	6	Bajhang	Chhabis Pathibhera RM	Core
7	7	Bajhang	Talkot RM	Core
8	8	Bajhang	Thalara RM	Core
9	9	Bajura	Gaumul RM	Core
10	10	Bajura	Swamikartik Khapar RM	Core
11	11	Dadeldhura	Aalital RM	Core
12	12	Dadeldhura	Ajaymeru RM	Core
13	13	Dadeldhura	Bhageshwor RM	Core
14	14	Dailekh	Bhagawatimai RM	Core
15	15	Dailekh	Bhairabi RM	Core
16	16	Dailekh	Naumule RM	Core
17	17	Darchula	Apihimal RM	Core
18	18	Darchula	Marma RM	Core
19	19	Darchula	Naugad RM	Core
20	20	Doti	Badikedar RM	Core
21	21	Doti	Bogtan Fudsil RM	Core
22	22	Doti	Sayal RM	Core
23	23	Humla	Kharpunath RM	Core
24	24	Humla	Namkha RM	Core
25	25	Humla	Sarkegad RM	Core
26	26	Kailali	Chure RM	Core
27	27	Kailali	Mohanyal RM	Core
1	28	Achham	Chaurpati RM	Proposal Based
2	29	Achham	Mellekh RM	Proposal Based
3	30	Baitadi	Dogadakedar RM	Proposal Based
4	31	Baitadi	Melauli M	Proposal Based
5	32	Baitadi	Patan M	Proposal Based
6	33	Baitadi	Purchaudi M	Proposal Based



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Sn.*	Sn.**		RM/M Name	RM Type
7	34	Baitadi	Sigas RM	Proposal Based
8	35	Baitadi	Surnaya RM	Proposal Based
9	36	Bajhang	Bithad Chir RM	Proposal Based
10	37	Bajhang	Bungal M	Proposal Based
11	38	Bajhang	Durgathali RM	Proposal Based
12	39	Bajhang	Jayaprithwi M	Proposal Based
13	40	Bajhang	Khaptad chhanna RM	Proposal Based
14	41	Bajhang	Masta RM	Proposal Based
15	42	Bajura	Badimalika M	Proposal Based
16	43	Bajura	Budhiganga M	Proposal Based
17	44	Bajura	Himali RM	Proposal Based
18	45	Bajura	Jagannanth RM	Proposal Based
19	46	Bajura	Khaptad Chhededaha RM	Proposal Based
20	47	Dadeldhura	Amargadhi M	Proposal Based
21	48	Dadeldhura	Ganyapdhura RM	Proposal Based
22	49	Dadeldhura	Nawadurga RM	Proposal Based
23	50	Dadeldhura	Parsuram M	Proposal Based
24	51	Dailekh	Gurans RM	Proposal Based
25	52	Dailekh	Thatikadh RM	Proposal Based
26	53	Darchula	Byans RM	Proposal Based
27	54	Darchula	Duhun RM	Proposal Based
28	55	Darchula	Lekam RM	Proposal Based
29	56	Darchula	Malikarjun RM	Proposal Based
30	57	Darchula	Shailyashikhar M	Proposal Based
31	58	Doti	Adarsha RM	Proposal Based
32	59	Doti	Dipayal Silgadhi M	Proposal Based
33	60	Doti	Joroyal RM	Proposal Based
34	61	Doti	K.I. Singh RM	Proposal Based
35	62	Doti	Sikhar M	Proposal Based
36	63	Humla	Simkot RM	Proposal Based

\* Total number of Core (Programme) RMs and Non-Core (Proposal-based) RMs

\*\* Total number of working local governments

Note: Proposals have been already received; no new proposals

## SUMMARY

This Annual Progress Report of the Rural Village Water Resources Management Project (RVWRMP) Phase III covers the period of the year 2076/2077 (July 16, 2019 to July 15, 2020) according to Government of Nepal Fiscal Year (FY). This was the fifth fiscal year (FY05) of implementation for the project. The Project is aligned to the policies of the government of Nepal and the activities are geared towards the Sustainable Development Goals (SDGs) addressing multi-dimensional poverty in the remote villages in Sudurpashchim and Karnali provinces. The Project is fully embedded into the new federal structure and local governance. During FY05 RVWRMP worked jointly with 66 municipalities (from FY06 onwards, with 63) and has established Rural Municipality Support Units in 27 Core Municipalities (list presented on pages vii and viii). Rural Municipality Support Unit (RMSUs) are functional in all core Rural Municipalities (RMs), with Gaunpalika Water Resource Officers, Technical Facilitators and Livelihood Facilitators. Gaunpalika Water Resources Officers (GWROs) and Support Organizations (SOs) are hired by the RMs. PSU and Technical Support Units (TSUs) are active in capacity development to re-enforce the RMSU staff and SOs on management, planning, and financial, administrative and technical aspects.

The most significant issue the Project faced in FY05 was the COVID-19 pandemic. The associated national (global!) lockdown meant that work in all schemes stopped or slowed down temporarily. However, the team of national staff managed to restart the work quite quickly, adapting to hygiene and distancing constraints among other protective measures while carrying out monitoring, training and other interactions at the RMs. It is likely that COVID-19 will still have an impact in FY06 (particularly in capacity building) and influence such as supply chains for non-local materials.

By the end of the FY05, the project has benefited total 234,681 people in 570 water supply schemes; out of these, in FY05 alone, 62,314 new beneficiaries in 136 water schemes. This includes water supply beneficiaries from the multiple-use of water (MUS) systems. Total Sanitation work will be continued with particular attention to COVID-19 related hygiene promotion. During the FY05 total 3,435 ICS units were completed, serving 19,259 people, with cumulative total 34,755 ICS units serving 104,892 beneficiaries. Similarly, During FY05, a total of 62 IWMs were completed, serving 18,234 people with cumulative 42,036 people benefiting from 194 IWMs by the end of FY05. These account for 150,001 metric tonne carbon dioxide equivalent (mtCO<sub>2</sub>e) in FY05 in terms of reduction greenhouse gas emissions.

WASH governance cooperation at RM level moved ahead with the concept of RM WASH Management Board and its operational arm, RM WASH Unit. This will be scaled up in all core RMs over the coming year. The Project supported RMs in the formulation of WASH Management Directives and O&M Fund Directive. The proposed RM WASH MIS is being developed to support the RM WASH Management Board in evidence-based decision making. This will survey all water supply schemes within the RM boundaries to establish the actual water supply and sanitation coverage, as well as the functionality status and service levels. Proposed Water Supply and Sanitation Users' Committee (WUSC) Networks and RM WASH Units will have O&M and functionality support high in the agenda. Water Safety Plans (WSP) together with Climate Change Adaptation and Disaster Risk Management (CCA/DRM) are an essential cross-cutting objective and part of the sustainability of future services. RM WASH Management Boards and RM WASH Units will be rolled out during FY06, encouraging the RMs to take active role in providing WASH services across their entire RM, not only in the Project supported areas but all Wards and Toles.

The Project operates through the human-rights based approach (HRBA) and considers gender equality and social inclusion (GESI) as a cross-cutting objective. While these are mainstreamed into all activities and through the Step-by-Step approach and Water Use Master Plans (WUMPs), there are a range of targeted capacity building activities with a focus on HRBA and GESI. For instance, the Mother-in-law – Daughter-in-law (Sasu-Buhari) workshops (begun in November 2019), use cross-generational story sharing to increase understanding of gender-based barriers, develop solidarity and support women's empowerment. The project staff monitor the implementation of the commitments for gender-based budgeting made in the Women as Decision-Makers workshops. The Project activities in sustainable sanitation and hygiene respond to the

human rights agenda. Taboos on menstruation are still strong in the working area and have been addressed through Menstrual Hygiene Management (MHM) activities; and institutionalised through the roll-out of Dignified Menstruation Management Directives by RMs. RV's monitoring system tracks people living with disability and uses the information to give special attention to these people. The Training of Trainers on these topics will be expanded, to roll activities out broadly and ensure sustainability.

Project Document for Phase III is MEUR 60.2. GOF contribution is set at MEUR 15, EU contribution is MEUR 20, GON contribution is MEUR 15, and RM contribution is MEUR 5.2. Additional contributions were expected from users/beneficiaries worth MEUR 5 in cash and kind. The total budget for FY05 considering all contributions and accounts was EUR 19,155,191 of which EUR 10,376,333 through LMBIS and with RMs' contributions, EUR 13,190,244 through RM managed WRDFs. The total actual expenditure through WRDFs was 84%. Actual expenditure out of budget for GoN was 87%, for GoF 82% and for RMs 89%. These are very good figures considering the impact of COVID-19 during the final trimester.

The annual and cumulative achievements with the end of the project targets are presented in the **Annex 1**. Results Chain Matrix. The project staff and other human resources are presented in **Annex 2** and list of assets and vehicles in **Annex 3**. The financial progress with regards to Rural Municipality (RM) Water Resources Development Funds (WRDFs) with detailed RM-wise figures are presented in **Annex 4**. The Technical Assistance (TA) funded capacity building events are given in **Annex 5**. The following two annexes link to each other: **Annex 6**. Risks and Risk Mitigation and **Annex 7**. Impact of COVID-19 on project. There are thematic annual progress reports attached: **Annex 8**. Annual report on Cooperative Development; **Annex 9**. GESI Governance; **Annex 10**. Communication and Visibility; **Annex 11**. Summaries of studies and **Annex 12**. Case studies. Finally, all schemes are listed in **Annex 13** with scheme codes. These scheme code can be used for further scheme-specific details available at the project MIS.

Table 1 Key indicators and results achievements and targets

Indicator	Target FY05	Achieved FY05	Achieved / Target %	Cumulative by FY05	Cumulative / End-line target (%)	Remaining target	Project Target
1.2 Number of water supply beneficiaries	80,000	62,314	78%	234,681	67%	116,319	351,000
1.2.1 number of schemes with water supply	150	136	91%	570	63%	330	900
1.6 Number of institutions/ schools/public places supported by the Project fund with disabled and gender-friendly toilets and access to hand washing	20	49	245%	128	71%	52	180
2.1 Number of home garden beneficiaries	80,000	46,759	58%	236,085	86%	38,915	275,000
2.5 Families trained in income generating activities (counted in beneficiaries)	15,000						60,000
2.8 Beneficiaries of irrigation schemes	12,000	9,857	82%	35,587	66%	18,413	54,000
2.10.1 Shareholders of cooperatives	2,000	1,990	99.5%	29,658	99%	342	30,000
3.2 Number of beneficiaries provided with access to sustainable energy services (ICS and IWM)	40,000	37,493	94%	146,928	86%	23,072	170,000
3.4 Greenhouse gas emissions mitigated using sustainable technologies, e.g. ICS & IWMs (mtCO <sub>2e</sub> )	75,000	150,001	200%	150,001	60%	99,999	250,000
4.6 RM-WRDF funds are expended against the annual budget	80%	84%	-	94%	-	80%	80%

## 1 BACKGROUND AND INTRODUCTION

This is the Annual Progress Report of the Rural Village Water Resources Management Project Phase III (RVWRMP) for its fifth Fiscal Year (FY05) covering the period of July 16, 2019 to July 15, 2020 (Nepal FY2076/2077). RVWRMP Phase III (March 2016 to July 2022) works in Sudurpaschim and Karnali Provinces (the then Far and Mid-Western Development Regions of Nepal). The project area covers 10 districts in Sudurpaschim and Karnali Provinces. The total population of the project working area is approximately 1.67 million. The Project is known as a forerunner in its alignment to the federal structure of the country. Municipalities were established late 2017 as new, democratic, local tiers of governance, and the Project adjusted its operational structure accordingly. The responsibilities of the municipalities include ensuring equitable access to water supply and sanitation.

The project governing authorities are the Ministry of Finance of Nepal and the Ministry for Foreign Affairs of Finland, the EU being a ‘silent donor’. The EU joined the project via a delegated funding arrangement with the MFA Finland in late 2017. The executing authorities are the Ministry of Federal Affairs and General Administration (MoFAGA) and the Department of Local Infrastructure (DoLI), Nepal, together with participating municipal governments. The Technical Assistance (TA) consultant for the Project is FCG International Ltd, which has continued since the Phase I.

The executing authority of the District Coordination Committees (previously known as the District Development Committees) shifted to the Rural Municipalities (RMs, Gaunpalikas) and Municipalities (Nagarpalikas). The District Technical Office, District Agriculture Development Office, and Office of Cottage and Small Industries Development Board were dissolved, and functions were shifted to local and provincial levels. The Project went from dealing with 10 units of District-level local government into working directly with and through the municipal administrations. The fund flow mechanism was adjusted accordingly, the fund from Finland and European Union being now channelled directly to RMs’ accounts for investment and recurrent local budgets as approved at national level in the Redbook.

The Project working area covers 27 Core and 36 Non-Core RMs, total 63 including both municipalities and rural municipalities of ten districts of Karnali and Sudurpashchim Provinces. The Project working area in different fiscal years is shown in Table 2 below. The other (non-core) working RM/Ms are selected based on the proposal submitted by the RM/Ms. The Project organized two rounds of calls for proposals for drinking water supply (DWS) and micro-hydro power (MHP) schemes in January 2018 and in June 2018 (only DWS). SOs selected in 2018 continued to support UCs in the implementation of proposal-based schemes (non-core RMs) from FY05 onwards. DoLI signed MoUs with the new RMs to implement proposal-based water supply schemes, available at [www.rvwrmp.org.np/memorandum](http://www.rvwrmp.org.np/memorandum).

*Table 2 RVWRMP Working Area*

Fiscal year	Core program levels	Program (other) local levels	Total	Remarks
<b>FY 2074/2075</b>	27	21	48	No physical construction in two core RMs. Only WUMP preparation.
<b>FY 2075/2076</b>	27	42	69	27 core program RMs. 14 other program RMs continued 28 other program RMs
<b>FY 2076/2077</b>	27	39	66	27 core program RMs 38 other program RMs selected based on proposals for DWS 1 RM selected for MHP only
<b>FY 2077/2078 onwards</b>	27	36	63	27 core program RMs 36 other program RMs (1 MHP RM and 2 DWS RMs dropped out)

The RMs have the lead in the implementation of the schemes and related activities, while the Project focuses more on capacity development, and facilitation and monitoring of the processes.

The overall budget in the Project Document for Phase III is MEUR 60.2. GOF contribution is set at MEUR 15, EU contribution is MEUR 20, GON contribution is MEUR 15, and RM contribution is MEUR 5.2. Additional contributions are expected from users/beneficiaries worth MEUR 5 in cash and kind. The Technical Assistance (TA) budget is directly operated by the PSU. It is administrated and audited as per the rules and regulations of the Government of Finland.

The Overall Objective, to which RVWRMP III contributes, is improved health and reduced multidimensional poverty within the project working area. The Purpose of the Project is 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. The interventions are grouped under four result areas: 1. Drinking water, sanitation and hygiene; 2. Livelihoods development; 3. Renewable energy and climate change; and 4. Governance. Within these result areas, RVWRMP III also supports community-based irrigation, improved cooking stoves and water mills, environmental improvements, as well as food security, nutrition, sustainable livelihoods and institutional capacity building.

User Committees (UCs) are the backbone of the Project implementation. They are the owners of their project, and lead planning, implementation and later operation and maintenance (O&M) of their scheme. These schemes are based on the priorities as identified in Water Use Master Plan (WUMP) for their respective area. UCs are facilitated by the Support Organizations (SOs) and the project staff working for the Rural Municipalities. The integral approach in the rural villages is expressed in the formation of Home Garden Groups and Cooperatives, with both nutritional and income generating aims. Technical Support Units provide support in technical and managerial aspects to 27 Core-RMs, as well as to the schemes in non-core RMs. Gaunpalika Water Resources Officers (GWROs) have been hired by the Core RMs to support RMs in planning, implementation, monitoring and reporting, with the technical support of Technical Facilitators and Livelihood Facilitators (hired by the Project). Together they form a team called the Rural Municipality Support Unit (RMSU). Each core RM has an RMSU. This is in line with the Result area 4: Promoting Governance, and provides the foundation for the future sustainability - the local governments and UCs who lead the planning, implementation and later, operation and maintenance of their systems and services. These include water supply, sanitation, hygiene, irrigation, renewable energy, livelihoods, cooperatives and other rural services.

The project addresses renewable energy and climate change via identification and implementation of sustainable energy source to reduce the biomass-based energy. Capacity building is also provided on Climate Change Adaptation and Disaster Risk Reduction (CCA/DRM). The project planned to install MHP, IWMS and ICSs. However, for a range of reasons, the project proposed that the MHP activities will be dropped, and the budget used for alternative activities. To ensure sustainable implementation within the local government system, the project supports planning and capacity building within the community and at government levels.

The Project Goals are broken down into milestones achieved already, and to be achieved in the coming years. Cumulative targets for each year are shown. These are always influenced by the actual achievement of the previous year (Figure 1 next page). The chart outlines the forthcoming milestones that are directly linked to the RVWRMP Phase III Exit Strategy. The RM WASH Plans relate to establishing RM WASH Management Information Systems (RM WASH MIS) that includes all water supply schemes within the RM's boundaries regardless of who supported them. This will give further insights into unserved clusters and functionality status across the entire RM and its WASH Management Board's jurisdiction, updating the priority lists as provided in the Water Use Master Plans (WUMPs) earlier.

## 2 PROGRESS TOWARDS ACHIEVEMENT OF RESULTS

### 2.1 Overall Objective and Purpose

The RVWRMP Phase III overall objective relates to the overall well-being of the local population. It is measured by improvements in indicators such as the Human Development Index (HDI) and Human Poverty Index (HPI). More specifically, it concerns measures of reducing poverty, improved health, especially through reduced excreta-related and water borne diseases and improved HDI, decrease in proportion of people falls under poverty line and reduced prevalence of stunting in children under five years old.

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*Overall Objective: improved health and reduced multidimensional poverty within the project working area.*

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The Project is well positioned to address multidimensional poverty by working with rural municipalities and in Sudurpaschim and Karnali provinces. According to National Planning Commission (2018)<sup>1</sup>, nearly 80% of Nepal's population of nearly 30 million live in rural areas and more than 90% of multidimensionally poor people live in those areas. Only about 5% of the multidimensionally poor people reside in urban areas; 95% of Nepal's poor people live in rural areas. Data for the overall objective stem from other sources than the Project itself, which often means that there is not always annual fresh data available. Rather, there is a lag in between when the survey was done and when the results are available. For multidimensional poverty, the Multiple Cluster Indicator Survey (MICS) is an excellent survey to use as a reference. The 2019 data is not fully available and therefore, reference is here made to National Planning Commission (2018) that analyses in detail MICS over the period of 2011-2014. This is relevant for the RVWRMP Phase II period. Given that the Phase III has continued with the similar approach as Phase II, the trends are still relevant. This applies for the Purpose-level, too.

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*The Purpose: of the Project is 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.*

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In the MICS survey 2014 the Karnali Province had the highest MPI of all provinces in Nepal (0.230) and Sudurpaschim province the third highest MPI (0.146). The same document concludes that “Between 2011 and 2014, Province 7 (Sudurpaschim) reduced the proportion of MPI poor people by more than 17 percentage points, from 50.8% in 2011 to 33.6% in 2014. This reduction is statistically significant at the 99% confidence level. Using 2011 census figures, this would represent a move out of poverty for nearly 440,000 people from (Sudurpaschim) Province 7. There were also decreases in the MPI and in the intensity of poverty, both of which are statistically significant at the 95% level. All indicators except school attendance improved over this period, with statistically significant improvements in years of schooling, child mortality, nutrition, electricity, sanitation, flooring and roofing, cooking fuel, and assets.”<sup>2</sup>

The Project aims to improve health and enhance the local economy through four result areas of intervention. The Project Document recognized that targets in the Results Framework are indicative only because the selection and prioritisation of project investments for various interventions decided within the local levels

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<sup>1</sup> National Planning Commission (2018) Nepal's Multidimensional Poverty Index: Analysis Towards Action, Government of Nepal, Singha Durbar, Kathmandu [https://www.npc.gov.np/images/category/Nepal\\_MPI.pdf](https://www.npc.gov.np/images/category/Nepal_MPI.pdf)

<sup>2</sup> (National Planning Commission, 2018, pp. 49-50.

themselves and their prioritisation both within and between different investment areas is the subject of local consensual agreements.

This Chapter outlines progress result by result. The result framework was approved by the Supervisory Board on February 7, 2017. It is shown in **Annex 1** together with the semi-annual, annual and cumulative progress, and targets set for the remaining years together with the end-line targets in line with the Annual Work Plan FY05. These are not repeated in this chapter, the Table 1 showing some highlights. The following Chapter 3 Budget will outline the main budget headings, with more details in **Annex 4** RM-WRDF Annual Financial Report. **Annex 5**. Capacity building fund (CB TA) shows the events funded from this budget line of which 85% is allocated to human resources who serve as trainer-of-trainers, resource persons, and who support capacity development at RM-level is a number of ways from face-to-face coaching to monitoring, facilitating events and providing technical backstopping to RM-level stakeholders and Support Organizations' (SOs) staff.

## 2.2 Result Area 1 Water, Sanitation and Hygiene

The Result Area 1 is *“Institutionalized community capacity to construct and maintain community managed water supply and adopt appropriate technologies and sanitation and hygiene behaviour.”*

This indicator has several institutional layers: 1) local governments (RM and Ward-levels) as duty bearers; 2) UCs representing their community to which they are providing water supply services; and 3) individual households as rights-holders. During FY05 the concepts of “RM WASH Management Board” and RM WASH Units were rolled out with interactive concept development sessions with the RM Chairpersons and Vice-Chairs, and within the entire RM body in selected locations. As a result, the WASH Management Board directives were approved at RM levels, setting the scene for the next year. During FY06 this will be further rolled out in all core-program RMs, aiming to have operational administrative units at local government level as envisioned in the SDG 6b. From the service level point of view the SDGs are adding new targets, including such as private connections. As of now, majority of the project beneficiaries are within the “Basic Service”-category. RMs themselves increasingly prefer the yard connections. The fact that people have a ‘private connection’ makes them more responsible for the O&M and hence it is expected to be more sustainable. Water Safety Plans and other work for the post-construction support continues.

RVWRMP has made significant contribution to make its working districts ODF. Existing VDCs and the districts where the project has been working and that has added value to declare the nation ODF. According to National Planning Commission (2018), *“Access to improved sanitation had the greatest improvement, with the percentage of poor people who lack adequate sanitation reduced by more than 30 percentage points. Province 7 had the greatest improvement in poverty rate of all provinces from 2011 to 2014, suggesting that the policies it has implemented have been successful at reducing poverty. Province 7 also had the greatest improvement in any indicator of any province, with a reduction of more than 30% in the percentage of the poor who lack adequate sanitation. For provinces in which deprivation in sanitation is prevalent among the poor, the policies of Province 7 may provide some useful lessons.”*<sup>3</sup> RVWRMP worked in 138 VDCs of which in 123 the project was alone (i.e. not in partnership with anyone else except the VDC itself). These VDCs had total 75,160 population as of Census 2011. In addition, as the Project was working through the DDC at the time, it was involved in declaring all districts as “ODF”.

The work now continues with Total Sanitation activities to ensure the sustainability of the achievements and further improvement of the hygiene practices. Basic sanitation needs to stay in the agenda as there are cases where ODF has been declared with temporary type of toilets. Reflecting the greatly increased demands for hygiene, due to the COVID-19 outbreak, the project has increased its activities in this area over the last quarter of FY05. During FY06, there will be a continued emphasis on supporting provision of handwashing

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<sup>3</sup> National Planning Commission (2018) Nepal’s Multidimensional Poverty Index: Analysis Towards Action, Government of Nepal, Singha Durbar, Kathmandu, pp. 49-50. [https://www.npc.gov.np/images/category/Nepal\\_MPI.pdf](https://www.npc.gov.np/images/category/Nepal_MPI.pdf)



facilities and conducting behaviour change communications (BCC) activities on hygiene, physical distancing, and other related activities.

*Result indicator 1.1 Number of water supply schemes supported by the Project fund in Phase III provide improved water supply services defined as improved and functional fulfils the QARQ criteria*

*Result Indicator 1.2 Number of water supply beneficiaries*

*Result indicator 1.2.1 Number of water supply schemes*

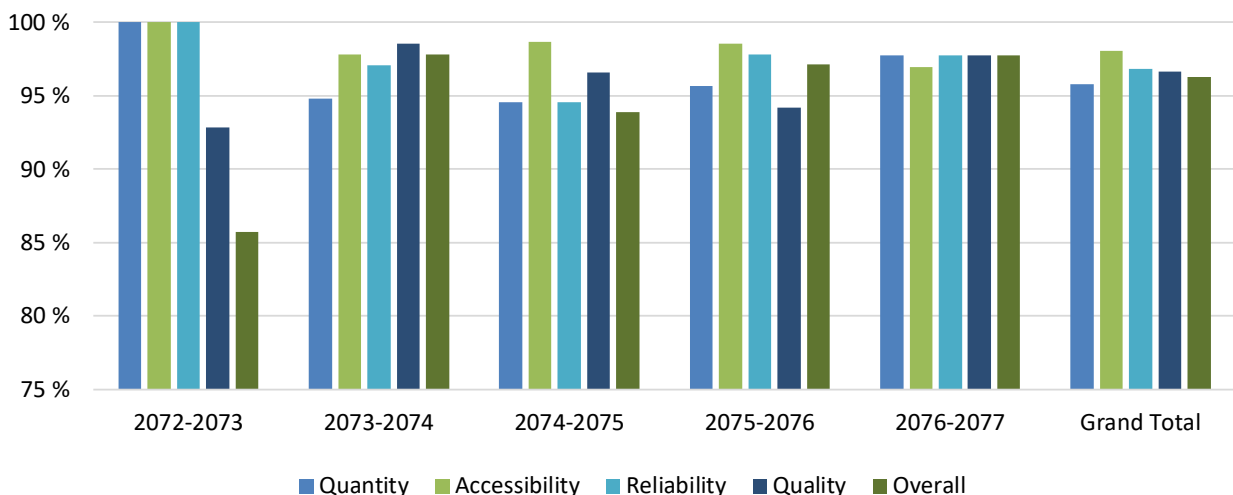
These three parts of indicator 1 are inter-linked. All schemes are different, the number of beneficiaries ranging from a case where there is a school scheme benefiting only seven domestic users in addition to the school of 451 students itself, to a scheme benefiting 3,186 people in addition to a school of 956 students. The median number of beneficiaries is 383 and the average 492 (which is influenced by the small number of large schemes - there are 67 schemes that exceed 1000 population). The main target to reach is the population.

QARQ refers to the quality of service provided by these schemes and stands for Quality-Access-Reliability-Quantity. The target set is 97% which is also the end-line target. This is true for the schemes completed in FY05. Out of cumulative number of schemes completed, this is 96%. The chart includes only those schemes where the QARQ status is known, total 565 including MUS schemes with water supply. Note that the total varies for the different indicators: for quantity, the total is 541 schemes, for Accessibility 554 schemes, for Reliability 547 schemes and for quality 546, the overall status applying to 544 schemes. See how the achievement varies in between the different indicators by FY completed in Figure 1.

**Water schemes by FY completed year complying with QARQ indicators**

"Overall status": schemes that comply with all four QARQ indicators

N - 570 water supply schemes including MUS schemes with water supply (IPC)



*Figure 1 Water supply schemes complying with QARQ indicators*

All these QARQ indicators are subject to change at any time: for instance, the situation after each monsoon will be different. Over the coming year FY06 the question about service levels and functionality will get systematic attention while establishing the RM-wise WASH MIS. This will be linked with the National WASH MIS. This will include all water schemes within the RM jurisdiction and therefore, there will be an excellent

opportunity to revisit and update the status of all schemes in the Project MIS, and to explore the status of the RVWRMP Phase I and II schemes that are located within the core-RMs.

The target for FY05 was to have 80,000 new water supply beneficiaries. The actual achievement by FY05 end was 62,314 new water supply beneficiaries in 136 schemes in schemes. Within this figure there are four schemes that were yet to be financially cleared with total of 2,047 beneficiaries. The cumulative number of 234,681 beneficiaries is 67% of the end-line target of 351,000. The cumulative number of schemes, 570, is 63% of the end-line target of 900. These are in both Core-RMs and Non-Core RMs.

At the start of FY06 there were in total 200 schemes with water supply at various stages of planning and implementation, with an estimated total population of 132,723. Out of these, 180 with population 128,822 had status “Implementation Phase On-going” (IPO) meaning that at least one instalment for WUSCs have been made, possibly two. This means that with the present level of activity, the target set for water supply beneficiaries will exceed the target 351,000. The target for the number of schemes (900) will not be met: if no new schemes are added to the present number of schemes, the total end-line number of schemes will be 770. The plan is not to start any new schemes during the final year, rather, the remaining beneficiaries will result from the carry over schemes. In addition to regular household beneficiaries, several schools have benefited, see the next indicator. These are not included in the beneficiary figures in the chart below, neither those that are yet to be financially cleared.

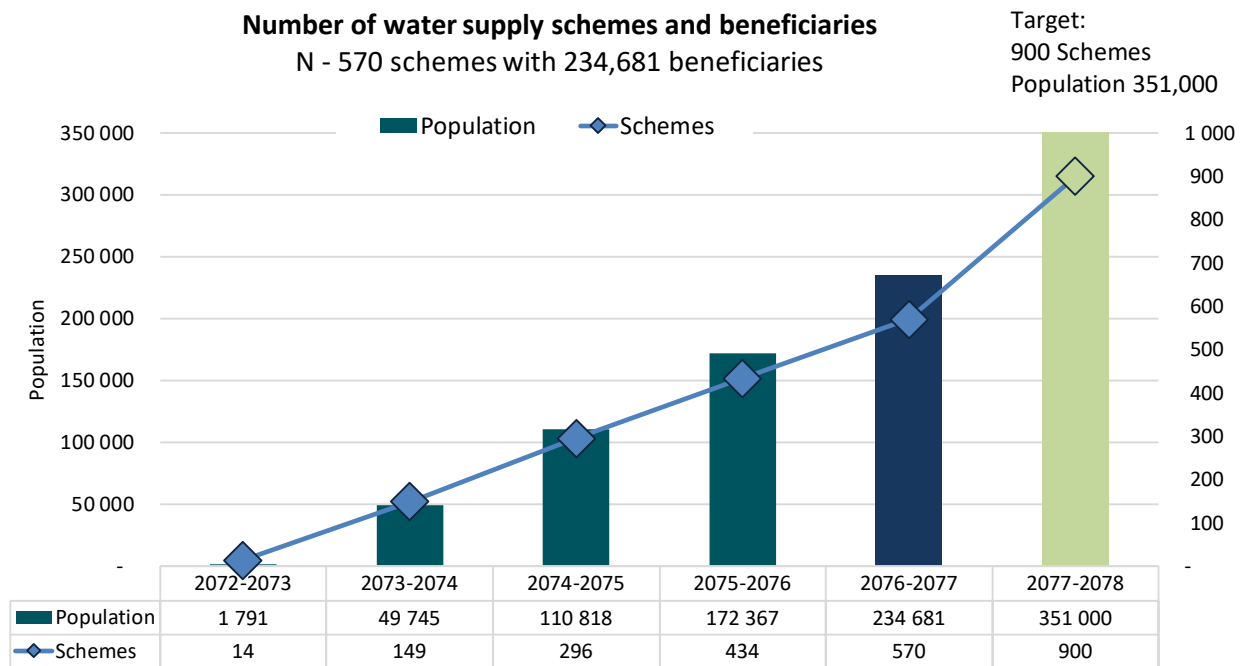


Figure 2 Cumulative and FY-wise total number of water schemes and beneficiaries

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*1.2.2. Number of 1) school/institutional sanitation beneficiaries; 2) school/institutional water supply beneficiaries; and 3) institutions/schools supported by DWS schemes (excludes school WASH schemes)*

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Out of a total of 298 implementation phase completed and financially cleared water supply schemes, 52% included school beneficiaries. These water schemes serve 58,658 students, of which 20% benefited during FY05. The targets set for FY05 with 3,500 school/institutional sanitation beneficiaries, 10,000 school water supply beneficiaries and 58 institutions/schools supported by water supply schemes (this excludes school

WASH schemes) were exceeded with 9,607 for school/institutional sanitation beneficiaries (274% of the target); 12,170 for school water supply beneficiaries (122% of the target) and 67 institutions/schools supported by water supply schemes (116% of the target).

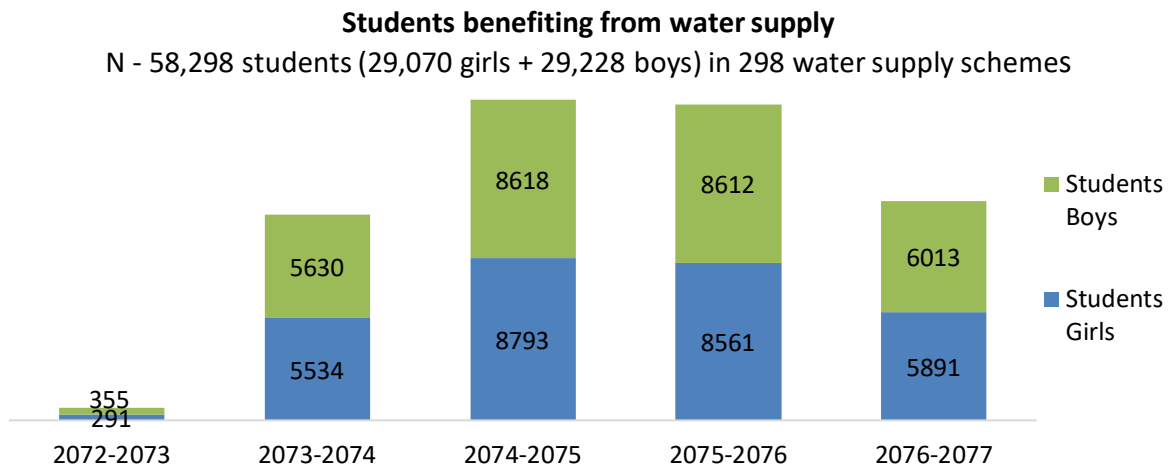


Figure 3 Number of students benefiting from water schemes

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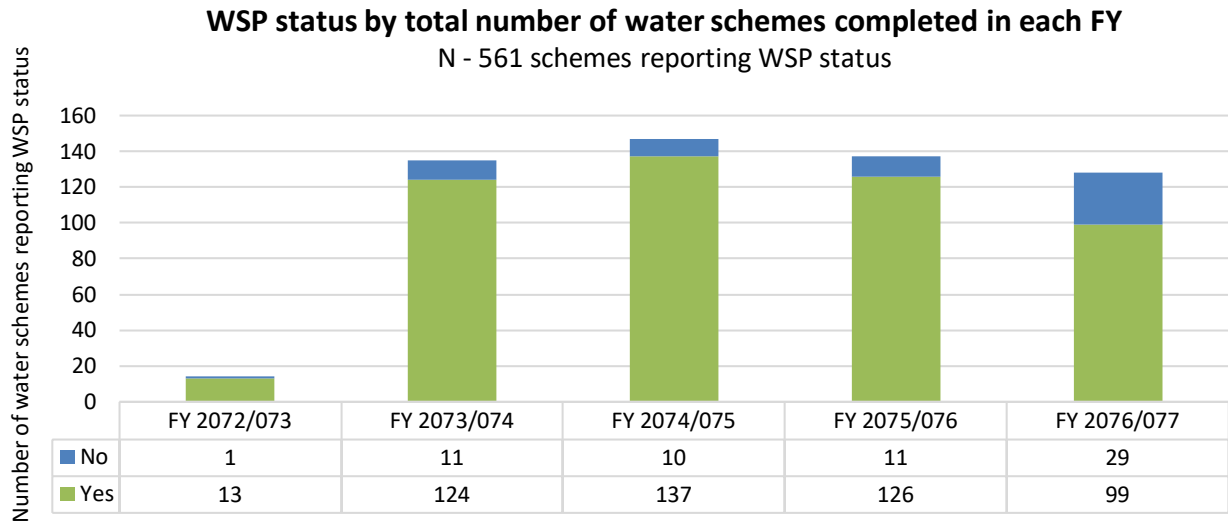
*Result Indicator 1.3 Number of water supply schemes apply a Water Safety Plan with CCA/DRM component.*

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Every scheme comes with Climate Change Adaptation/Disaster Risk Management (CCA/DRM) components. These are considered during the scheme design and survey, with particular attention to the water sources and pipeline alignment. Climate resilient designs and adaptation measures need to be considered early on, not as an add-on later. This includes increased storage volume, spring-shed protection, water efficiency management, recharge, protection of pipelines and crossings, and awareness about CCA/DRM. Note that in the earlier documents and in most of the guidelines the reference was made to Disaster Risk Reduction (DRR). This is now broadened conceptually as “Disaster Risk Management” (DRM) that entails more than what the word “reduction” indicates. For instance, WSP is about Disaster Risk Management both in terms of preparedness and reduction, and when strengthening UCs’ capacities to deal with their situations also when the disasters eventually happen (a landslide will be there in some point), this is about Management. This concept could broaden the thinking towards the management side of disasters, not only in terms of technical solution for reduction but when the disaster actually takes place.

The *Water Safety Plan (WSP)* considers drinking water safety from source to mouth and is a compulsory activity in all water supply schemes and should always have the CCA/DRM component. This goes together with the regular Operation and Maintenance (O&M) plan, as many WSP actions should be periodically repeated or at least monitored for any need of maintenance or repair. Newly completed schemes did not yet have WSPs. After the implementation phase is completed, the UC receives the training on WSP with CCA/DRM and formulates the WSP during the training period. Regular awareness-raising at household level is also important, regarding issues such as water storage and Point-of-Use treatment in the house (part of the Total Sanitation activities). The data is cross tabulated from the project MIS by the “FY completed”, totals for ‘yes’, ‘no’ and ‘blank’, and “Implementation of WSP”. The total sample of schemes in which WSP status is known is 561. Out of these cumulative number of schemes, 89% apply WSP. Out of 128 schemes that got “IPC” status during FY05, total 77% reported “Yes”. The target set was 90% which is nearly achieved with the cumulative number of schemes. Note that the schemes completed during FY05 have not all had time to complete WSP yet, hence, schemes completed in FY05 have more cases that report “No” for WSP. Many

schemes were cleared at the end of FY. Figure 4 shows the number of schemes completed each year reporting their WSP status, showing the “Yes” and “No” division as reported at the end of FY05. Since the earlier completed schemes are catching up with WSPs, all FY-wise percentages have improved compared to the earlier progress reports. These are updated accordingly in Annex 1.



*Figure 4 WSP status by total number of water schemes completed in each FY*

In total, 499 schemes of which 477 water supply (gravity, lift, RWH & source improvement) and 22 MUS (water supply with conventional or non-conventional irrigation), apply WSP with a CCA/DRM component. In total, there were 57 recharge ponds, 6661 plantations within the source catchments, 2645 recharge trench/catch drain structures, and other simple recharge structures, such as 3597 recharge pits – all linked to improving water retention and limiting surface run-off. During the year, each UC reviewed their WSP-CCA/DRR and O&M plan, 209 schemes reviewed their O&M plan and WSP, and in 353 schemes the UCs were registered and/or their registration renewed.

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*Result Indicator 1.4 Percentage of User Committees (UCs) of water supply schemes in the project core-program RMs are active and able to maintain service level*

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Every scheme has the UC. Many UCs are operating several schemes, for instance water supply scheme adding household sanitation and/or ICS, benefiting the same population. Active UCs are needed for each scheme when the scheme is in its active phase, e.g. being planned and implemented. Being a UC member is an empowering process and as such, important dimension of the GESI work even if the UCs would not have role to play after the scheme is completed. This is case in those cases where the facilities will be responsibility of an individual household (such rainwater harvesting systems) or an institution (i.e. school management committee taking care of its WASH facilities. Going through the Step-by-Step and its trainings, the UC should be capacitated to take care of its scheme and to maintain its service level.

*This indicator focuses on IPC schemes in Core-RMs only, and only on those that provide water supply services. With these filters, this indicator covers 401 schemes which serve 161,870 people. Of these, 129 were completed in FY05 serving 57,258 people and schools with 37,377 students. Out of this sample, 89% reported having appointed and mobilized Village Maintenance Worker (VMWs). Out of total 455 individual VMWs, 17% were women.*

Total 90% reported implementing O&M regulation and 91% that they are managing the spare parts and tools. UC has regular meeting in 77% of the cases, but only 48% have Annual General Assembly that gets also reported to the RM. Out of all 401 cases, 69% had “Yes” for all the following: VMW appointed and mobilized; Implementation of O&M Regulations; Management of spare parts and UC has regular meeting: However, depending on the kind of scheme, a less active UC can well maintain service levels without complying with all the sub indicators. This may be due to having a resilient water system that does not need an active UC as in UC having regular meeting. If we remove the last criteria above, “UC has regular meetings”, the % of UCs that comply with all other criteria goes up to 79%. Within this sample, 97% of the schemes were reported as being fully functional. They may not have regular meetings but are active in their own way.

Among this sample of 401 schemes in Core-RMs, total 378 were reported as “Fully functional” and 18 as “Partially functional”. Those whose status is not known (4) or are closed down (1), are not included in the following figure. Even if the sample size for “Partially functional” is very low at 18 schemes, this charts gives an idea what kind of characteristics matter in providing functional services. In the following figure the percentages are taken from these totals: first out of those reported as “Fully functional” and then among those reported as “Partially functional”.

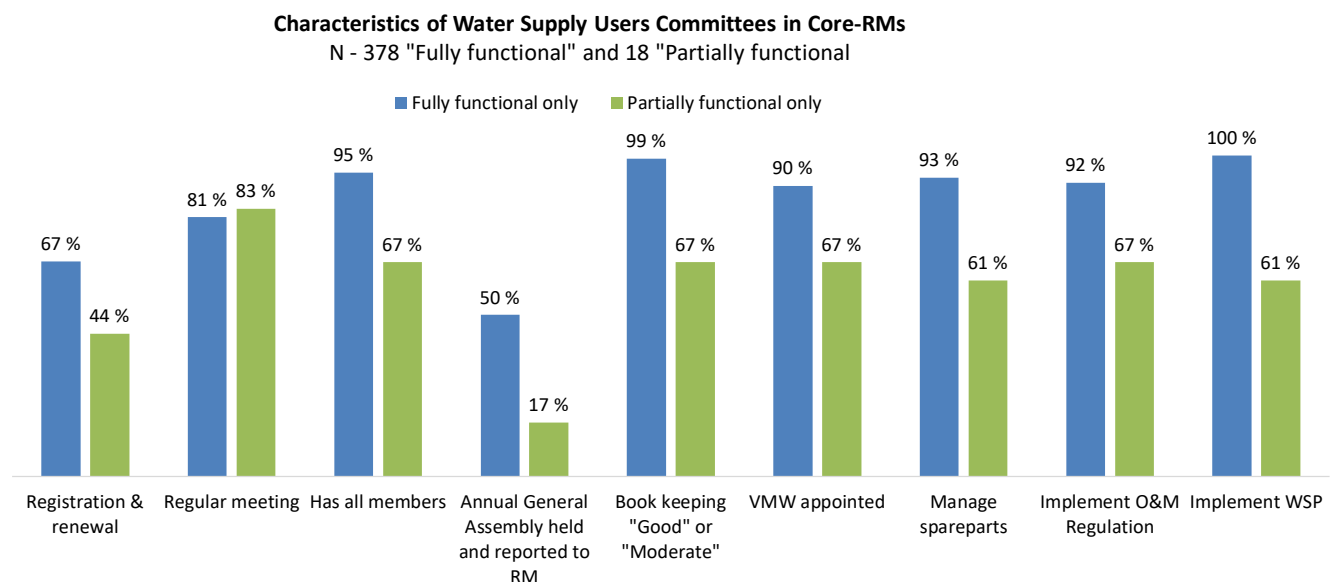


Figure 5 Characteristics of Water Supply Users Committees in Core-RMs (%)

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*Result Indicator 1.5. Key positions (chair, vice chair, secretary, joint secretary and treasurer) in UCs of improved water supply schemes in the Project core-program RMs are held by women and by minority populations (Dalits and Janajati)*

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The Project is guided by the GESI strategy that aims at equal representation of different ethnic groups and by gender. The figures used here apply to *the sample described above* with the previous indicator, and might look different if taking samples of all possible UCs or by sector. Within the UCs in Core-RMs only, 55% of the members (by all positions) are women. Among the leadership positions (chairperson, vice-chairperson, secretary, treasurer), this is 45% (number of women as Chairperson, Vice-Chairperson, Secretary and Treasurer out of all, both men and women, in these positions). Note that totally equal balance is not possible as there is always an odd number of members. Out of leadership positions (total 1570 persons), 14% are taken by Dalits and 13% are held by Janajatis. Out of all members in UCs (total 3,677 persons), 16% are Dalit

and 11% Janajati. This is more or less in line with the beneficiary populations at large: among all beneficiaries of these schemes, 19% are Dalit and 10% Janajati.

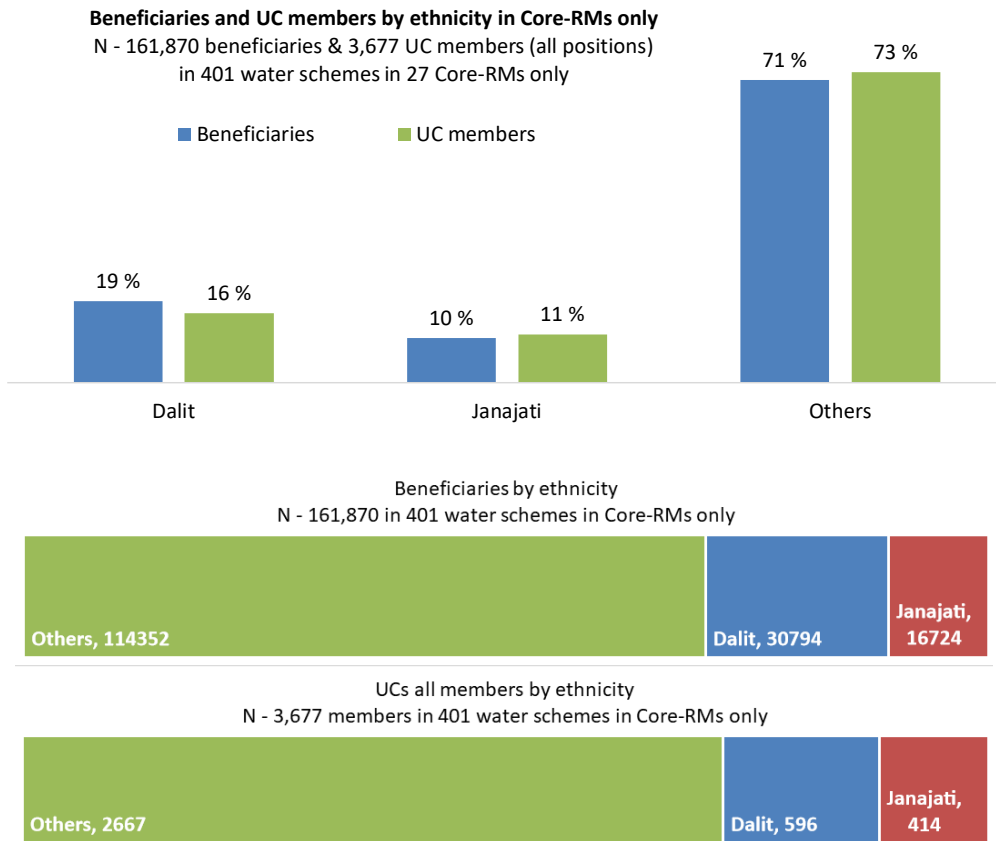


Figure 6 Beneficiaries and UC members by ethnicity in Core-RMs only (%)

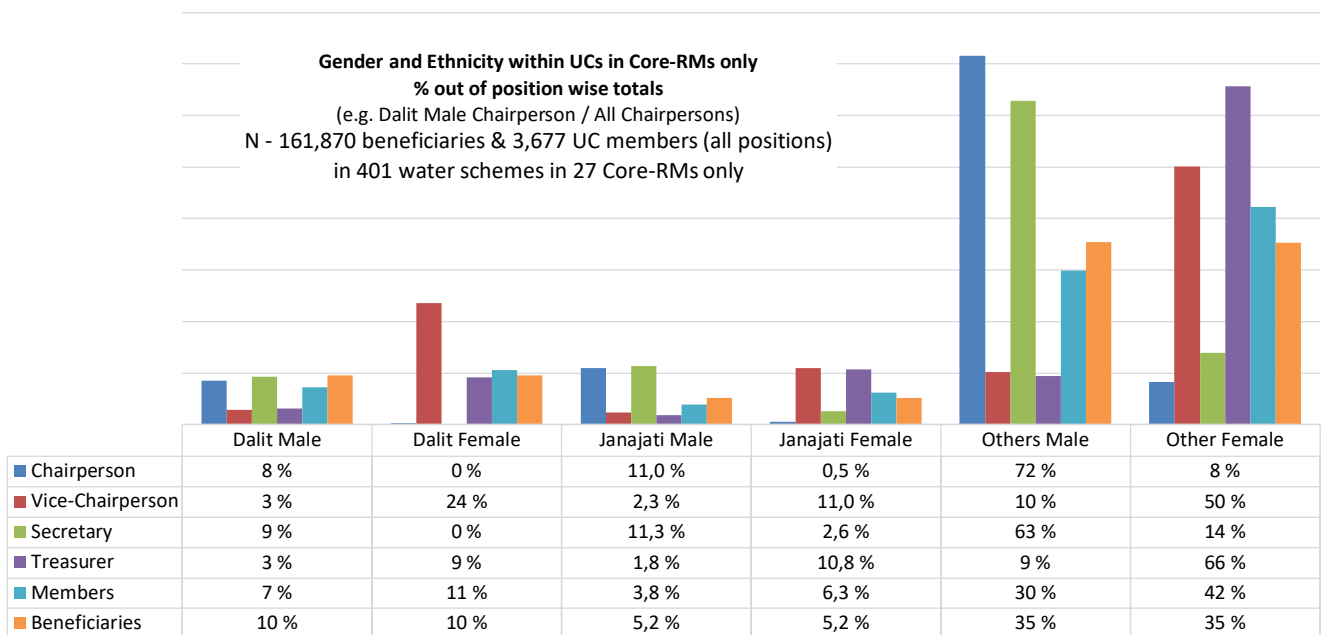


Figure 7 Gender and ethnicity within UCs in Core-RMs only (%)

*1.6. Number of institutions/schools/ public places supported by the Project fund with disabled and gender-friendly toilets and access to hand washing*

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By the end of FY05, there were total 128 user-friendly (child, disabled and gender friendly) public/institutional/school toilets completed and 28 institutional toilets in implementation phase. Total 106 toilets are in schools and constructed to meet the school WASH 3 star indicator (Toilet facility) i.e. Appropriate (safe) siting for Child, Gender, Differently-abled and environmentally friendly facilities (at the ratio of 1 toilet per 25 Girls and 50 Boys) with improved toilet and urinal with the ratio of 1:4 with sufficient water facility, proper and safe drainage system in practice. Total cumulative beneficiaries from school toilets are 30,840 students (15,885 girls & 14,955 boys) from 106 number of school toilets. FY05 only beneficiaries are 5,051 students (2,748 girls & 2,303 boys) from 28 school toilets.

51 schools of 14 RMs have three star ranked school toilet facility i.e. having “appropriate (safe) siting for Child, Gender, Differently-abled and environmentally friendly facilities (at the ratio of 1 toilet per 25 Girls and 50 Boys) with improved toilet and urinal with the ratio of 1:4 with sufficient water facility.

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*1.6.1. Number of schools that comply with 3 stars Total Sanitation criteria*

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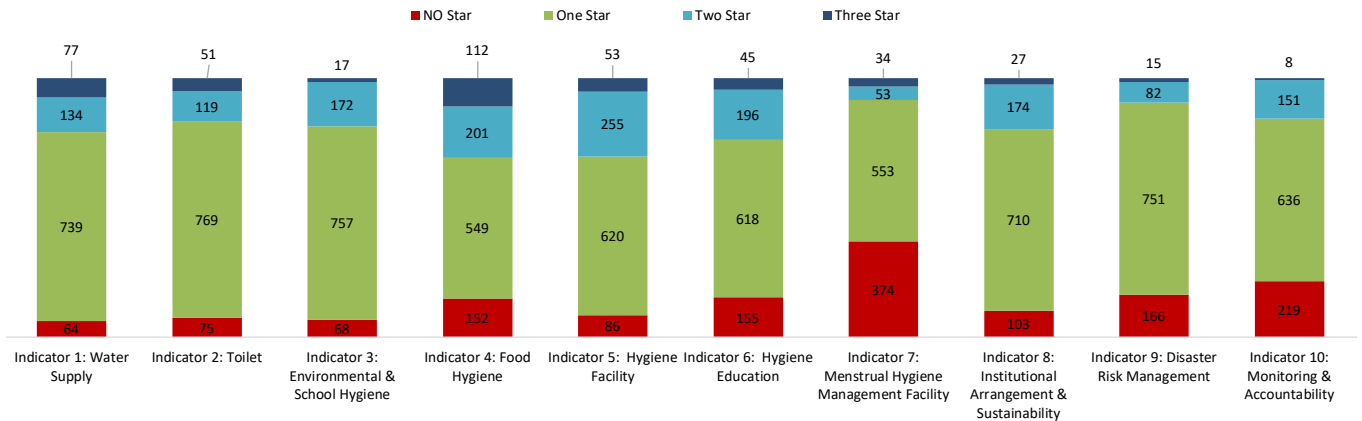
The individual criteria for School WASH include 10 indicators: 1. Water Supply; 2. Toilet; 3. Clean, Green and Hygienic Environment; 4. Food Hygiene; 5. Hygiene Facility; 6. Hygiene Education; 7. Menstruation Hygiene Management Facility; 8. Institutional Arrangement and Sustainability; 9. Disaster Risk Management; and 10. Monitoring and Accountability. For each indicator, there are qualitative definitions for each star. For instance, for water supply, ‘No Star’ school has no water, sanitation and hygiene (WASH) facilities or regular hygiene programming; “One Star” school has easy access to drinking, hand washing and sanitation from improved water sources for all; “Two Star” school goes a step further with treated drinking water facility is available in the school, and water quality testing is done twice a year; and “Three Star” school has safe and sufficient water for drinking and sanitation (12 litres per person per day) accessible to all.

This is a new indicator for FY05, focusing on sanitation. There was no target for FY05 but the baseline report was prepared. The baseline figure is 51 schools with Three Star status for sanitation out of 1014 schools. Individual indicators that comply with 3 Star schools - the fewest (8) in the Monitoring & Accountability indicator, and the most (112) in the Food Hygiene indicator. A total of 77 schools comply with the 3 Stars in the indicator for water supply i.e. safe and sufficient water for drinking and sanitation is accessible to all.

In total, 53 schools comply with 3 Stars in the indicator for hygiene facility i.e. group-wise easy access to permanent hand washing facility (Ratio 1 Tap: 50 students) in use, and disposal of wastewater to drainage or soak pit or garden or kitchen garden, and 34 schools with the 3 Star in indicator “Menstruation Hygiene Management Facility”, i.e. knowledge is provided to girls for preparing of reusable menstruation materials or skill of using or hygienic menstruation material in practice and availability of menstruation hygiene facility. *Figure 8* compiles all 1014 schools scores together indicator by indicator. It is evident that the schools in the Core-RMs have a long way to go before complying with all Three Stars in all ten criteria although on the other hand, some Three Star definitions may be over-ambitious with regular water testing etc.

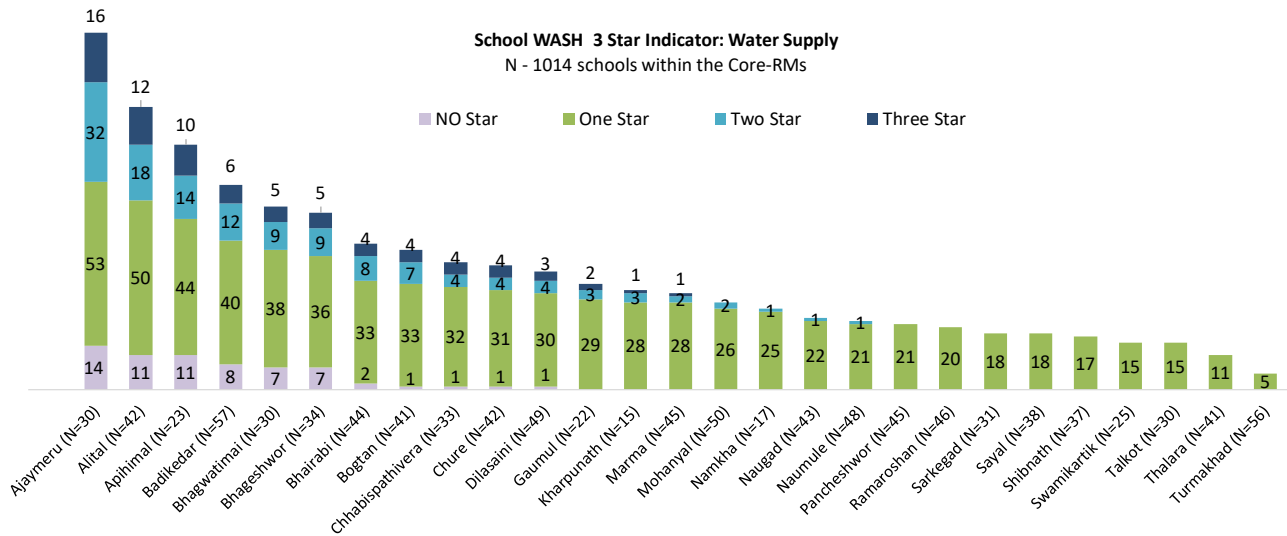
## Rural Village Water Resources Management Project Phase III Annual Progress Report 2076/2077 – 2019/20

**Status of School WASH Indicators**  
N- 1014 schools in Core-RMs



*Figure 8 Three Star School WASH situation by ten indicators*

The following two figures show the situation RM-wise for two indicators: Figure 9 shows how the schools rank with regards the water supply indicator and the following Figure 10 shows the situation with regard to the toilets. The toilets score clearly fewer 3 Star scores than water supply. There were 75 schools out of 1014 schools that have “No Star”-status meaning that there are no toilet facilities or that these are not in an acceptable condition.



*Figure 9 Three Star School WASH situation school-by-school in core-RMs for water supply*



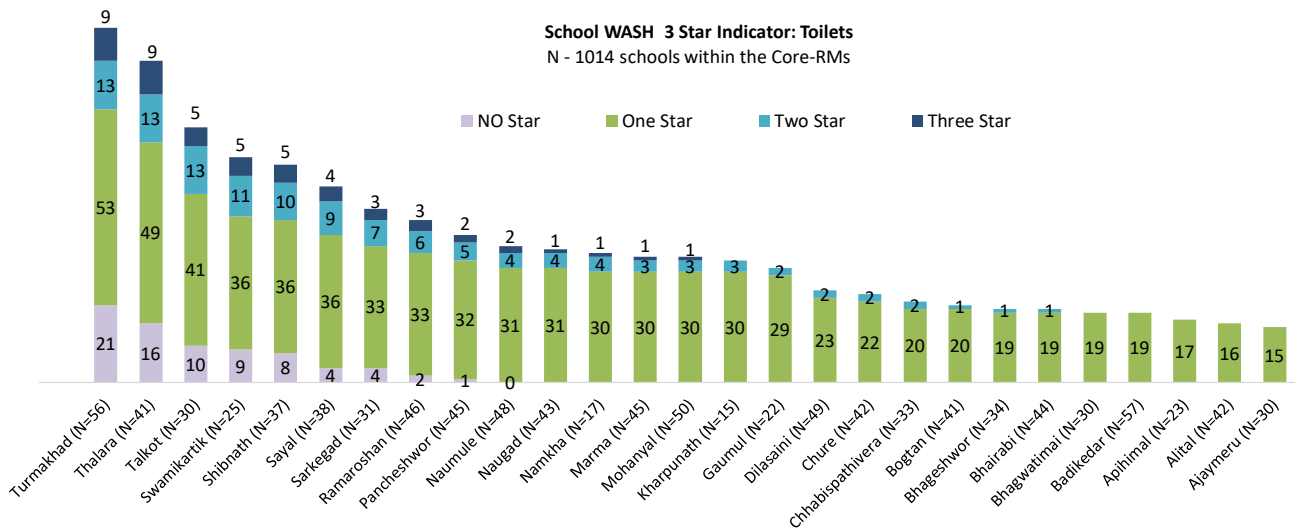


Figure 10 Three Star School WASH situation school-by-school in core-RMs for toilets

*Result Indicator 1.7. Drinking water supply schemes in core-program RMs have affiliation with cooperatives*

RVWRMP encourages UCs to affiliate to cooperatives to manage their O&M fund and have access to finance any maintenance activities. The project has been supporting cooperative development in core project RMs to service the project activities in WASH and livelihood. 36% of UCs are now affiliated to a cooperative. The cumulative and end-line target is 40%.

*Result Indicator 1.8. Menstruating women able to use the toilet in Project core-RMs*

Menstrual Hygiene Management (MHM) is an important issue in the project’s working area. The Project target is 80% menstruating women using the toilet during their menstrual period. Use of a “Chhau Hut” is a dangerous practice that makes women vulnerable during their menstrual period and interferes with their right to live in a safe place. These taboos also don’t allow women to use the regular water tap and toilet during menstruation. RVWRMP III introduced indicator 1.8 to raise awareness of people on MHM issues, remove women from vulnerable situations, develop healthy sanitary and hygienic habits, and ensure women have access to WASH services at all times.

However, this is a very difficult indicator to monitor. In many localities, women face considerable pressure within the household and community to not use the toilet, despite it being an Open Defaecation Free RM. Community women understand that the ‘correct’ answer is that they are using the toilet during menstruation, whether this is true or not. It takes time, and trust, to establish the real situation. As the Sanitation and Hygiene Promoter is staying in the community, they have the best chance to know whether this is a truthful response or not – though naturally it is always problematic to know for sure. This is discussed regularly in meetings and trainings with SOs. We report our findings but also consider that *the reality may not be so positive*.

At the field level, the Sanitation and Hygiene Promoters conduct home visits to each house at least four times. IPC, IPC\*, IPO schemes are visited, and among them older schemes’ households have been visited more times than most new schemes (simply due to a matter of time). The second, third and fourth visits

takes time, after the first visits to those households. In each household there is a monitoring form with the set of total sanitation indicators posted on the wall. The Sanitation and Hygiene Promoters discuss the indicators (including toilet use during menstruation) with household members and suggest to them how to improve in certain indicators that have not been met at that time. In the second visit, they review the progress on previous suggestions and discuss the indicators one by one. If there has been zero progress on previous suggestions, the Sanitation and Hygiene Promoter does not fill the form, and makes a plan for another visit. The process continues until the fourth visit. All information is recorded in the register at RM level and it is reported through a mobile application. In addition, it is noted that while the Sanitation and Hygiene Promoter only records four visits to each household, in reality there may be many visits. If the household improves the indicators as per the suggestions, then it is recorded. Findings of these monitoring visits are presented in the Figure 11.

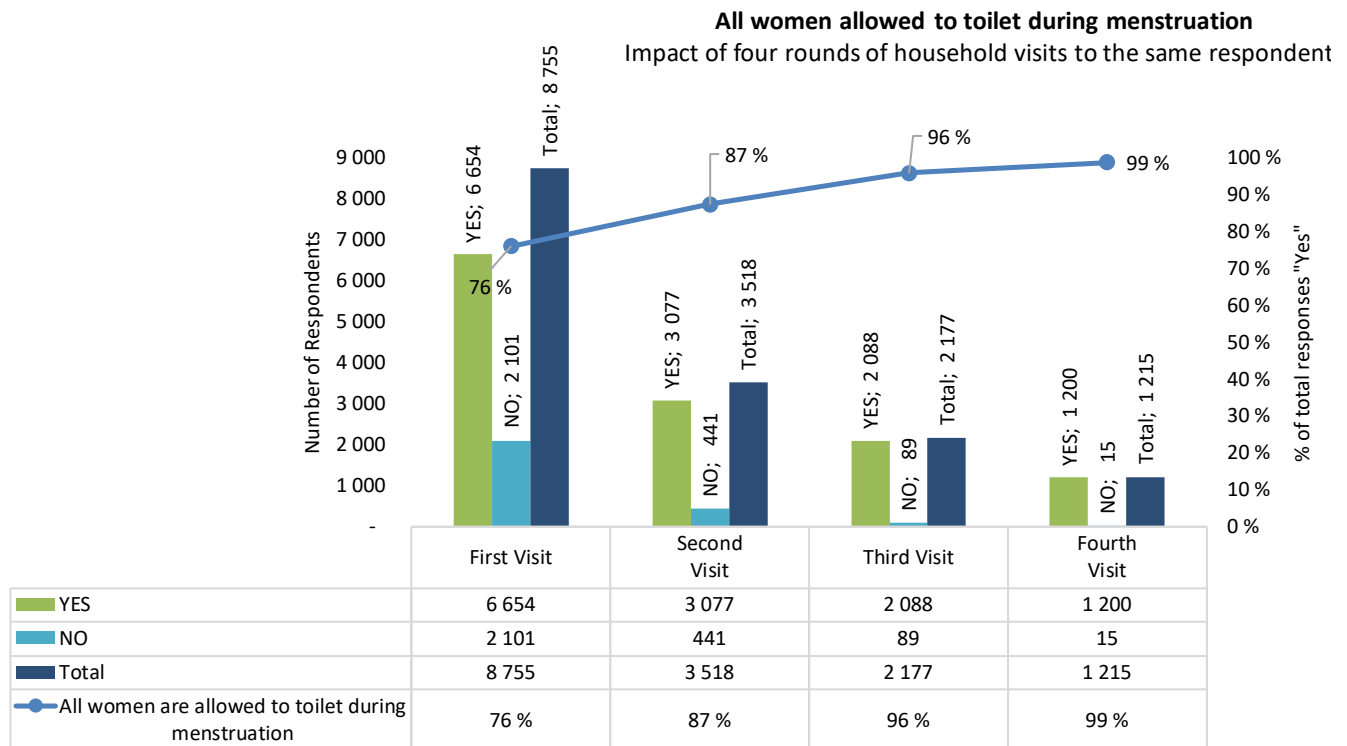


Figure 11 Findings of home visits on use of toilet during menstruation

The analysis of the data shows an increasing trend of toilet use during menstruation. During FY05, the home visit data shows that out of a total of 16,777 visits, there were 15,665 households with women of menstruating age. Of these: initially 76% of the households, during the first visit women were recorded as using toilets during their menstruation. The use of the toilet during menstruation period has been gradually increasing with the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> visits to: 87%, 96% and reached 99% of households respectively. Hence, there is an average 84% overall of households with menstruating women using toilets during their menstrual period. The data was collected by field staff (Sanitation and Hygiene Promoters) with individual interactions with household heads of respondent households, cross-checking with other members, to ensure the real behaviour on total sanitation is known (though naturally it is difficult to be certain). If selected households were found to be not using the toilet during the menstrual period, Sanitation and Hygiene Promoter discussed issues of menstrual health and toilet use, in an effort to obtain the commitment of the household. Other activities on Dignified Menstruation Management and HRBA&GESI are discussed in Chapter 2.6.1 and in Annex 9, among others.

*1.9. Water supply schemes implemented in core RMs declared Total Sanitized as per Government's indicators*

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Having achieved basic sanitation, the attention is now on the Total Sanitation and efforts to institutionalise the total sanitation movement through local governments. Applying the 'part to whole' approach, the movement starts from household level and then gradually expands to the settlement, scheme area, ward and entire local level (in this way total sanitation is assured throughout the palika). In this line, the project has fixed the target to ensure total sanitation in at least 40% of water supply scheme area based on the 5+2 indicators. These indicators are based on Total Sanitation Guideline (2073).

During FY05, 12 scheme areas were declared as "Total Sanitation" areas, with total 642 households covering all indicators. It is notable that seven of these were in Bajhang, with three in Doti and two in Humla. As of FY05, there are 570 schemes (water supply=540 and MUS with water supply component=30) in IPC status. More specifically, 401 in Core-RMs where the Total Sanitation programmes are implemented. Of these, 3,5% of the scheme areas have fulfilled total sanitation indicators, well beyond the end-line target of 40%. It is estimated that in another 19 schemes there are at least 94% of households that fulfil the total sanitation indicators. When these are declared, the number of scheme areas declared is still only 8%. For this indicator, it would be better to count population or households rather than the number of schemes, which vary radically by size.

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Local governments are preparing plan of action for gradual improvement of sanitation condition in their jurisdiction based on 5 +2 indicators of total sanitation as presented below:

1. Planning and management
  2. Access to toilet with proper use
  3. Personal sanitation and hygiene
  4. Access to safe water and use
  5. Use of safe food
  6. Household and institutional sanitation
  7. Environmental sanitation
-

Table 3 Total sanitation indicators and progress made visit-by-visit

Total Sanitation Component	Indicators	1st Visit N= 9450	2nd Visit 3768	3rd Visit 2303	4th Visit 1256
Use of toilet	Availability of toilet	96 %	98 %	98 %	100 %
	Among constructed toilets, toilet at accessible location	93 %	96 %	97 %	99 %
	Number of HH having toilet (N - for toilet analysis)	9 106	3 698	2 263	1 251
Hand Washing with soap	Before meal	79 %	92 %	97 %	100 %
	After use of toilet	92 %	98 %	99 %	100 %
	Overall hand washing in critical situation	77 %	85 %	94 %	100 %
Personal Hygiene	Bathing, nail cutting, cleanliness, etc.	80 %	86 %	95 %	98 %
Water Safety	PoU Treatment of HH	7 %	18 %	29 %	54 %
	HH using Unimproved Source for drinking water	15 %	11 %	7 %	1 %
	Critical Households (using unimproved water source without PoU treatment; N=HH using unimproved source)	96 %	95 %	95 %	71 %
Food Hygiene	Food Covering practice	92 %	96 %	96 %	98 %
	Cleanliness of Kitchen	88 %	92 %	96 %	99 %
Household Sanitation	Utensil drying racks	48 %	78 %	89 %	99 %
	Household waste management	24 %	61 %	75 %	91 %
	Smokeless kitchen at home	26 %	39 %	42 %	56 %
	Animal Waste management	25 %	49 %	64 %	81 %
Female's access to Water & Toilet during Menstruation	Use of public tap during menstruation period	56 %	66 %	76 %	95 %
	Use of toilet during menstruation period	76 %	87 %	96 %	99 %
Nutrition	Vegetable	65 %	52 %	54 %	42 %
	Spices	66 %	50 %	51 %	43 %
	Fodder	66 %	53 %	52 %	42 %
	Fruit	67 %	54 %	53 %	42 %
	Overall maintaining all components of Home garden	61 %	45 %	48 %	41 %

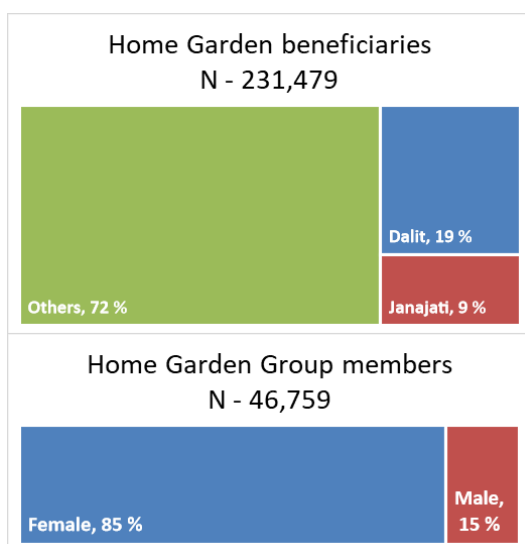
## 2.3 Result Area 2 Livelihoods and Cooperatives

An added benefit of water supply is the opportunity to use excess water for agriculture (although the priority is always for drinking water). A basic aspect of this component is the integrated home garden. The project works with the RMs to support the development of home gardens in households working with the water supply schemes. This directly improves nutrition and food security. This includes group formation, training in home garden skills and nutrition, provision of start-up supplies, support for some demonstration plastic houses (poly-house) and drip irrigation sets, etc. Support is also provided for training of technicians, such as agrovets and livelihoods promoters. During the recent COVID-19 crisis, it was particularly important to have this resilience at local level, ensuring vegetables and fruit were available locally despite transport barriers.

Prepared together with the WUMP, the Livelihood Implementation Plan (LIP) assists with identification of livelihoods opportunities within the RM, including land-use-patterns, soil fertility, water availability, existing commercial agriculture coverage, established MEs, government institutions, cooperatives, irrigation facilities, market facilities, existing collection centres, distance to local markets, transport possibilities, etc. This information is used to develop plans for commercial agriculture enterprises development. This has included support for agribusiness value chains. In addition, income generation is supported with a wider range of individuals and groups, and cooperatives have been supported by the project through capacity building and improved financial and institutional management systems.

The Project developed a Livelihood Concept Note in FY05 to present the actual content of the livelihoods result area, and livelihoods implementation strategy in a structured way. In FY05 three new indicators were added in addition to the two that were already measured and reported over FY04. These are: 1) number of agri-businesses supported; 2) number of value chains supported; and 3) Irrigation and MUS schemes will be designed and implemented jointly with business plan support. The expectation is that by working at a range of levels, and strengthening local institutions (including cooperatives, businesses and RMs), food security, nutrition and livelihoods will be more resilient and sustainable.

### 2.1. Number of home garden beneficiaries



During FY05, there were a total of 46,759 (population based) additional persons receiving home garden support, making a cumulative total of 231,479 beneficiaries during this reporting phase. Population based figures are for the entire beneficiary households. A factor of 5.2 is used to convert individual beneficiaries to the numbers in households. Of these, the vast majority are women (85%), see Figure 12. The large percentage of female beneficiaries is due to their important role in home garden management; as well as their greater presence in the community (as many men travel outside of the RM or country for seasonal work). The membership by caste and ethnicity overall was 19% Dalit and 9% Janajati, though naturally there is variation by community depending on the presence of these groups in the scheme area.

Figure 12 Disaggregated home garden beneficiaries

### *2.2. Percentage of women among home garden training recipients, trainers of trainers and Lead Farmers*

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As part of the home garden support, Lead Farmers (typically at least one woman and one man from each group) are given training to enable them to continue to support their home garden groups.

In this FY05, a total of 20,965 women training recipients in home garden management training, leader farmers training, village level maintenance workers' training, improved cooking stoves training, local resources persons development and other advanced livelihood trainings were benefitted. Therefore, there are 80% female beneficiaries included in the total number of livelihood training recipients. This exceeds the project target that is 50%.

Across all livelihoods training, including home gardening activities, the proportion of disadvantaged (Dalit and Janajati) was 25%.

### *2.3. Percentage of Dalit and other socially excluded groups in home garden training and Lead Farmers*

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By the end of FY05, Dalits and Janajatis made up 28.4% out of all cumulative number of participants (27.4% in FY05 only) in home garden trainings, exceeding the project target of 24% (which reflects proportional representation of disadvantaged groups in the project area, though naturally this varies considerably from village to village).

A few villages of the project are pre-dominantly Janajatis such as the Magar/Lama villages in Kailali, Dadeldhura and Dailekh and of Lama caste in Humla. Naturally the percentages are different in these communities. Reaching Dalits with agricultural activities is still challenging, as they possess little land for agriculture and for home gardens.

### *2.4. Number of people receiving rural advisory services*

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Rural Advisory (and extension) Services provide farmers with a wide range of skills, knowledge and access to information. Rural Advisory Services (RAS) are defined as agricultural or livelihoods extension services that may include: Advocacy, technical advice, entrepreneurship training, financial services, networking and market management support. In addition to directly working with beneficiaries, RVWRMP supports RAS through a number of interventions:

- Promotes embedded services, such as through Agro-Vets
- Trains agriculture staff of the Rural Municipalities to be better able to provide services
- Strengthens Cooperatives to provide financial and business skills services
- Supports farmer-to-farmer extension services by training and strengthening Farmer Groups
- Trains Local Service Providers (LSPs) and Local Resource Persons (LRPs), and encourages Rural Municipalities to employ such LSPs and LRPs

Implementation methodology may include formal training, on-the-job or on-site training (training and visit system), farmer field schools, demonstrations, campaigns/fairs/exhibitions, in addition to services supplied through social media or mobile applications (e.g. text or other messaging services).

This indicator measures the number of beneficiaries that have received agriculture or livelihoods focused advisory services as a result of the project interventions, including through the project partners. The recipients counted may include those who have been directly targeted by project interventions or those indirectly benefiting as members of beneficiary households. Direct beneficiaries include those that have attended trainings, received advice through site visits, or have been members of farmer groups that have received technology extension, members of cooperatives that receive financial or other services through cooperatives supported by RVWRMP, as examples.

This is a difficult indicator to measure, as most services could be counted here and there is some risk of double counting. At the end of FY05, staff have discussed the definition and plan a survey in early FY06 among stakeholders to establish more clearly the numbers of beneficiaries under different indicators.<sup>4</sup>

The target set for FY05 was 100,000, the cumulative end-line target being 500,000. During FY05 total 198,428 new people received these services, the cumulative number of beneficiaries at the end of FY05 being 382,915. These services include such as farmer-to-farmer extension (home garden training by leader farmers and local resource persons; fruit propagation and training in pruning of orchards); and by receiving services through cooperatives and Local Resource Persons (LRP). They also received advisory services via joint exhibitions/fairs with the Agriculture Knowledge Centres, Rural Municipalities, project supported Agro-vets and District Chambers of Commerce and Industries.

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### *2.5. Families trained in income generating activities (Converted to population)*

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A total of 2,957 families (15,377 @ 5.2/HH beneficiaries) were trained in income generating activities during FY05, which is slightly above the annual target of 15,000. By the end of FY05, a cumulative 54,884 persons have been benefitted from income generating activities, or 91% of a total end-line target of 60,000. This number mainly includes commercial vegetable farmers, but also small businesses such as agro-vets and agro-businesses, and private service providers such as improved cooking stove (ICS) promoters and Village Maintenance Workers (VMWs). As examples: 2,190 participants were trained on different income generating trades, and there were 830 participants in technical training for local service delivery, such as Leader Farmer (383 participants), Local Resource Persons (89 persons) and Multi-purpose nursery managers supported (173 persons). 104 ICS promoters and masons, and 302 VMWs were trained during FY05 (with VMWs typically trained for every water supply scheme).

There were also 769 poly-houses supported for income generation in FY05. Income generation training has supported to 2,975 persons of which 86% are female, 7% Dalit and 9% Janajati. Training was provided in many topics, including: poly-house technology, pickle making, and production of off-season vegetables, cardamom, fruit, mushrooms, and commercial walnut production. While this is over-achieving on the target for women's participation, the numbers of persons from Dalit or Janajati households is lower than hoped. Efforts should be made to increase their participation in the future.

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<sup>4</sup> This is a population-based indicator with the number of beneficiaries counted in households if they are over the age of eleven years old, the age at which age the GoN considers household members to be economically active. The rationale for this population-based calculation is that all economically active household members will benefit in some way from these advisory services because messaging will be communicated amongst all economically active members within beneficiary households.

2.6. Percentage of leadership posts of project supported cooperatives held by women

In the 60 cooperatives in total supported by the project<sup>5</sup>, 52% of leadership positions are held by women (which is slightly higher than the target). Of these leadership posts, 13% were held by Dalits, 6% by Janajati, and 81% by other castes. Janajati are disproportionately represented (6%) considering that they are only 4.6% of shareholders; however, Dalits score low for the leadership positions, because they represent 20.8% of the cooperative shareholders but only hold 13% of the leadership positions. Comparing Figure 13 with Figure 17, it is evident that there are more women shareholders (65%) than women in the leadership positions (52%). Out of all women in leadership position (496), 14% are Dalit, 6% Janajati and the other (80%). The ethnic share within all leadership positions is fairly similar. Comparing this with the shareholders, the “Others” are over-represented in the leadership positions (81% out of 949 persons in leadership position) compared to 75% of the shareholders, while the most under-represented are the Dalits with 21% of the total shareholders and 13% of the leadership posts. Overall, we can be highly satisfied with the composition of the leadership positions as these figures are fairly close and these positions are not based on ethnicity alone.

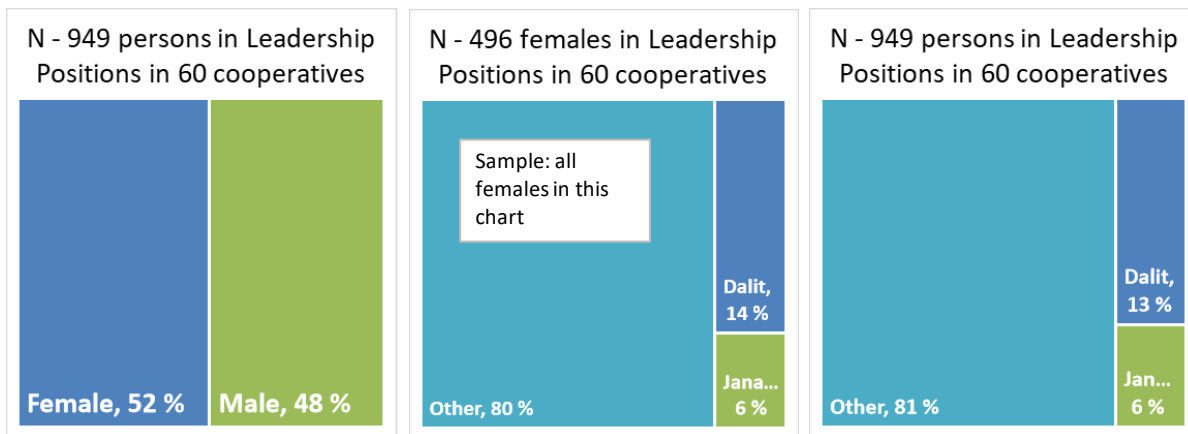


Figure 13 Cooperatives leadership positions in 60 cooperatives by gender and ethnicity

2.7. Percentage of Multiple Use Systems (MUS) among the RVWRMP supported water schemes (Water, Irrigation and MUS) schemes

The development of multiple use systems enables maximisation of water use. Utilisation of water coming from the same source can be a combination of drinking water and conventional irrigation, or conventional irrigation and improved water mills. Wherever possible, water systems also are equipped with livestock watering troughs, and ferro-cement tanks for run-off water storage. Even standard taps have a MUS element, in that run-off water (or household washing water) is used for irrigation. By the end of FY05, 9.2 % of RVWRMP supported schemes are MUS compared to the targeted 10%.

Within the MUS schemes, 44% combine conventional irrigation and IWMs, 14% water supply and conventional irrigation, and 42% water supply and non-conventional irrigation. The last includes such as irrigation reservoirs collecting over-flow from the water supply scheme reservoir, feeding drip irrigation in poly-houses near the tank. Figure 14 shows the total number of schemes and their combinations by fiscal year, and ethnic/caste division of the beneficiaries out of total cumulative number of beneficiaries: 13,5% Dalit, 9,5% Janajati and 77% Others.

<sup>5</sup> An additional five cooperatives have received some training and technical support from the project (according to demand)



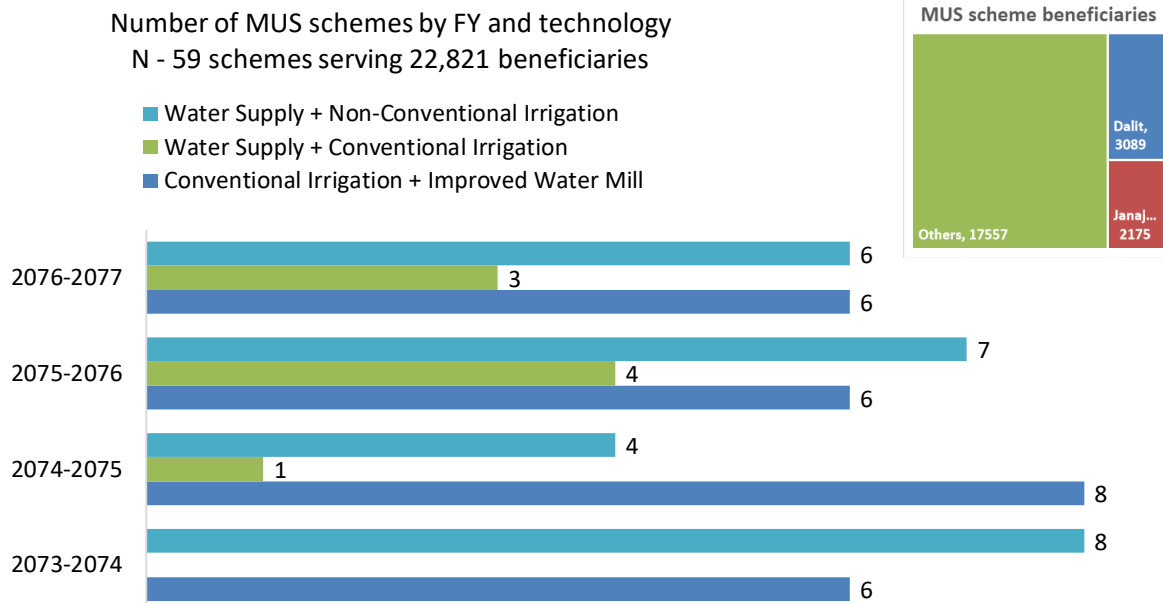


Figure 14 Multiple-use water schemes by FY and beneficiaries by ethnicity

## 2.8 Beneficiaries of irrigation schemes

During FY05, there were 9,857 beneficiaries of irrigation schemes, both stand-alone irrigation and irrigation included into multiple use water schemes. The cumulative total beneficiaries of irrigation schemes are 35,587 which is 66% of total target of 54,000; this target was increased in FY05. This includes both conventional and non-conventional irrigation systems and beneficiaries from MUS. In addition, the project has supported rehabilitation or construction of surface irrigation canals to supply water to larger areas for both cereals production and commercial horticulture, usually as part of a Multiple-Use Water System (MUS). Figure 15 shows the number of beneficiaries by technology, and Figure 16 by the number of schemes and beneficiaries by fiscal year and in total by ethnicity (H...L... for Hydraulic Lift, only one scheme).

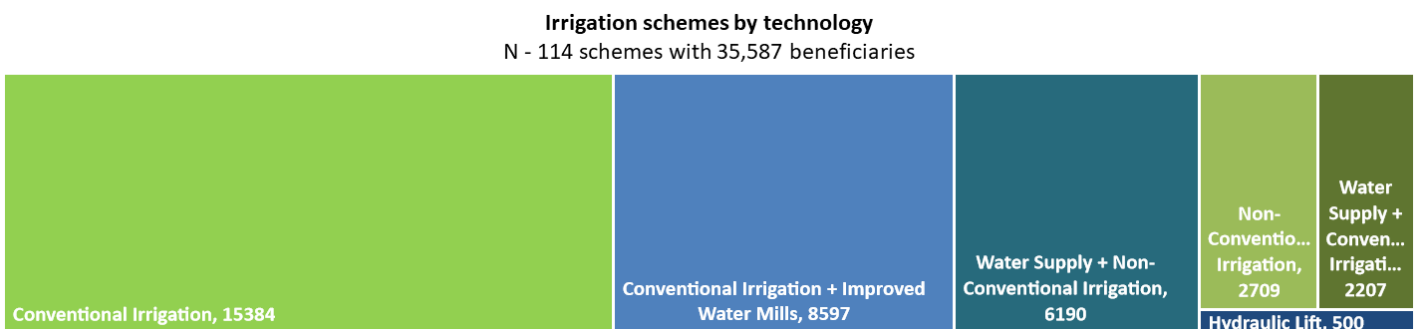


Figure 15 Irrigation schemes by technology

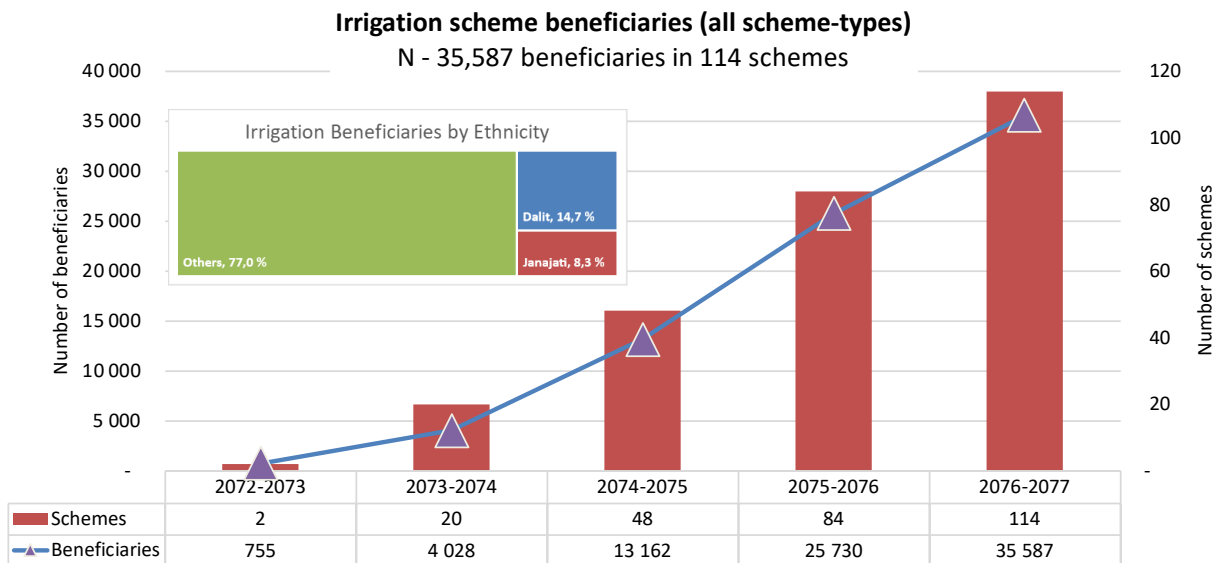


Figure 16 Number of irrigation schemes and beneficiaries by FY with ethnicity

### 2.9.1. Number of agri-businesses supported via the ME support

This is a new indicator (introduced in FY04 APR but without data). The target for FY05 was 10. In total there were 14 different agribusinesses, including micro-enterprises (ME), initiated in FY05. This includes cold storage for vegetables and fruits, poly-houses for boosting vegetable production, sea buckthorn processing and the bottling for sale, herbal tea making and packaging, beans grading and packaging, production pocket development and marketing of potato, dairy business support, fruit plantation and orchard management in Apple, Kiwi and Walnuts, marketing tools and equipment support for market strengthening, moderate high-tech nursery establishment support for citrus sapling production, etc. In FY05, such businesses comprised 1,563 direct beneficiaries. These business activities are on-going to achieve their full potential.

### 2.9.2. Number of Value chains supported

During FY05, the agri-business value chain (VC) activities were started in line with a more ambitious approach to the livelihood's component. There were five different value chain workshops conducted in different rural municipalities to identify the gaps/bottlenecks, map actors, identify the best-fit solutions with potential agribusinesses to link with supported value chains using the most appropriate and sustainable approach. Workshops were held with elected representatives and staff of RMs, farmers, traders, cooperatives and input service providers/agro-vets (agribusiness) engaged in Vegetable, Butter tree (Chiuri), Ginger, Large Cardamom and Citrus value chains in Aalital of Dadelhdhura District, Marma of Darchula, Badikedar of Doti, Naumule of Dailekh and Chure of Kailali District respectively. Participants prepared draft action plans which will be implemented in FY06 (there were delays due to the constraints of the Covid-19 lockdowns and limitations to travel). In addition, there are locality-specific value chains that continue to be supported, such as Sea buckthorn in Darchula. In this FY05, studies and workshops were completed for five Value Chains (Vegetable, Citrus, Chiuri, Ginger and Large Cardamom). Interventions have begun for all value chains, except for Ginger. Total 2,124 Households benefited during FY05.

The following value chain activities have started:

- In Aalital RM (Dadeldhura district) activities were focused on poly-house expansion and support for power tiller cultivation (50 Households).
- In Naumule RM (Dailekh District) 198 HHs received large cardamom saplings as part of an expansion of the production for the large cardamom enterprise. The project also supported the construction of driers for large cardamom.
- In Darchula District a Chiuri collection centre was established to support 700 HHs, this will later be followed up by establishing a Chiuri processing plant. In Apihimal RM there was continued support for Sea buckthorn processing with a total of 22 HHs supported.
- In Kailali District, in Chure RM, the citrus value chain was supported by both scaling up activities (254 HHs) and the establishment of a high-tech nursery which has the potential to support 900 households.

Apart from those agribusiness and selected value chain interventions, collection centres are being supported in Bajhang, Dadeldhura, Doti, and Kailali with potentially over 5,000 households covered by the catchment areas for these six collection centres (Bajhang-1, Dadeldhura-1, Doti-1 and Chure-3).

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### 2.9.3. Irrigation and MUS schemes with business plan support

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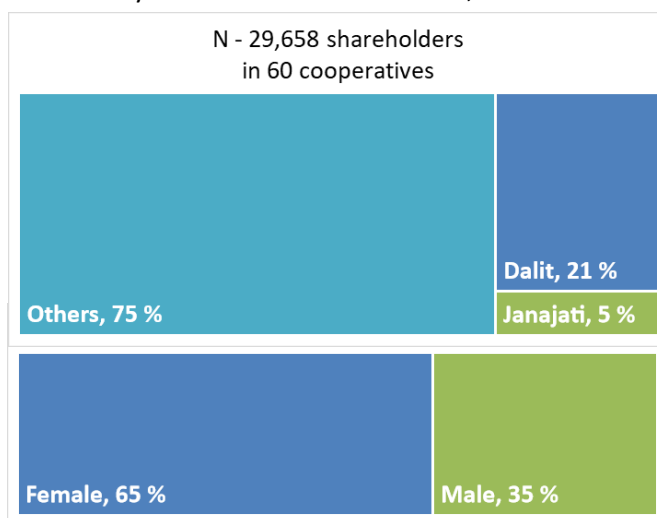
This is a new indicator with FY05 target set at 10 cases where irrigation and MUS schemes get business plan support. Due to the COVID-19 lockdown, it has not been possible to start the MUS/Irrigation business planning, which was originally planned to be supported during FY05. This is now on-going at the start of FY06. An approach and guidelines for business planning have been produced, with training to staff started and to be expanded for later field implementation.

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#### 2.10.1. Shareholders of cooperatives

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This is an internal indicator to track cooperative shareholders. This indicator has been increased from 20,000 to 25,000 (for FY06 it has been increased to 30,000). The end-of-project target for cooperative shareholders has already almost been met with 29,658 shareholders (cumulative) in FY05. More than half are women (65%).



By ethnicity, one-fifth (21%) are Dalit, 5% are Janajati and the rest are “Others” (75%) that includes mainly Brahmin and Chhetri, but also other ethnic groups that do not fall into various categories under “Janajati” or “Dalit”.

Figure 17 shows the shareholders by gender See indicator 2.6 for the same information with regards to the leadership positions in the cooperatives and its Figure 13.

Cooperative-related activities focus on strengthening the financial management and initiating business operations by developing business plans for the strongest cooperatives.

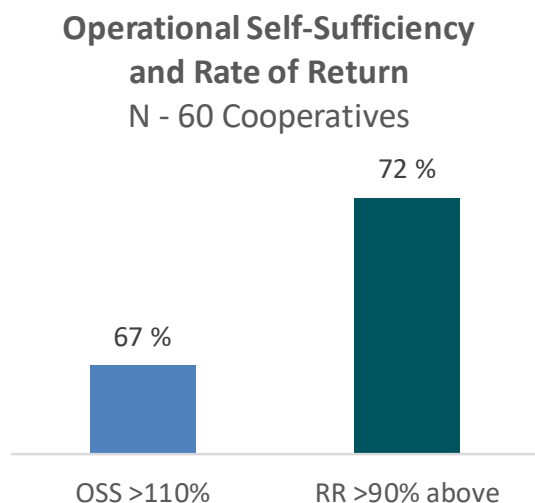
Figure 17 Shareholders in 60 cooperatives

2.10.2. Cooperatives achieving Operational Self Sufficiency (OSS)

60 cooperatives were supported by the project during FY05, in 42 municipalities (40 in core-RMs and 2 in non-core RMs), up from 55 cooperatives in the previous fiscal year. This figure includes cooperatives that have continued to receive support since Phases I and II. During FY05, total 9372 persons received loans from cooperatives and the amount of loans mobilized was EUR 3,511,112 (based on 1 EUR = NPR 125) and the amount of share-capital is EUR 551,360.

A total of 67%, or 40 out of 60 cooperatives, have reached an Operational Self Sufficiency (OSS)<sup>6</sup> of above 110%. Cooperative sustainability is achieved with OSS higher than 110%. The project's aim is to complete the institutional development cycle to strengthen cooperatives so that they can handle the agri-businesses development in their service areas.

The overall Share Capital of the 60 Cooperatives has increased by 165% over baseline, to a total of more than 207,952 EUR (an additional five Cooperatives were supported as per the RMs request and the Project is not going to support further). Total Deposits have increased by 176% over baseline to 982,984 EUR. The total outstanding loan amount at the end of FY05 was around EUR 3,511,112 with 71.7% cooperatives having more than 90% repayment rate.



26 cooperatives continued to operate during the COVID-19 lockdown period, offering loans to members to respond to urgent needs. Many participated with the RM in providing hygiene awareness raising activities, and some provided funds for the RMs risk management relief fund, or food and health materials distribution (masks, soap, etc), particularly to the RM-based quarantine centres. There was an increase in delayed repayments during the lockdown period, combined with a decrease in deposits. This has led to liquidity problems, and a decrease in OSS during the COVID-19 period. A longer report on the impact of COVID-19 on cooperatives is available in Annex 7 and the Cooperative Development annual report for the FY05 can be found in Annex 8.

Figure 18 Operational Self-Sufficiency and Rate of Return of 60 cooperatives

<sup>6</sup> Operational Self Sufficiency (OSS), expressed in percentage terms, provides an indication as to whether a Microfinance Institution (MFI) is earning sufficient revenue (through interest, fee and commission income) so as to cover its total costs-financial costs, operational costs and loan loss provisions.

## 2.4 Result Area 3 Increased Resilience to Disasters and Climate Change

Result Area 3 is “increased resilience to disasters and climate change and climate change mitigation and adaptation”. CCA/DRM is a cross cutting objective in all interventions. A concept note on CCA/DRM was prepared in FY05 to elaborate the content as per the Mid-Term Evaluation recommendations. The Project will continue to support RM based stakeholders with intensive CCA/DRM related trainings at the RM level. With regards to micro-hydro power plants (MHPs), five were planned for FY05. For several reasons, it was not recommended to go ahead with these, the time limitation being one of the critical issues in these high mountain locations. Instead, a proposal was prepared and presented in the AWP FY06 including solar-mini grids, MUS, irrigation and water supply schemes that were already identified and prioritized by the RMs in their WUMPs. *Therefore, the MHP related indicators are not covered here (3.1, 3.1.1 and 3.3).*

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### 3.2 Number of beneficiaries provided with access to sustainable energy services (other than MHP)

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Indicators 3.2 and 3.4 are directly linked to each other: the reduction of greenhouse gas emissions is based on number of IWMs and ICSs. During the FY05 total 3,435 ICS units were completed, serving 19,259 people. Of these, 31% were in RMs in Bajhang district, 23% in Achham and 23% in Dailekh. There were four districts where the RMs did not have any ICS at all in FY05: Baitadi, Bajura, Darchula and Doti, of which Doti did not have any IWMs either, not in FY05 or earlier. The Mud ICS resembles the traditional stove, and it does not require a large change in traditional cooking and heating habits. This may explain its wide usage and relatively good user experience. Rocket ICS operation bases on pure burning of the wood in a higher temperature. As a result, the Rocket ICS does not have a chimney, and only one blast furnace. The rocket ICS should not emit smoke. Out of all ICSs, 67% use mud, 21% are metal stoves (popular at higher altitudes as they can be used to heat space) and 12% rocket-type.

IWM differs from traditional water mills in the turbine and shaft technology, having more efficient and modern mechanical parts. The main objective is to reduce drudgery, particularly of women.<sup>7</sup> During FY05, a total of 62 IWMs were completed, serving 18,234 people with cumulative 42,036 people benefiting from 194 IWMs by the end of FY05. RMs in three districts did not have any IWMs at all, namely Baitadi, Bajura and Doti districts. IWMs are often part of MUS schemes: 50 IWMs have been constructed in connection with the conventional irrigation scheme (i.e. are included into MUS scheme).

The target for FY05 was 40,000. Counting ICS and IWM together, the FY05 achievement was 37,493 (94% of the target).

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### 3.4 Greenhouse gas emissions mitigated by the use of sustainable technologies, e.g. cooking stoves and improved water mills (in MT CO<sub>2</sub> equivalent)

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This indicator utilizes the number of ICS and IWM as presented for the indicator 3.2. The study made in the Project about ICS in FY05 noted that “*There are considerable differences in the consumption by ICS type: In the cases of Metal and Mud stoves, around every second respondent reported 50% reductions in firewood consumption, and the discussions in the field support this result. The Rocket is considered the most effective stove, 73% of the respondents reporting that it halves the firewood consumption, or more. Field discussions even strengthen this view as most of the respondents often told that in the case of the Rocket stove the reduction is more than 50%, usually even two thirds. The claimed efficient ‘engineering design’ of this stove*

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<sup>7</sup> For more on IWMs: Haapala, J. (2019) Improved Water Mills Impact Study, RVWRMP Phase III Research Report, 15 p.

supports the results.” The study draw attention to the fact that “the CO<sub>2</sub> emissions from burning the firewood depend on how much the stove requires firewood, and on the quality of the wood that determines its heat value, and its moisture content. This study results indicated in the section just above that 1) an average ICS may reduce firewood consumption by around 40% as a rough estimate, though the variance is very large; 2) Most of the firewood is softwood or worse in quality; 3) 40% of the wood is air-dried for a long time, and 60% of the wood is a bit more moist when burned.(...) The usable energy content of wood depends largely on its moisture content, even more than on its quality as firewood. The usable energy content improves as moisture content decrease. This study found that 40% of the used wood is practically fully air-dried, and 60% of firewood is moist but not wet. The Engineering Toolbox 2020 describes that the usable energy of air-dry wood is around 80% of the total energy content of the wood, and around 70% for half-airdried wood. Based on the study results, it can be estimated that the wood used by locals in this study has 70% usable energy of the total energy content. This equals 7.0 MJ usable energy/ 1 kg of firewood. Engineering Toolbox (2020) estimates that the carbon emissions of burned wood is roughly 110 kg CO<sub>2</sub>/1000MJ. This equals 0.77 kg CO<sub>2</sub> emissions / 1 kg burned wood. (...)”<sup>8</sup>

For counting this indicator, the average reduction per stove is estimated at 3,143 mtCO<sub>2</sub>e annually the average reduction per IWM unit is estimated at 4,52 mtCO<sub>2</sub>e annually. The cumulative annual reduction in FY05 assuming that all ICSs and IWMs from the previous years were still in use, was 150,001 mtCO<sub>2</sub>e (the target set in AWP FY05 being 75,000 mtCO<sub>2</sub>e). This leaves an ambitious remaining target of 99,999 mtCO<sub>2</sub>e. The proposed solar mini-grid and solar lifting schemes will contribute to this indicator in addition to ICS and IWM over the remaining years.

### Greenhouse gas emissions reduction by use of ICSs and IWMs (metric ton CO<sub>2</sub>e)

Cumulative total reduction during FY05 (IWM+ICS): 150,001 mtCO<sub>2</sub>e

N (ICS) - 18,755 units, 112,518 users, emission reduction in FY05: 148,098 mtCO<sub>2</sub>e

N (IWM) - 194 units, 42,036 users, emission reduction in FY05: 1,903 mtCO<sub>2</sub>e

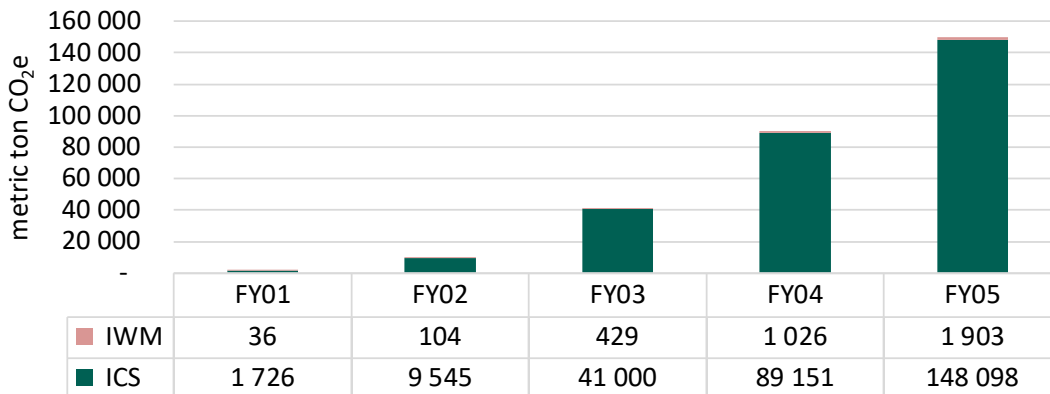


Figure 19 Greenhouse gas emissions reduction by use of ICSs and IWMs (FY01-FY05, mtCO<sub>2</sub>e)

<sup>8</sup> Haapala, J. (2020) Improved Cooking Stove Impact Study, RVWRMP Phase III Research Report, 35 p.

*3.5 Number of trained beneficiaries on disaster risk reduction and climate change adaptation (DRR/CCA)*

Total 769 persons were trained on DRR/CCA during FY05 (cumulative figure of 2,574). The target for FY05 was 700. We could add all UC members into this figure as CCA and DRR relevant items are included in their training as per the Step-by-Step, especially as it relates to WSP. We can consider adding these people into this figure in the future. Total 8,081 UC members (water supply, MUS, IWM and Irrigation) have received CCA-DRR training within the Step-by-Step modality.

*3.6 Project investments meet DRR standards and criteria*

Climate change and disasters have a negative impact on the WASH services. The Project team measured the water discharge of a total of 1037 water sources during WUMP preparation and feasibility studies, of which nearly 50% had reduced discharge during the study period made in FY04. Community people talk about a trend of reduced water flows over the last 15 years. Towards the end of FY05, the monsoon season was taking toll with a total of 59 intakes, 15,752 meters of pipeline, 80 meters of canal works and a number of other structures, such as 36 IWMs, having been damaged by the landslides. When revisiting these schemes in FY06, the Project team will explore to what extent these could have been prevented or mitigated by having more such as gabion works included in the Water Safety Plan (WSP).

The project uses the standard and criteria defined by Recharge, Retain and Reuse (3R) approach, including spring shed protection and water use efficiency. The following table captures how the CCA/ DRR is embedded into project investments, and as such, this indicators in ranked as “100%”. The Project team measured the water discharge of a total of 1037 water sources during WUMP preparation and feasibility studies, of which nearly 50% had reduced discharge during the study period made in FY04.

*Table 4 How project investments meet DRR standards and criteria*

<b>CCA/DRM activities in the Step-by-Step approach to investments</b>	
<b>Planning Phase:</b>	<ul style="list-style-type: none"> <li>● Pre-feasibility Study: Separate questions in terms of CCA/DRM.</li> <li>● Pre-feasibility Study: Flow measurement and water quality testing.</li> <li>● Detailed Study: source monitoring from CCA/DRM aspect (similar to IEE).</li> <li>● Detailed Study: While choosing structures, adapted CCA/DRM friendly structures or modification to suit the local environment and reduce the hazardous agent.</li> <li>● Prioritize Multiple-Water Use Systems (MUS) schemes.</li> <li>● System design: Appropriate, Affordable and Renewable → climate change resilient</li> <li>● Protection of the immediate watershed above the spring or stream, and many activities from recharge pits and plantations and water saving smart technological options. Source recharge, conservation, protection and storage options.</li> <li>● General orientation on CCA/DRM to users</li> <li>● Risks such as land slide prone areas or areas of increased risk of contamination, are accounted for in the design of the scheme.</li> <li>● Construction of hazard-resistant infrastructure</li> </ul>
<b>Implementation Phase</b>	<ul style="list-style-type: none"> <li>● Implementation of schemes coping CCA/DRR perspective in structures.</li> <li>● O&amp;M and WSP as part of the UC Preparatory Workshop.</li> <li>● CCA-DRR orientation to users</li> <li>● VMW training</li> </ul>

	<ul style="list-style-type: none"> <li>• Other interventions: Grazing restricted area, Water recharge activities (e.g. Recharge pit/trench/pond/plantation, etc.), Climate Resilience activities (e.g. Conservation, run off diversion structures, Gabion &amp; masonry works, plantation, Prayer flags at source, etc.)</li> <li>• Structure chlorination</li> <li>• Construction of animal drinking troughs (MUS)</li> </ul>
<b>Post Construction</b>	<ul style="list-style-type: none"> <li>• WSPs in all water supply (and MUS with water supply) schemes.</li> <li>• Local level financing maintenance: O&amp;M fund and cooperatives.</li> <li>• O&amp;M Regulation as a policy for both short and long-term maintenance needs.</li> <li>• Linkages to umbrella organizations and RM technical units</li> </ul>
<b>Public auditing</b>	<ul style="list-style-type: none"> <li>• 3 compulsory monitoring visits and public audits: CCA and DRM issues are discussed in every monitoring visit: first monitoring pays special attention to the water source including water quantity, availability and quality as well as source protection needs. The monitoring team investigates whether there are risk factors that require further attention in the scheme technical design. The second monitoring ensures that the scheme is constructed as per design and gives advice for improvements. The third monitoring ensures that all the required works have been completed as per design, VMW has been trained, O&amp;M Regulation has been prepared and the scheme is financially cleared.</li> </ul>
<b>Sanitation &amp; Hygiene</b>	<ul style="list-style-type: none"> <li>• Awareness raising in health issues and behaviour change in sanitation (ODF/Total Sanitation) contribute to control water-borne / water-washed diseases through hygiene through safe hygiene behaviour (small doable actions)</li> <li>• Household level Water Treatment and Storage or Point of User-treatment.</li> </ul>

## 2.5 Result Area 4 Institutional Capacity

The Result Area 4 is “GoN capacity to continue integrated water resources planning and support communities in implementing and maintaining WASH and livelihood activities.” The Project should leave functional structures for sustainable water supply services in the community, with a strengthened institutional system at local level to maintain and to keep improving these service levels, aiming to cover those that are still unserved. In order to strengthen the WASH Management Board approach, the Project will backstop RMs as per the work plan prepared by the Board. The Board will screen the technical reports of schemes and discuss whether there is a need for support for repairs. Based on this, the Board will make a recommendation to the RME for further action to repair the schemes. The project will plan to match the fund in the RM level Repair Fund for repairing water supply schemes as needed in FY07. The upper level indicator 4.1 has two sub-indicators to which the above described policy development contributes to: 4.1.1. RM have formulated policies related to WASH and Livelihood, CCA-DRR and 4.1.2. Joint activities/inputs to Provincial authorities for policy development on poverty reduction. The province-level federal structure is still work-in-progress, the project contributing when appropriate.

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*4.1. Roadmap for multi-sector regional cohesion policy: Contribution to policies designed for poverty reductions in remote and mountainous areas either under Agriculture Development Strategy or at provincial level*

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“Cohesion policy” is defined within the European Union as its strategy to promote and support the ‘overall harmonious development’ of its Member States and regions, and to strengthen economic and social cohesion by reducing disparities in the level of development between regions. In this case, the concept of cohesion policy is applied to Nepal and its two provinces where the Project works. The Project Document describes the expectations for the indicator “4.1 Roadmap for multi-sector regional cohesion policy: Contribution to policies designed for poverty reductions in remote and mountainous areas either under Agriculture



*Development Strategy or at provincial level*" very briefly, setting a target for a draft roadmap by 2019. Until now, this has not been defined in further detail as the provincial structures and related policies are still fluid.

However, since the definition itself is about decreasing disparities in between the different communities, we can justify focusing on sectoral roadmaps and policies at the RM-levels, aiming at universal coverage of services across the entire RM, not only for the Project working communities. Since the Result area 4 is about *"GoN Institutional Capacity to Continue Integrated Water Resources Planning and Support Communities in Implementing and Maintaining WASH and Livelihood Activities"* we can consider that RM-levels are equally important. In this regard, the project has been contributing to the policies and roadmaps at RM-level, but not at national (under Agriculture Development Strategy) or at provincial levels. Examples of the policies are described under the indicator 4.1.1.

The roadmap for RM-levels include five interdependent strategic directions:

- advancing governance and leadership for municipal services for overall well-being due to access to water, sanitation and hygiene, and with these, to improved health and opportunities for livelihoods and income generation;
- leaving no one behind, aiming for full service coverage;
- preventing disease and addressing health determinants by promoting multi- and intersectoral policies throughout the RM, with WASH and nutrition at the forefront (note that hygiene is particularly important as COVID-19 has shown);
- establishing model schemes and farms, launching the project's good practices at RM-levels for resilient communities; and
- strengthening municipal service systems for universal WASH coverage.

The target set for FY05 was to have "one workshop multi-sector engagement to address poverty reduction issue". This type of event did not take place unless we can consider such as Chairpersons coordination meeting as a multi-sector engagement.

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#### *4.1.1. RM have formulated policies related to WASH and Livelihood, CCA-DRR.*

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The position of local governments is laid out in Schedule 8 of Constitution of Nepal, 2015, and further elaborated in "Local Government Operation Act 2074". Local governments are self-governed and can formulate and promulgate local regulations, policies, directives and manuals. In this regard, the Project has ample opportunity to capacitate the RMs and influence their policies on WASH, livelihoods and GESI. The Project supported core RMs to formulate the policies for Operation and Maintenance Management of water supply schemes, and Dignified Menstruation Management.

In this connection, the Operation and Maintenance Management Directive for water supply schemes, and the Dignified Menstruation Management Directive, were drafted and sent to all core RMs for discussion, further inputs, finalization and approval from the respective councils. The project staff work closely with the RMs to raise awareness on the topic, draft ideas for the policy, provide capacity building to relevant RM staff and elected officials and workshop the policy text, finalise the draft (getting legal advice if needed) so that the RM can put it to the Council for approval.

For FY05, the target was set to have 18 policies in nine RMs. As of FY05, total 18 policies in all Core-RMs (27) were drafted and finalized with the support from the Project staff. See the topics and other information in Table 5 with regards the policies formulated.

*Table 5 Policies formulated in RMs*

Sn.	Title	RMs	FY prepared
1	Water Sanitation and Hygiene Management Directive	27 RMs	FY05
2	Dignified Menstruation Management Directive	24 RMs	FY04=10, FY05=14
3	Water Resources Act	10 RMs	FY04=3, FY05=7
4	Water Resources Regulation	27 RMs	FY04=13, FY05=14
5	Water Resources Management Procedure	3 RMs	FY04=1, FY05=2
6	Water Supply and Sanitation Regulation	1 RM	FY05
7	Water, Sanitation and Hygiene Management Procedure	4 RMs	FY04=1, FY05=3
8	Water, Sanitation and Hygiene Strategic Plan	2 RMs	FY05
9	UC Formation and Mobilization Procedure	6 RMs	FY04=1, FY05=5
10	User Committee Formation Procedure	2 RMs	FY04=1, FY05=1
11	Agricultural Enterprises Promotion Act	7 RMs	FY04=1, FY05=6
12	Cooperative Act	13 RMs	FY05=13
13	Cooperative Regulation	1 RM	FY05

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*4.1.2. Joint activities/inputs to Provincial authorities for policy development on poverty reduction*

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During FY05, RVWRMP facilitated two provincial level meetings together with the municipal and provincial authorities – one meeting of the RM Vice-Chairs on Dignified Menstruation Management; and one Cooperative meeting. The target of two events for FY05 was met. Due to reasons described earlier, there has been very little provincial interaction. In addition, with the onset of COVID-19, large provincial level meetings are no longer possible. The Project is not encouraged to work with the provincial ministries or departments even if the practice has been to invite relevant representatives for any higher-level events organized in Dhangadhi, such as RM Chairpersons coordination and progress review workshops. The plan is that towards the end of the project when the provinces and their relevant sectoral ministries are hopefully ready for regional cohesion policies, the project can contribute with its lessons learned at RM levels. The completion workshop/s at the province level offer more opportunities to contribute.

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*4.2. National and provincial authorities in WASH, agriculture and small industries sectors informed on RVWRMP experiences*

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Provincial authorities are frequently informed through such as Sudurpaschim WASH Cluster and National WASH Cluster, and through various other networks as described in the chapter for communications and visibility in further detail. The target for FY05 was to have one Provincial and one National meeting, workshop, seminar or conference for policy formulation. The project was active with the Provincial WASH Cluster, leading it during the COVID-19 times. The provincial stakeholders were also informed during the events with the Chairpersons and Vice-Chairpersons as there were always invitees from the relevant provincial offices for the selected parts of the programmes. Two events are reported here: one on cooperatives and one on Dignified Menstrual Management (DMM), the latter being a forum for Vice-Chairpersons to cover a range of

issues in addition or related to DMM, including such as the Water Boards and their role and potential in local development and inclusive planning, these events having representatives from the Provincial departments.

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*4.3. RM ownership demonstrated by RM contribution to the RM-WRDF*

*4.6. RM-WRDF funds are expended against the annual budget*

*4.8. Percentage of community contribution in cash and kind towards construction water and irrigation systems, power plants, etc.*

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There are three inter-related financial indicators: 4.3, 4.6 and 4.8. The figures in this chapter stem from the Project MIS that records the actual contributions at the point when the scheme is completed and financially cleared, i.e. it has had the final monitoring with the public audit as per the Step-by-Step approach, and the municipality's accounts have cleared the final payments to WUSCs and WUSCs have cleared their final payments to the suppliers and skilled labour. *This chapter focuses on water supply schemes including those MUS schemes that include water supply.* The Financial Resources Chapter in this report explores the total budgets and actual expenditures that include all headings, also those related to the capacity building and RM-level staff costs, monitored and reported through the RM's Water Resources Development Funds (WRDFs).

The contributions from GoN, GoF/EU and from the local governments themselves are deposited to the RM-wise WRDFs, operated by the local governments' own accountants. The users' contributions are agreed scheme-by-scheme at the time of the detailed survey-design-estimate, public meetings and finally at the time of making the agreement with the UC. These include both cash and kind, and vary in between the scheme types. For instance, where the RM and UC agree on private taps, the cost will be higher, but scheme beneficiaries are generally enthusiastic to pay.

**For indicator 4.3**, contributions from the local governments have exceeded expectations after the restructuring. The target was that RMs contribution to RM-WRDFs would be >7% which is also the end-line target. The contribution has been much more and has an increasing trend evident in

*Figure 20.* In this FY-wise figure we can see the change in the third year when the project moved from District-level to newly established RMs. Since then, their share has been increasing. During FY05 the RMs' share in terms of % of the FY-wise total was already nearly four times more than what the districts (District Coordination Committees) contributed. The total FY05 budget through WRDFs with capacity building and all other budget heading, with GoN, EU/GoF and RMs was NPR 1,587,334,335 (MEUR 12.7) of which the RMs contribution was 23%. Note that the charts in this chapter are based on the project MIS and as such, actual expenditure under the investment budget heading only. The Financial Chapter will explore all budget headings and related expenditure.

One of the indicators in the RMs' Annual Performance Evaluations is about the RMs' contribution in WRDF. Out of 27 core-RMs, 82% (22 RMs) scored maximum 15 points for this, while two RMs scored 10 and three "0", two of these in Bajura and one in Dadeldhura. The **indicator 4.7** provides more details related to the entire Annual Performance Evaluation.

**For indicator 4.6**, the WRDF budgets are expended as per the budget headings of the annual work plan and as entered in the GoN federal system. The WRDF monitoring visits keep track on the expenditure during the year, the actual expenditure being reported through the RMs' own systems at the end of the year. In FY05, the RMs released 95% of their budget of which the actual expenditure was 94%. Out of total WRDF (GoN+GoF/EU+RMs), the actual expenditure was 84% of the budget. The target set for FY05 was 85%. This result can be considered excellent even without COVID-19.

**For indicator 4.8**, the percentage of community contribution is constantly more than expected. The target set for FY05, 20%, is also the end-line target. During the FY05 up to 29% of the total actual expenditure to scheme investments was from the users’ cash and kind. This demonstrates the enthusiasm of the RMs and communities to work with the project. The figures in this chart include data from total 957 individual schemes with status “IPC” (implementation phase completed and financially cleared) as reported in the project MIS. These 957 schemes include water supply, irrigation, ICS, IWM, a range of MUS combinations, institutional and school sanitation, and those environmental sanitation schemes where something has been done under the investment budget. Total beneficiaries are 535,903 although some people have benefited from several schemes (e.g. a water supply scheme adding an ICS scheme in the same cluster etc.). More than half (59%) were water supply schemes, including those MUS schemes that included water supply.

Figure 20 shows FY-wise and source-wise the actual expenditure out of FY-wise source-wise budgets. For the users’ contribution, out of the total, 1% have been cash contributions. The in-kind contribution is valued as per Nepal standards for such as digging pipelines to certain depths and providing un-skilled labour and local materials, such as sand and gravel to construction sites. During FY05 we can observe that nearly half of the actual contributions are from the local sources: RMs and users (47%), bearing in mind that the users’ contribution is mostly in-kind.

As is evident in Figure 21, that counts together the cumulative total actual expenditure FY01-FY05, the contributions do vary in between the different types of schemes. For instance, in most parts of Nepal there should be no subsidy for items such as household sanitation or utensil drying racks, yet, in certain situations this support is provided (this was seen earlier very clearly with regard to toilet construction – it should have been paid by the users without subsidy, yet in many areas outside the project, a subsidy was given). In RVWRMP schemes the users’ contribution for household sanitation and drying rack construction has been 71%.

In the planning, the target has been 20% users’ contribution. However, where private connections are planned, the users’ contribution increases. Figure 22 takes a close look at the users’ contribution by cash and kind. The cash contributions are very small in all cases except for ICS. However, considering all users actual cash contributions in FY01-FY05 for a total of 20,121 ICS stoves, the cash contribution per stove was on average NPR 534 – in practice this will vary depending on type of ICS (mud, metal, rocket), and on the location.

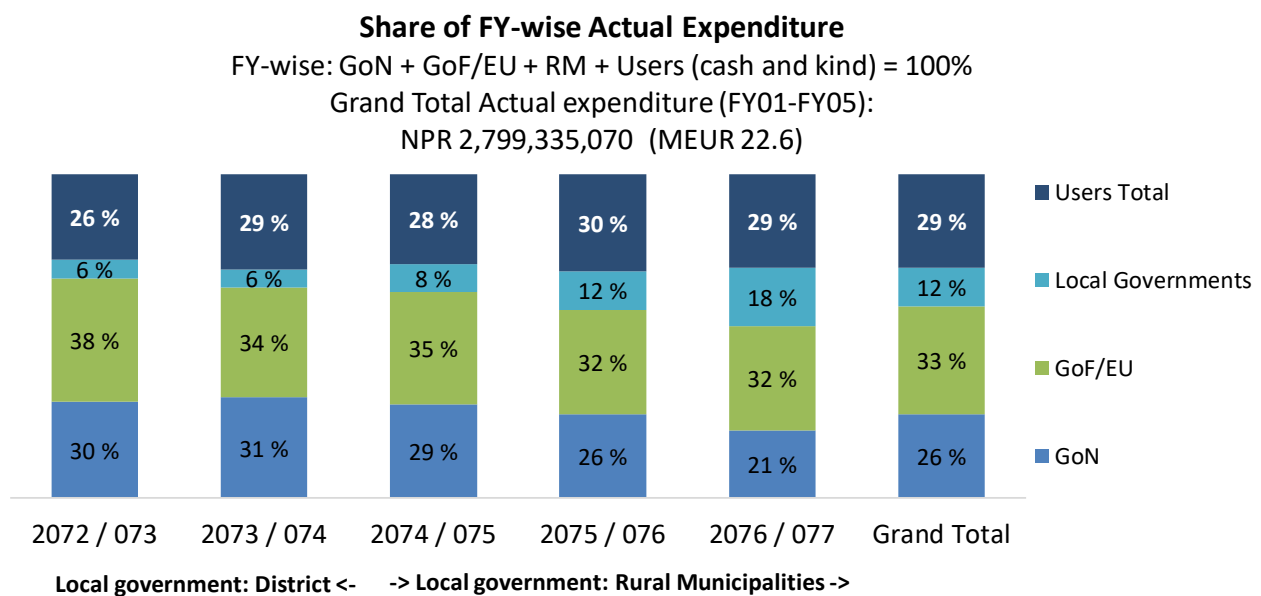


Figure 20 Share of FY-wise Actual Expenditure in all types of investment

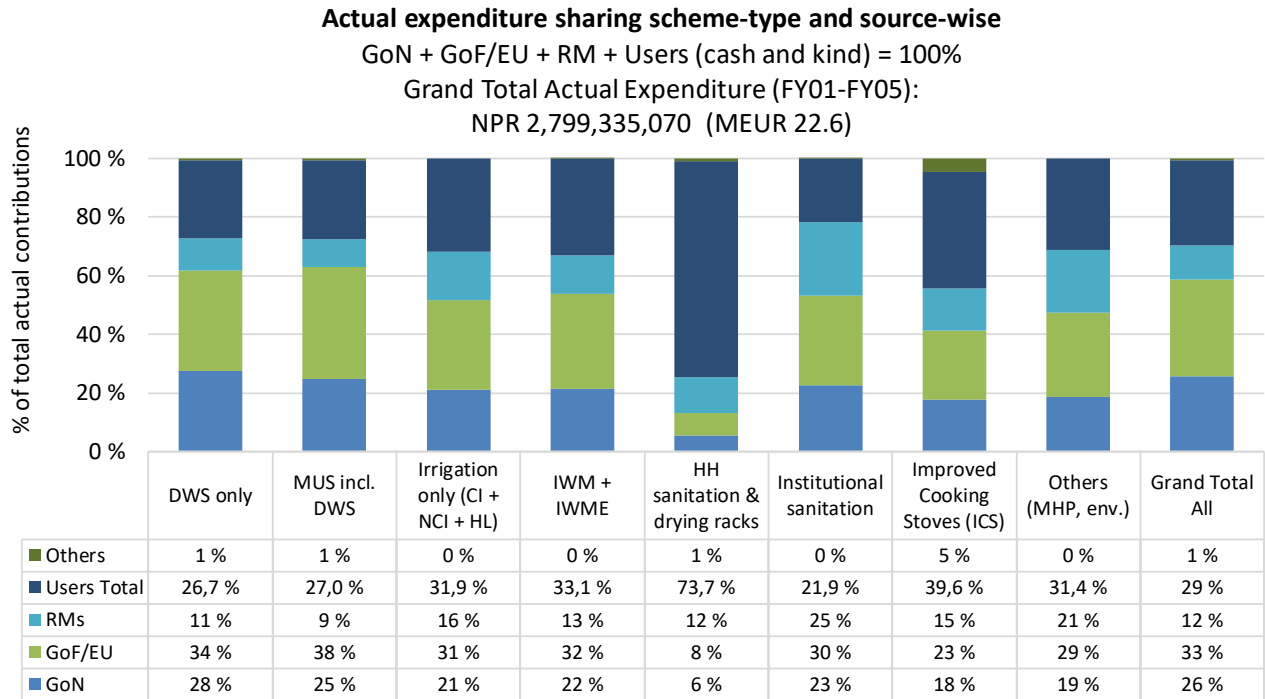


Figure 21 Actual expenditure sharing by scheme-type and source-wise, %

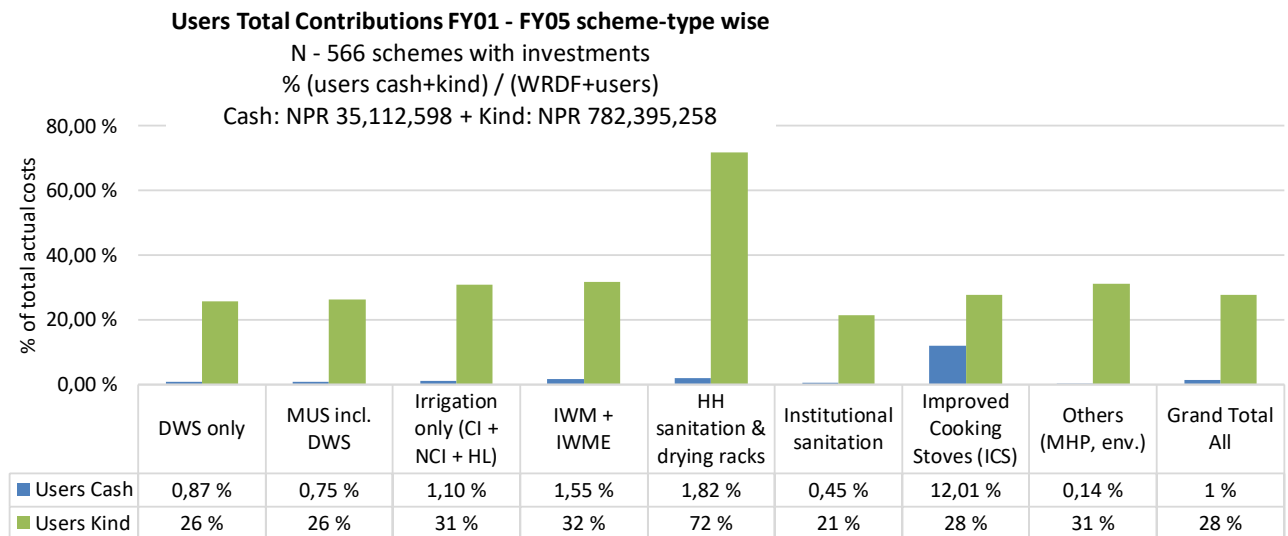


Figure 22 Users actual contributions scheme-type wise FY01-FY05 total, %

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*4.4. Number of trained local bodies to promote effective access to energy, markets, irrigation and WASH services*

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Local Governments as duty-bearer have executive power to promulgate policies and regulate drinking water and sanitation planning, implementation and operation and maintenance of the systems. Ultimately, local Governments are the permanent institutions to look after the sustainability management of development interventions. With this in mind, together with the RM authorities, RVWRMP developed the concept of a

Water, Sanitation and Hygiene (WASH) Management Board. RM authorities are committed to implement the concept. The 'Water, Sanitation and Hygiene Management Board Directive' will be promulgated by each core RM. Based on this Directive, a Water Board will be established in each core RM. Table 6 shows how the process started in FY05 with some milestones for the FY06.

*Table 6 Milestones for establishing RM Water Boards, RM WASH Units and WUSC Networks*

Sn.	Activities	Timeframe
1	Orientation to GWROs/SOs on WASH Management Board & implementation process	FY05
2	Promulgation of WASH Management Directive	FY05
3	Formation of WASH Management Board	FY05
4	Orientation to WASH Management Board	Sep 2020
5	Work plan formulation by WASH Management Board	Sep 2020
6	Assessment of completed schemes and establishment of RM level WASH MIS	Nov 2020-Apr 2021
7	Institutionalization of existing UCs (reshuffling and registration/ renewal)	Nov 2020-Apr 2021
8	Formation of WUSC Network as per the statute	Nov 2020-Apr 2021
9	Scheme assessment report finalised and improvement plan approved by the WASH Management Board/RME	Jun 2021
10	Establishment of WASH Unit, streamlining RM Support Unit activities with the Unit	Feb-Jun 2021
11	Promulgation of RM level Repair Fund Operating Procedure	May-Jun 2021
12	Establishment of RM level Repair Fund	May-Jun 2021
13	PoCo activities implementation with RVWRMP's technical support	FY07

On FY05 all 27 core RMs formulated WASH Management Board and approved WASH Management Board Directives. The Project will continue to support RMs in rolling out their Water Boards and RM-WASH Units in terms of strategy, policy and continued hands-on capacity development. In addition, the Project in FY05 explored the need to establish RM-level network of Water Supply User Committees to represent UCs in the WASH Management Board and to facilitate all UCs within a RM to provide sustainable services. This links to the duties of the WASH Management Board being responsible to look after the post-construction phase of water supply and sanitation schemes to retain functionality for sustainable water services.

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*4.5. Mobilization of RM own re-sources under Agriculture and Cottage and Small industries section for joint activities in the core-program RMs*

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This indicator as it is, is no longer valid. Agriculture and Cottage and Small industries sections are not established at all at RM-level, and their previous budget has been subsumed into the agriculture budget at RM level. One option is to monitor the expenditure by the RM of their agriculture budget.

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*4.7. Necessary technical and administrative support is provided without delays by RM Offices*

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The Project does annual performance evaluations at different levels: Project staff themselves, SOs, GWROs and RMs. The annual performance scoring indicators and related maximum scores are shown in Figure 23.

These events are part of the capacity building approach as the monitoring team can give tailored advice and support as needed in each case. This indicator could be further aligned with the Sustainable Development Goal Target 6.b: Support and strengthen the participation of local communities in improving water and sanitation management and its *Indicator 6.b.1 Proportion of local administrative units with established and operational policies and procedures for participation of local communities in water and sanitation management*. The ultimate aim in the future could be in line with the SDG 6b that relates to the functional local level administrative units, in other words, RM WASH Management Boards and their RM WASH Units.

The results by RM grouped by the district are shown in Figure 23. There were two indicators where all RMs scored the maximum points: Transparency and Timely reporting to PCO/PSU. A total of 70% of RMs score total 90 or more out of maximum 100. In six indicators out of the total 12 individual indicators, the average score was 90% of maximum or more. The lowest average score of 52% out of maximum was for the indicator ‘Proper following of project guidelines and PIG’ (Project Implementation Guideline). Only 56% of the 27 core-RMs score full marks for this, while 48% scored “zero”.

The differences in between districts are evident. Assuming full score for the district according to the number of RMs (e.g. if two RMs, maximum score 200, if three RMs, maximum score 300 etc), the highest scores are in Achham (96%) and Humla (95%), while the lowest two are Bajura (74%) and Dadeldhura (79%). The four lowest scoring RMs had a “zero” score for three or more items. These percentages of district-wise maximum scores are shown next to the district in Figure 24. The remoteness does not explain poor performance. It is interesting, considering that Humla is the most remote district, making it difficult for the RMs to receive support, and yet they performed well. Dadeldhura could be considered the least remote, with most RMs relatively close to the PSU, and yet with worse results. However, as with most development findings, it is likely that there is also a big influence from individuals.

RMs Annual Performance Evaluation Indicators & Scores Max score: 100				
Physical progress, 20	Financial Progress of the RM, 10	Transparency and proper utilization of RM-WRDF, 10		Expended RM Contribution, 5
		Timely Reporting from RM to PCO/PSU, 5	WR/ Livelihood related policy as per MoU, 5	Proper follow of project guidelines and PIG, 5
RMs contribution in WRDF, 15	Scheme monitoring by task force, 10	Suggestions of Monitoring team applied, 5	Collaboration with other stakeholders, 5	Regularity of RMPMC Meeting, 5

Figure 23 Maximum scores for RMs Annual Performance Evaluation

### Annual Performance Score FY2076/77

Maximum score: 10

N-27 Core RMs

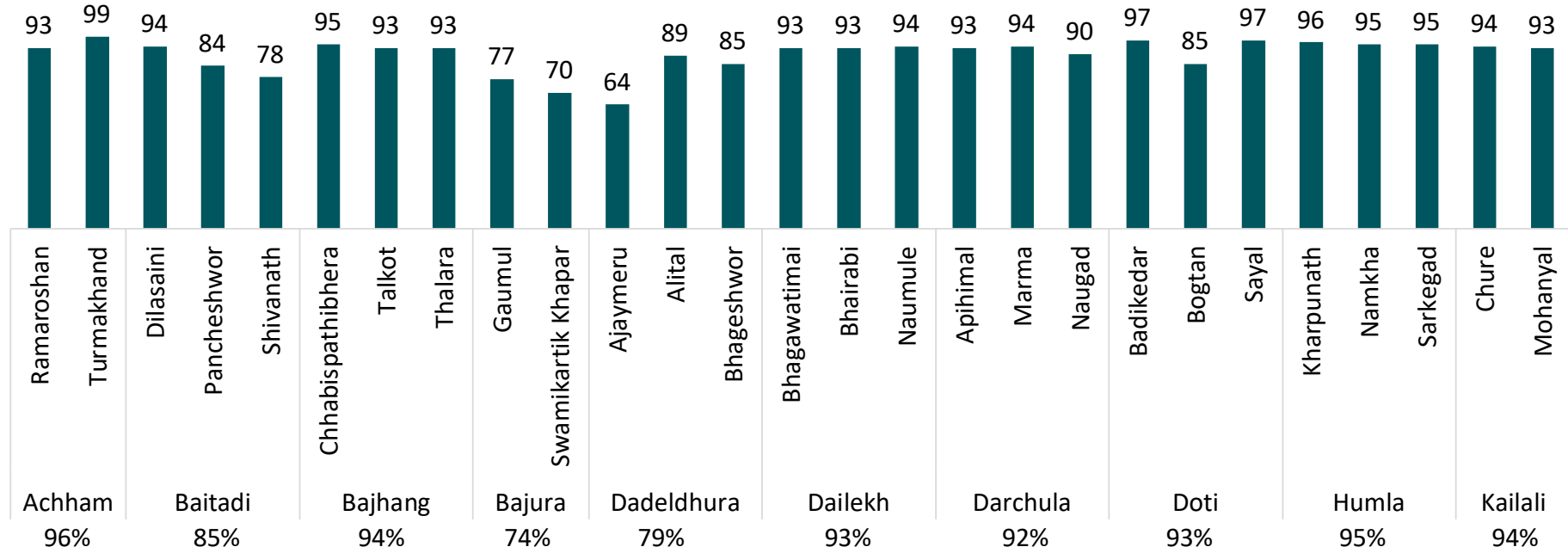


Figure 24 RM-wise Annual Performance Evaluation results FY2076/077



## 2.6 Cross-cutting objectives

The cross-cutting objectives of Finland for development cooperation are mainstreamed in the Project implementation. They include: promotion of gender and social equality, human rights and equal participation opportunities for easily marginalized groups (including children, people with disabilities, indigenous peoples and ethnic minorities); and climate change adaptation and disaster risk reduction. Gender equality and social inclusion (GESI) and the human rights-based approach (HRBA) are at the core of the project interventions. The Project promotes access to water and sanitation as a human right and sets the tone in terms of inclusiveness and participatory planning. The Project creates awareness about responsible and rights-based use of water resources. The integrated approach of the Project is a learning path for policy coherence between sectors. The Project also promotes the water, energy and food security nexus under all three pillars.

### 2.6.1 GESI & HRBA

RVWRMP can be considered Human Rights progressive – and perhaps even transformative - with regard to human rights in the Sudurpashchim and Karnali Provinces. The project actively seeks to address the identified root causes and patterns of non-fulfilment of human rights and discrimination. All data for planning and monitoring is disaggregated and addressed in reports. The project addresses HRBA & GESI both in mainstreaming and with targeted activities.

#### Rights and RVWRMP

Rights have a legal basis. Nepal signed the UN Declaration of the Right to Water and Sanitation in 2010. In addition, the Constitution of Nepal (2015) specifies that “Every citizen shall have the right of access to clean drinking water and sanitation” (35.4), as well as other rights regarding access to food, rights of women, the right to live in a safe place, etc. The project supports all these rights.

Following the federalisation process, Nepal now has elected local governments that are accountable to the voters. The HRBA approach emphasises the responsibility of the government and sees it as the duty bearer towards the citizens who are the right holders.

We recognise that in line with the Right to Water and Sanitation, the responsibility falls to government duty bearers. Much of our work is now focused on developing the capacities of the local governments in Sudurpaschim and Karnali Provinces to plan for and deliver this right to their citizens. This includes the recently initiated process to establish WASH Units and Water Boards in each rural municipality, thus institutionalising at local level the planning, management and maintenance of water schemes. In addition, capacity building is provided to develop a RM Strategic WASH Plan, to support the RM to achieve its development goals for universal and equitable access to safe and affordable drinking water and sanitation for all by 2030. The focus is on ensuring that hardship areas and disadvantaged groups get first priority for new water supply and sanitation assistance, and that attention is given to functionality, safety and sustainability of water supply schemes.

The Project has conducted orientations, including on HRBA/GESI themes, for RM staff and elected officials in order to make the local bodies aware of their responsibilities in providing services to the citizens, as well as empower the rights-holders to claim their rights to water and sanitation. RVWRMP is giving continuing support to raising awareness on discrimination, and improving the access of all, including disadvantaged castes, menstruating women, the frail elderly and people living with disabilities. Change doesn't happen overnight, but it is happening. In these times of the Covid-19 pandemic, clean water and good hygiene is more important than ever – and to safeguard communities, everyone needs to have access!

As well as planning for access to water and sanitation, rights-holders should have access to a complaint lodging and redress mechanism. This can take place via: the Judicial Committee in the RM; the newly established Water Boards; and temporarily, via the project.

The Project continuously uses participatory approaches to facilitate the communities' active involvement in the schemes. From identification and prioritization to ensuring that everyone in the community has equal access to the Project benefits and achievements.

The some of the major HRBA & GESI activities during FY05 (and cumulatively) are summarised below. More details of the activities are presented in Annex 9.

- Capacity building activities related to WUMPs preparation, Step-By-Step, cooperative development and livelihoods improvement and post construction management. Each of these trainings sets targets for participation of women and disadvantaged groups.
- Workshops on Women as Decision Makers aimed to formulate Gender Responsive Plans and follow-up to ensure that these are incorporated in the seven step planning process in the RM. By the end of FY05, the Women as Decision-Maker workshops have been conducted in 26 Rural Municipalities with 916 female participants in total. The workshops formulated the Gender Responsive Plan of the RM with defined activities and an estimated budget for five years. Out of the total planned activities of 26 RMs (2286), a total of 432 activities have been already implemented by RMs by February 2020 (RME, RM sections and other stakeholders).
- Learning/sharing visits for RMPMC members on sustainable water resources management and right to have access to the services for all.
- Facilitation to maintain the chain of rights holders and duty bearers (including the opportunity to register a claim and access redress of issues). For this, the orientation sessions (to both citizens and RM officials/leaders) have included fundamental rights, especially regarding WASH services.
- Avoiding participation of vulnerable persons in heavy construction works, such as pregnant women, PWD, elderly people and children.

GESI approaches are mainstreamed in all Project activities. The project promotes social change by empowering rural women and girls and disadvantaged groups through an inclusive and participatory process: starting from the planning phase of the activities. The target is to ensure at least 50% women and proportionate representation of minorities in the activities. The project promotes social change by empowering rural women and disadvantaged groups based on: awareness, capacity and income generation. Active participation of women and disadvantaged groups in UC membership and leadership positions is achieved by setting quota for women participation and special arrangements for women to bring small children to trainings etc. Participation of women in trainings and special trainings targeted to women (such as the Women as Decision-Makers, Female UC Leaders' workshops, or Menstruation Hygiene Management training) boosts their confidence and prepares them for leadership roles in the UCs, cooperatives and other local organizations. The development outcomes of women and disadvantaged groups in the population are tracked in the monitoring. What counts is not just passive participation, but rather, the representation of women and disadvantaged groups in leadership positions, taking active roles in cooperatives and community groups, and earning incomes from livelihood promotion.

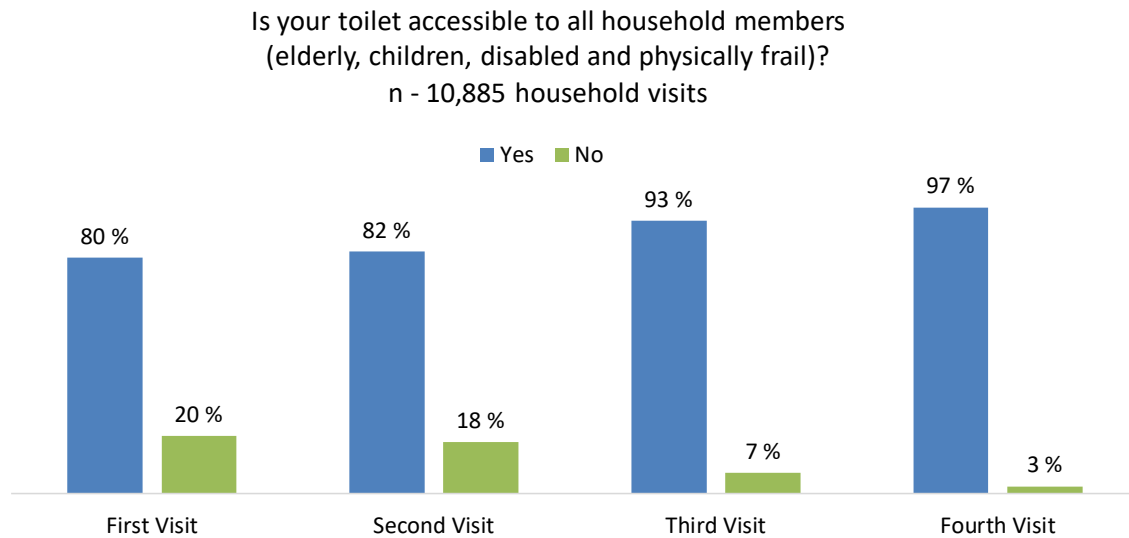
On top of ensuring GESI in planning phase activities, the Project also ensures proportionate female representation and representation of disadvantaged groups in the formation of the Users Committees (UCs), cooperatives, in trainings, and in livelihoods and income generating activities to enhance capacities for the socio-economic empowerment. In the water-related Users Committees, women's participation was approximately 54%, and Dalit and Janajati representation was 17% and 8% respectively (ie. slightly low representation of Dalit and proportionate representation of Janajati to their presence in the population, of 19% and 8% respectively).

Participants in WRDF funded capacity building activities included 60% women, 20% Dalit and 7% Janajati overall. Annex 9 shows the GESI status in different capacity building activities. There is a significant variation depending on the type of training, reflecting the interest of different groups, but also the potential barriers.

The project has struggled in recruitment of representative numbers of women, Dalits and Janajatis in its own staff, despite applying positive discrimination in recruitment (such as extra points for women or minorities). In addition, capacity building with government staff faces the same problem, as the majority of civil servants are men of 'Other' caste (Brahmin and Chhetri).

People living with disabilities (PWD): The project has given increasing consideration to problems faced by people with disabilities and the frail elderly. This has particularly involved discussing ways to improve access

to toilets and taps, and improving monitoring of disability and the difficulties of access, but also simply raising the issue of their rights in community discussions. The SHPs discuss this topic when carrying out household visits, and according to the data from these visits, access to toilets for all is improving. Figure 25 includes total 10,885 household visits. Note that this is continuous work in progress: total number of first visits is 6,677, the second visit 2,338, third visit 1,528 and the final visit 342.



*Figure 25 Access to toilets by all*

Taboos around menstruation, including the chhaupadi practice, are a serious problem in the project area. These are a risk to women’s health and lives and contravene their human rights. They also interfere with the achievement of total sanitation, if menstruating women are forced to defecate outside. RVWRMP has worked together with local government, local networks, like-minded agencies, political leaders, and UCs among others to raise awareness and change behaviours. This includes interaction programs with RM representatives, Menstrual Hygiene Management workshops (including sanitary pad making) at the RM level, Sasu-Buhari (mother-in-law and daughter-in-law) workshops, orientation workshops with religious leaders, awareness-raising rallies, radio programs and mobilization of women’s groups, Female Community Health Volunteers (FCHVs) and traditional healers. This has included a focus of activities on International Menstruation Day on 28th May, with local activities at RM level, despite the COVID-19 restrictions.

Other activities included:

- Behaviour change activities, awareness raising and campaigning on chhaupadi practices and MHM/DMM – with the general community, Mothers’ Clubs, dhamis, RM staff and elected representatives, UCs, etc.
- Jingles, radio spots, production of audio song (chhaupadika bedana) and TV programmes to share the messages. Flexes, posters, story boards, powerpoints and brochures, etc.
- Training on MHM with a variety of participants, and preparation of reusable sanitary pads
- MHM supply chain training
- Monitoring by SOs of toilet use during menstruation, including as part of the Small Doable Actions (SDAs) and multiple visits to household level. Results are fed back to the project and regularly discussed in SO meetings with RVWRMP staff.
- RVWRMP has conducted training of DMM facilitators (2 from each RM). WRAs are facilitating RMs to hire them as local resource person to conduct DMM activities in the RM
- Construction of gender-friendly toilets in schools or government offices, with incinerators or established practices for dealing with disposable pads

- Installation of sanitary pad vending machines in schools, and discussions with manufacturers to permit the restocking with reusable pads
- Provincial level School WASH workshop in February 2020, ensured commitment to MHM issues in schools.
- Participating in the MHM Partners Alliance (MHM PA) – receiving minutes, sharing materials, and when possible, participating in the meetings. Unfortunately, these only are held in Kathmandu, but with the COVID-19 lockdown they have moved to online meetings, making participation easier
- Celebration of International Menstruation Day (28th May) in all communities, even during the lockdown. Naturally mass meetings were not possible, but the opportunity was taken to share messages in small groups, and on the radio.
- The Dhangadhi Declaration for Dignified Menstruation Management – RVWRMP has supported the discussion within RMs and Provincial level authorities of a commitment to DMM. This was agreed to by Vice Chairpersons of all working RMs on 10-11 February 2020. Since then, 24 of the 27 core RMs have approved DMM directives.

### Major GESI Outputs Delivered

- Women's participation in project activities and public events has increased, and they are empowered to raise their voices.
- The approach of requiring 50% women's participation has also been replicated by other agencies, including RMs.
- Access to toilets during menstruation period has increased (as per reported in FY 05) - 83% as per current situation with home visit reporting for total sanitation – though this % may vary slightly depending on the households visited.
- Five-year Gender responsive plans of 26 RMs were formulated and followed by the RM and like-minded agencies. As of FY 2076/77, 19% of total planned activities are already implemented, and 29 % are planned for FY 2077/78.
- 24 Rural Municipalities have approved the Dignified Menstrual Management Directive. This approach is expected to be replicated by other RMs beyond the project area during the coming year.
- The construction of menstrual hygiene friendly WASH facilities in schools has produced an enabling environment for girls. Girls' school attendance has increased during their menstrual period, as they now have a suitable place to maintain their menstrual hygiene.
- To date, 180177 women (IPC, IPC\* and IPO stages) are free from the burden of fetching water from long distances. Saved time is used for home garden management and other productive works, as well as having more free time for social activities and community meetings. Girls used the saved time for their study. 71591 Dalit (M&F) and 23,754 Janajati (M&F) were beneficiaries of Drinking Water supply.
- 65,522 women are getting relief from in-house smoke (IPC, IPC\* and IPO stages), by constructing improved cooking stoves, which have resulted in fewer respiratory diseases (as well as saving time from fuel collection and cooking). 25,718 Dalit (M&F) and 17,016 Janajati (M&F) have also benefited.
- After installing 242 improved water mills, 22735 women (IPC, IPC\* and IPO stages) have benefitted and are using their saved time in home garden management, income generation, social activities and taking care of children. 7664 Dalit (M&F) and 3602 Janajati (M&F) have benefitted from IWM.

## 2.6.2 Climate change adaptation and disaster risk management

Nepal is facing considerable problems linked to climate change and disasters, as well as poor environmental protection. In particular, in the project area, problems are caused by floods, droughts, severe storms, earthquakes and man-made damage (for instance, by poor planning and construction of rural roads, or over-exploitation of land, water or forest resources). This can damage water schemes, lead to source depletion and conflicts, degraded quality of water and decreased production.

The water–energy–food nexus is central to discussions regarding the monitoring of the Sustainable Development Goals (SDGs) and also is linked to CCA/DRM. RVWRMP neatly feeds into the topics of the nexus, being very much a sustainable rural development project, focused on water.

CCA/DRM is mainstreamed across all the project areas as well as including some targeted activities. For instance, within Result 1, the WUMP guides the planning of water schemes, and the Step-By-Step approach incorporates CCA/DRR aspects in preparation, implementation and maintenance, including aspects such as:

- Identification of water sources, including identification of current and potential uses – Multiple Use Systems (MUS), such as a combination of drinking water supply and irrigation, maximise the use of available water supplies
- Assessment of existing water infrastructures in terms of CCA/DRM
- Identification of vulnerability of all water sources, including social resource mapping and identifying disaster prone areas (landslides, water depletion, flow, river scouring, etc.)
- Planning for source protection, conservation, river-training works, landslide and other dry debris flow protection, etc.
- Implementation of schemes using a CCA/DRM perspective in structures.
- Water safety plans in all Water supply (and MUS with WS) schemes.
- Other interventions: Grazing restricted area, Water recharge activities (e.g. Recharge pit / trench / pond, plantation, etc.), Climate Resilience activities (e.g. Conservation, run off diversion structures, Gabion works, masonry works, plantation, Prayer flags at source, cultural protection, etc.)
- Construction of animal drinking troughs (to avoid livestock damaging tap-stands)
- Capacity building for Post construction: VMW trained
- Local level financing maintenance: O&M fund and cooperatives.
- Financial Risk transfer: Insurance of workers

Within Result 2, the Livelihoods Implementation Plan (LIP) guides planning and CCA/DRM is incorporated in capacity building and continuing support for issues such as:

- Nutrition and food security through Home garden, Agricultural Income Generation.
- Multi-purpose nurseries, that grow seedling for use in gardens and for soil stabilisation on slopes.
- Promotion of drought- and flood tolerant crops and varieties where needed.
- Utilization of wastewater/drainage, and rainwater/tap-water storage for irrigation
- Drip irrigation, poly-house, plastic tunnel
- Composting and use of mulch
- Promotion of bio-pesticides and liquid manure
- Promotion and capacitate Leader Farmers for the sustainability

Naturally Result 3 is focused on renewable energy and NRM: 3492 Improved Cooking Stoves and 55 Improved Water Mills were constructed during FY05 – of a cumulative figure of 20814 ICS and 242 IWM. During FY05 the preparation for the Solar schemes in Humla also took place.

Capacity building for RM staff and residents on:

- CCA/DRR in planning – four events were conducted during FY05: Bajura, Kailali, Marma RM and Api Himal RM). The capacity building aims to increase awareness of the risks of climate change and

disasters, and plan for mitigation, including improvements to scheme construction, crop selection, road construction, etc.

- Use of weather forecasts and disaster planning – an additional workshop was planned in conjunction with the Finnish Meteorological Institute but has not been possible as yet.

### 2.6.3 Communication and Visibility

Success stories and lessons learnt are important in communication with audiences. It also creates an image and raises awareness on the Project objectives among the beneficiaries, and acknowledges the financiers. The communication and visibility plan works on the following levels: public communication to the Finnish and international audience; public communication and advocacy to the Nepalese stakeholders; communication on the Project objective to the Project beneficiaries; visibility of the Project and EU guidelines. The plan follows the EU communication and visibility guidelines. Under the capacity building plans, there are a range of activities planned – both for awareness-raising on specific topics (such as MHM) or for general visibility. In addition, local government will be strengthened via trainings for their staff, on topics such as financial administration, technical agricultural training, Women as Decision-Makers workshops, and O&M training.

Project Implementation Guidelines states that: *"In Phase III, special focus will be paid on visibility of the project"*. The project has good visibility at local and scheme level. Internal visibility is quite high due to intensive use of social media, use of banners, radio and TV. Contrary to the situation of the Project in the project area, the Project is not well-known or understood by outsiders. The project developed a 'Communication and Visibility Action Plan' in FY04. It describes a detailed realistic action plan with a schedule to meet with the set targets for each group of audience for the specified period. During the same year, the Project also produced a donor visibility guideline that emphasizes the ways in which the donors should be accounted for in the project visibility, in line with the donor instructions. The visibility instructions of the EU are emphasized in the document.

The integral nature of the work in WASH and livelihoods, and the value-based approach are of high quality but rarely understood. This is partly due to the remote working area of the project. RVWRMP must make a greater effort to share the message. Cross-cutting themes of the project, particularly gender equity, social inclusion, and menstrual hygiene management, will be more emphasized in the communication. Monitoring data will be used better, and the website in combination with social media, will be used to reach interest groups outside the project area. To meet with the aims above, the 'RVWRMP III Communication and Visibility Guidelines' has been improved to address communication and visibility to the various types of relevant audiences. The Project acknowledges the financiers in schemes, livelihoods activities, and capacity building activities. Hoarding boards presenting the schemes and the livelihoods activities in the community are displayed in prominent places in the communities. Constructed structures (such as tap stands) are painted with WASH slogans and project logos. Similarly, flexes that serve as IEC materials and banners for any of the capacity building activities also include logos of the financiers. The Project and financiers' logos are incorporated in communication and visibility related materials. The Project will further improve the communication through publications, newspapers, radio, television, social media & websites, exhibitions, presentations at national and international forums. The project will produce stencil for uniform painting of logos on WASH structures.

### 3 RESOURCE ALLOCATION AND BUDGET

#### 3.1 Assets, Equipment and Other Facilities

**Offices and Facilities:** The project rents an office building complex in Dadeldhura for the PSU and PCO. In addition, the project rents an office for a Technical Support Unit (TSU) in Dhangadhi. The Technical Support Unit of Kailali and the Logistic Support Unit in Dhangadhi are merged together to reduce operational costs. The guesthouse and office in Kathmandu and all staff costs were borne by the Project after August 2019 due to the end of Rural Water Supply and Sanitation Project in Western Nepal (previously sharing the cost). RVWRMP has agreed to renew the contract for the remaining years with the same rate. Housing was provided for the International Chief Technical Advisor and the international Field Specialist (two floors of the same building). The accommodation within the office complex will continue to be used by the other international staff or visitors. Technical Support Units run in each working district, housing the Water Resources Advisors (WRAs), Water Resources Engineers (WREs) and Livelihoods Officers. The other district TSUs were housed in the District Coordination Committees (DCCs) offices. The Project rents office space and facilities for three TSUs in Humla, Bajura and Kailali. Due to the return of seasonal workers and their need for quarantine in DCC premises, it was decided to move the Bajura TSU office at short notice (for the safety of the staff) renting a separate office for the coming months until the quarantine situation settles. Clustering of TSUs offices in strategic locations will be a future option as the field activities wind down. The Project follows an organic approach for the clustering. That means there are no forced mergers, but it will be considered in each case when office or staff situations change. For instance, the Dadeldhura TSU was faced with physical deterioration of the office space, so the Project decided to house the TSU in one of the buildings of the PSU office. See Annex 3 for the list of assets and vehicles.

**Assets and equipment:** Equipment owned by the project includes furnishings and office equipment, survey equipment and water quality testing equipment. An inventory list is maintained in the PSU, with the continuous updating of the store and fixed assets. Broken or outdated equipment is regularly auctioned.

**Vehicles:** The project owns nine vehicles – eight cars and one minibus. One car is under the management of the NPD from DoLI in Kathmandu (driver and maintenance costs borne by DoLI). The project owns three motorbikes – one in PSU, one in Dhangadhi TSU and one in the Guesthouse & Liaison Office in Kathmandu. The project-based vehicles are in heavy use and are maintained in good working order. Additionally, the districts hire short-term rental vehicles as per their needs. During the COVID-19 constraints on travel, several of the PSU vehicles are working in the TSUs, in order to support monitoring in a safe manner for staff, and easier movement (due to the blue plates).

#### 3.2 Human Resources

##### TA-funded human resources

The Project team includes international and national technical experts, administrative and support staff working directly under RVWRMP. Annex 2 provides the composition of the team and Staff list; and Annex 7 discusses the Impact of COVID-19 on the project operations.

With the onset of the COVID-19 pandemic, the Chief Technical Advisor and the Chief Livelihoods Advisor left in mid-March and travelled to their respective home bases. They continued to work from home. In mid-May the CTA, Mr Michiel Verweij, ended his assignment and was replaced in a job-sharing arrangement by Ms Pamela White and Dr Sanna-Leena Rautanen, from the FCG home office. They maintain daily communications with the project team.

The Field Specialist, Mr Juho Haapala, had just ended his assignment before the pandemic began, but the closing of the borders meant that the new Field Specialist, Mr Erik Salminen was not able to travel to Nepal. He has begun to work from Finland. The short-term input (under the Institutional Development Specialist budget line) in Capacity Building in the RMs (Dr Sanna-Leena Rautanen) was implemented in 2020, considering particularly issues of capacity needs in RMs and Water Board development. The travel for the HRBA&GESI short term input (Ms Pamela White) was not possible due to the lockdown, however, some

activities have been implemented from a distance, including the reports, surveys and presentations linked to GESI and DMM issues, and ongoing support.

National staff movements have been impacted to some extent by the COVID-19 pandemic (particularly the initial lockdown), however as most staff are based close to their working areas in RMs, TSUs and PSU, they have continued to carrying out their work almost as normal (while applying COVID-related hygiene measures). The Kathmandu coordination office and guesthouse has also continued to operate, with staff working from the office or home. The dedicated working spirit of the national staff has been an important reason for the good progress of the project, despite the pandemic (despite the situation with most other projects).

21 staff have left the project (18 national) during the last year. This is an indication of the difficulties of the working environment, with staff usually needing to live apart from their families in a challenging environment. Recruitments taken place periodically during the year, as required. This included:

- Technical Specialist (1)
- Water Resources Engineer (1)
- Renewable Energy Specialist (1)
- Livelihood Officer (1)

Online communications have been very important for maintaining smooth project operations during the COVID period. The Zoom licence of the project has facilitated meetings between staff at all levels, inside the project area, with Kathmandu and with the team members outside of Nepal. This includes use for meetings (both regular, such as PSU Weekly, and ad hoc), participation in workshops with other actors, trainings and recruitment interviews.

#### **GoN-funded human resources**

RVWRMP III has support from the National Project Director, Mr Maheshwor Ghimire, in Kathmandu. The National Project Coordinator, Mr Ramchandra Khatri, has operated in Dadelhdhura (part time). Previously, the project has had the services of the part time accountant of the Election Office, and two engineers, a computer operator and an office assistant from the PCO. Two PCO Engineers (one in Jan and one in March 2020) have left, and the new PCO Engineer, Mr Govinda Bhatta, was assigned to the Project (June 2020). It is reported that another PCO Engineer Mr. Prajwal Bhattarai, is also assigned and is stationed in National Project Director secretariat at DoLI Office in Kathmandu.

#### **RM-funded human resources**

Gaupalika Water Resources Officers (GWRO) and Support Organisations (SOs - including local staff who worked on the WUMPs) have contractual relationship with their respective RM only. They are paid by the RMs, while the Technical and Livelihoods Facilitators are paid by the TA-funded Capacity Building budget. This method of staffing has been successful, enabling close contacts between the project and the RMs, the future aim being that most of the people would be hired directly by RMs to increased RMs ownership and to ensure that these staff members are directly accountable to RMs.

The SOs continued to be contracted by the RMs. There have been some issues arising regarding the tax-free status of the SOs. In some RMs, the national audit launched objections, stating that the SOs should be VAT registered and pay VAT, and have required the SOs to pay the taxes even when they have received certificate from the RM's Tax Office for tax exemption. However, this (retrospective) ruling has not been applied to all RMs. The situation is being cleared at the start of FY06.



### 3.3 Overview to Financial resources

The Project is an “on-budget-off-treasury”-type of Priority 1 type of intervention in the GoN system. The annual budgets are entered into the Line Ministry Budgetary Information System (LMBIS) but the contributions from GoF/EU flow directly into the RMs’ own accounts. The total project budget (including also the TA budget) as presented in the Project Document is **MEUR 60.2** with significant contributions from the local level (Figure 26).

The Rural Municipality Water Resources Development Funds (RM-WRDF) were established in each RM for investments and recurrent costs. These are administered by the RMs accountants themselves. The contribution of the Government of Nepal is channelled directly through the Office of Treasury and Account Controller of the respective districts to the RM Government Account, whereas the GoF/EU funds are channelled to RMs directly from the Ministry for Foreign Affairs of Finland through the transit account, managed by PSU Dadeldhura.

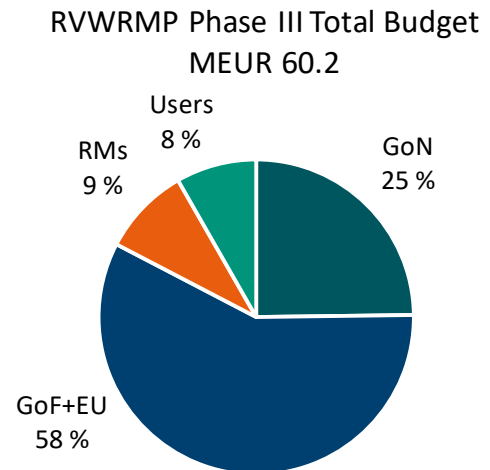


Figure 26 Total Phase III budget by source

Community contribution and other sources are directly deposited to the bank account of respective UCs. Project Technical Assistance (TA) is considered as one budget, but the Capacity Building operated by TA is considered as a separate portfolio within the Project TA-funded capacity building. TA funds are managed by the TA consultant. The PCO/DoLI budgets are considered together in a separate portfolio. Stationaries and the driver's cost of the National Project Director’s office in DoLI are budgeted from GoN contribution. Since the budget in the GoN system is made in NPR, the currency fluctuations influence the actual amount in EUR.

The total budget for FY05 considering all contributions and accounts was EUR 19,155,191 of which EUR 10,376,333 through LMBIS and with RMs’ contributions, EUR 13,190,244 through RM managed WRDFs. The total actual expenditure through WRDFs was 84%. The total actual expenditure through WRDFs was 84%. Actual expenditure out of budget for GoN was 87%, for GoF 82% and for RMs 89%. Table 7 shows the FY05 budget and related actual expenditure result- and contribution-wise.

The following Table 8 shows the total Phase III budget taking into account the changes approved in the Supervisory Board meeting in September 2019. The cumulative actual expenditure is counted by converting annual actual NPR expenditures with FY-specific Nepal Rastra Bank given average exchange rate into EUR. For TA the rate is slightly different as the accounts for NPR and EUR equivalents are closed every month. The actual expenditure out of total MEUR 60.2 budget is 72%, with great variations in between the individual budget items.

The following Chapter 3.4 explores the budget that is channelled through the WRDF accounts in RMs, and the Chapter 3.5 the funds that are channelled through TA consultant for the project and Chapter 3.6 for the capacity building.

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Table 7 Summary of total budget and expenditure for FY05 (EUR, NPR)

BUDGET AND ACTUAL	GON	GOF+EU	RM	Users cash+kind	Total	Total in LMBIS	GON	GOF+EU	RM	Users cash+kind	Total	Total in LMBIS
<b>FY05 only (EUR)</b>	Budget EUR	Budget EUR	Budget EUR	Budget EUR	Budget EUR	Budget EUR	Actual EUR	Actual EUR	Actual EUR	Actual EUR	Actual EUR	Actual EUR
<b>NPR:EUR rate used</b>	AWP FY05: 120	AWP FY05: 120	AWP FY05: 120	AWP FY05: 120	AWP FY05: 120	AWP FY05: 120	NRB Actual: 128,32	NRB Actual: 128,31	NRB Actual: 128,32; TA Actual: 126,719	NRB Actual: 128,32	NRB Actual: 128,32	NRB Actual: 128,32
<b>RESULT 1 WASH</b>												
RM WRDF and Users	1 017 004	4 827 179	2 118 951	2 362 749	10 325 884	5 844 184	848 576	4 118 069	1 993 718	1 574 165	8 534 528	4 966 645
TA Plan & Capacity Dev. Fund		46 208			46 208			14 509			14 509	
<b>RESULT 2 Livelihoods</b>												
RM WRDF and Users	315 923	2 231 835	508 353	753 175	3 809 286	2 547 758	247 413	1 512 507	318 298	297 927	2 376 144	1 759 920
TA Plan & Capacity Dev. Fund		50 417			50 417			32 026			32 026	
<b>RESULT 3 Renewable Energyand Climate Change</b>												
RM WRDF and Users	60 288	1 023 262	305 554	521 836	1 910 940	1 083 550	59 730	407 238	79 103	90 578	636 650	466 968
TA Plan & Capacity Dev. Fund					-						-	
<b>RESULT 4 Governance</b>												
RM WRDF and Users	162 284	584 391	35 219		781 894	746 675	159 085	542 730	71 577	-	773 392	701 815
TA Plan & Capacity Dev. Fund		694 856			694 856			401 707			401 707	
TA Contract		1 381 539			1 381 539			1 296 298			1 296 298	
GON admin + CB (PCO/DoLI)	154 167				154 167	154 167	75 647				75 647	75 647
<b>Total FY05</b>	<b>1 709 667</b>	<b>10 839 686</b>	<b>2 968 077</b>	<b>3 637 761</b>	<b>19 155 191</b>	<b>10 376 333</b>	<b>1 390 451</b>	<b>8 325 085</b>	<b>2 462 695</b>	<b>1 962 670</b>	<b>14 140 901</b>	<b>7 970 995</b>
<b>Total in LMBIS</b>	<b>1 709 667</b>	<b>8 666 667</b>			<b>10 376 333</b>	<b>10 376 333</b>	<b>1 390 451</b>	<b>6 580 544</b>			<b>7 970 995</b>	<b>7 970 995</b>
<b>BUDGET AND ACTUAL</b>	<b>GON</b>	<b>GOF+EU</b>	<b>RM</b>	<b>Users cash+kind</b>	<b>Total</b>	<b>Total in LMBIS</b>	<b>GON</b>	<b>GOF+EU</b>	<b>RM</b>	<b>Users cash+kind</b>	<b>Total</b>	<b>Total in LMBIS</b>
<b>FY05 only (NPR)</b>	Budget NPR	Budget NPR	Budget NPR	Budget NPR	Budget NPR	Budget NPR	Actual NPR	Actual NPR	Actual NPR	Actual NPR	Actual NPR	Actual NPR
<b>RESULT 1 WASH</b>												
RM WRDF and Users	122 040 528	579 261 528	254 274 120	283 529 928	1 239 106 104	701 302 056	108 889 253	528 430 613	255 833 884	201 996 887	1 095 150 637	637 319 866
TA Plan & Capacity Dev. Fund	-	5 544 960	-	-	5 544 960			1 838 506			1 838 506	
<b>RESULT 2 Livelihoods</b>												
RM WRDF and Users	37 910 808	267 820 140	61 002 360	90 381 048	457 114 356	305 730 948	31 748 033	194 084 895	40 843 953	38 229 930	304 906 811	225 832 929
TA Plan & Capacity Dev. Fund	-	6 050 040	-	-	6 050 040			4 058 297			4 058 297	
<b>RESULT 3 Renewable Energyand Climate Change</b>												
RM WRDF and Users	7 234 584	122 791 472	36 666 480	62 620 320	229 312 856	130 026 056	7 664 584	52 256 812	10 150 438	11 623 033	81 694 866	59 921 396
TA Plan & Capacity Dev. Fund	-	-	-	-	-						-	
<b>RESULT 4 Governance</b>												
RM WRDF and Users	19 474 080	70 126 860	4 226 280	-	93 827 220	89 600 940	20 413 797	69 643 144	9 184 708		99 241 648	90 056 940
TA Plan & Capacity Dev. Fund	-	83 382 660	-	-	83 382 660			50 903 976			50 903 976	
TA Contract	-	165 784 680	-	-	165 784 680			164 265 753			164 265 753	
GON admin + CB (PCO/DoLI)	18 500 000				18 500 000	18 500 000	9 707 000				9 707 000	9 707 000
<b>Total FY05</b>	<b>205 160 000</b>	<b>1 300 762 340</b>	<b>356 169 240</b>	<b>436 531 296</b>	<b>2 298 622 876</b>	<b>1 245 160 000</b>	<b>178 422 666</b>	<b>1 065 481 996</b>	<b>316 012 982</b>	<b>251 849 850</b>	<b>1 811 767 494</b>	<b>1 022 838 131</b>
<b>Total in LMBIS</b>	<b>205 160 000</b>	<b>1 040 000 000</b>			<b>1 245 160 000</b>	<b>1 245 160 000</b>	<b>178 422 666</b>	<b>844 415 465</b>			<b>1 022 838 131</b>	<b>1 022 838 131</b>

Table 8 Summary of cumulative expenditure for FY01 - FY05 (EUR, NPR)

Fiscal year	Portfolio	Funding	Result Area 1	Result Area 2	Result Area 3 (New from FY03)	Result Area 4	Unsegregated to result area	Total	Portfolio total	
<b>Total Budget (EUR)</b>	WRDF	GoN	9 560 000	1 440 000	2 300 000	600 000	0	13 900 000	40 816 000	
		GoF/EU	9 790 000	5 940 000	3 956 000	1 800 000	0	21 486 000		
		Local Level	2 910 000	1 000 000	1 020 000	500 000	0	5 430 000		
	User	User (Cash+Kind)	2 650 000	700 000	1 420 000	0	0	4 770 000	4 770 000	
	PCO/DoLI	GON Capacity Building	0	0	0	0	500 000	500 000	1 100 000	
		GoN / Admin (PCO/DoLI)	0	0	0	0	600 000	600 000		
	Project TA/CB	GoF / EU / FCG Capacity Building	500 000	500 000	0	2 600 000	0	3 600 000	12 092 000	
		GoF / EU / FCG Technical Assistance	0	0	0	0	8 492 000	8 492 000		
	MFA	MFA Management	0	0	0	0	1 310 000	1 310 000	1 310 000	
		MFA Contingencies	0	0	0	0	112 000	112 000		
	<b>Total</b>		<b>25 410 000</b>	<b>9 580 000</b>	<b>8 696 000</b>	<b>5 500 000</b>	<b>11 014 000</b>	<b>60 200 000</b>	<b>60 200 000</b>	
<b>Cumulative Expenditure FY01 - FY05 (EUR)</b>	WRDF	GoN	6 118 444	1 618 058	397 182	920 115	0	9 053 800	29 069 388	
		GoF/EU	10 172 119	3 288 738	768 630	1 386 149	0	15 615 635		
		Local Level	2 516 337	410 152	137 022	93 790	1 242 652	4 399 953		
	User	User (Cash+Kind)	5 296 044	916 693	350 087	0	0	6 562 824	6 562 824	
	PCO/DoLI	GON Capacity Building	0	0	0	55 280	0	55 280	263 617	
		GoN / Admin (PCO/DoLI)	0	0	0	0	208 337	208 337		
	Project TA/CB	GoF / EU / FCG Capacity Building	595 482	274 096	0	967 925	0	1 837 503	7 592 831	
		GoF / FCG Technical Assistance	0	0	0	0	5 755 328	5 755 328		
		<b>Total</b>		<b>24 698 426</b>	<b>6 507 737</b>	<b>1 652 921</b>	<b>3 423 259</b>	<b>7 206 317</b>	<b>43 488 660</b>	<b>43 488 660</b>
								0		
<b>Cumulative Expenditure FY01 - FY05 (NPR)</b>	WRDF	GoN	757 543 098	200 790 306	50 552 726	114 487 501	0	1 123 373 630	3 638 189 856	
		GoF/EU	1 269 637 607	412 647 515	98 004 075	173 373 120	0	1 953 662 317		
		Local Level	320 712 229	52 245 214	17 351 506	11 930 103	158 914 856	561 153 908		
	User	User (Cash+Kind)	645 058 204	115 417 775	43 765 083	0	0	804 241 063	804 241 063	
	PCO/DoLI	GON Capacity Building	0	0	0	6 993 783	0	6 993 783	33 144 985	
		GoN / Admin (PCO/DoLI)	0	0	0	0	26 151 202	26 151 202		
	Project TA/CB	GoF / EU / FCG Capacity Building	72 330 370	33 633 232	0	119 450 341	0	225 413 942	931 543 085	
		GoF / FCG Technical Assistance	0	0	0	0	706 129 143	706 129 143		
		<b>Total</b>		<b>3 065 281 508</b>	<b>814 734 042</b>	<b>209 673 390</b>	<b>426 234 848</b>	<b>891 195 201</b>	<b>5 407 118 989</b>	<b>5 407 118 989</b>
	<b>FY01 - FY05 Cumulative Actual Expenditure / Phase III Total Budget (%)</b>	WRDF	GoN	64 %	112 %	17 %	153 %		65 %	71 %
GoF/EU			104 %	55 %	19 %	77 %		73 %		
Local Level			86 %	41 %	13 %	19 %		81 %		
User		User (Cash+Kind)	200 %	131 %	25 %			138 %	138 %	
PCO/DoLI		GON Capacity Building					0 %	11 %	24 %	
		GoN / Admin (PCO/DoLI)					35 %	35 %		
Project TA/CB		GoF / EU / FCG Capacity Building	119 %	55 %		37 %		51 %	63 %	
		GoF / FCG Technical Assistance					68 %	68 %		
		<b>Total</b>		<b>97 %</b>	<b>68 %</b>	<b>19 %</b>	<b>62 %</b>	<b>65 %</b>	<b>72 %</b>	<b>72 %</b>

Note: Total budget as in AWP FY05 Table 13 revised with the Supervisory Board decision made in September 2019. FY-wise annual average Nepal Rastra Bank exchange rates used to convert the FY-wise actual expenditure in NPR to EUR equivalents – each year with different rate. For TA, separate rate as NPR and EUR are closed every month. DOLI/PCO budget corrected from AWP FY05 in line with LMBIS total.

### 3.4 Budget through WRDF accounts

WRDFs are planned and reported in the GoN system in NPR. In FY05, the total budget through WRDFs was NPR 186,660,000 from GoN, 1,040,000,000 from GoF/EU and NPR 339,169,209 from RMs. The actual expenditure from the respective budgets were 87% GoN, 81% GoF/EU and 89% RMs. These are very good figures considering the impact of COVID-19 during the final trimester. Figure 27 shows the actual expenditure out of investment budget FY-wise by source. This does not include recurrent and such capacity building and SO costs that are not under investment heading. Percentages are counted source-wise: for instance, users' total actual expenditure out of users' total FY budget. It is evident that the utilization has been very good over the entire Phase III with all contributing as expected even when the annual budgets have been high.

The Table 7 presented earlier showed the FY05 budget and actual expenditure both in EUR and NPR for all budget headings by source and by result, and its following Table 8 the cumulative situation at the end of FY05. The total does not include the RVWRMP Phase II GoF carry over funds (EUR 388,282; NPR 46,287,110) which have been taken into account in FY01 actual expenditure. Similarly, for GoN for Phase II carry-over, given that Phase III started towards the end of that FY. Therefore, the budget as presented in the Table 8 needs to be revised once-over to consider the changes presented in Annual Work Plan FY06 and the carry-overs, recommended to do at the end of Trimester 2 when there is a need to start planning for the final year and actual expenditure of FY06 can be better estimated (rather than considering automatically that the entire budget will be 100% utilized).

Annex 4 presents the detailed WRDF annual report for funds through WRDFs only.

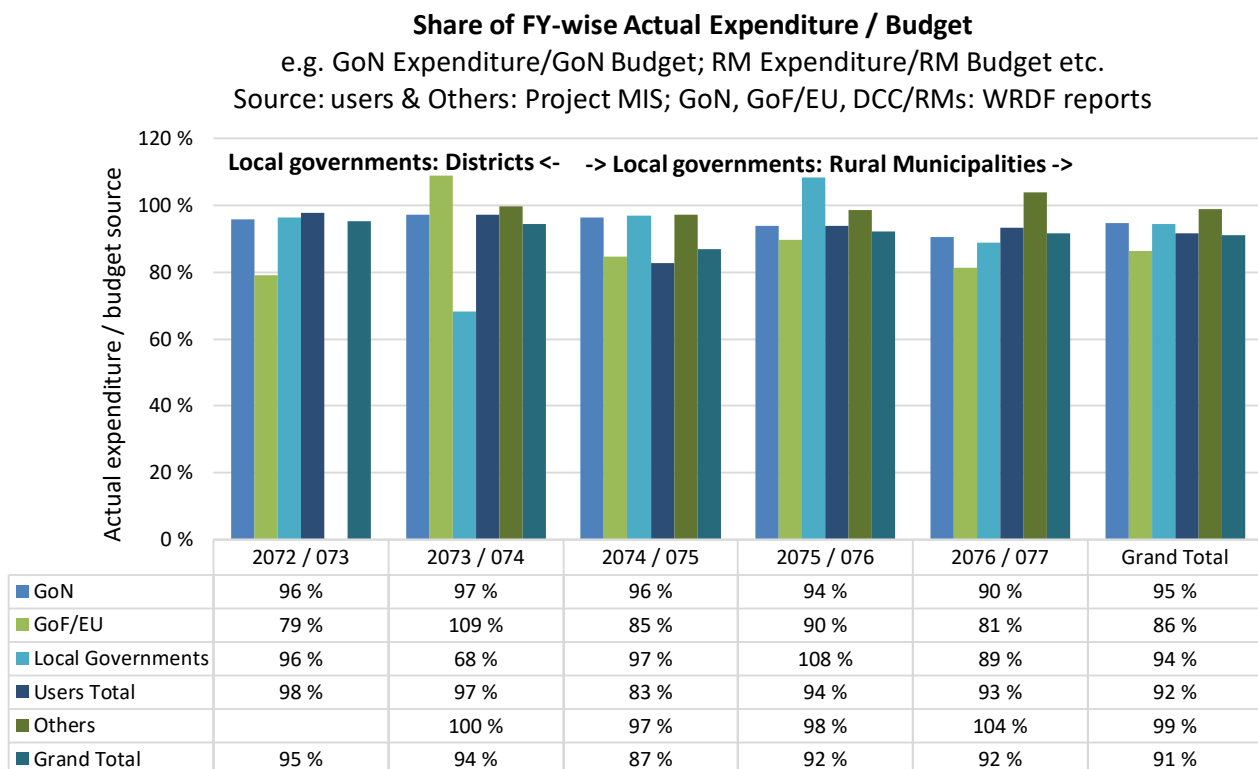


Figure 27 Share of FY-wise (FY01-FY05) actual expenditure out of budget in all investment schemes, %

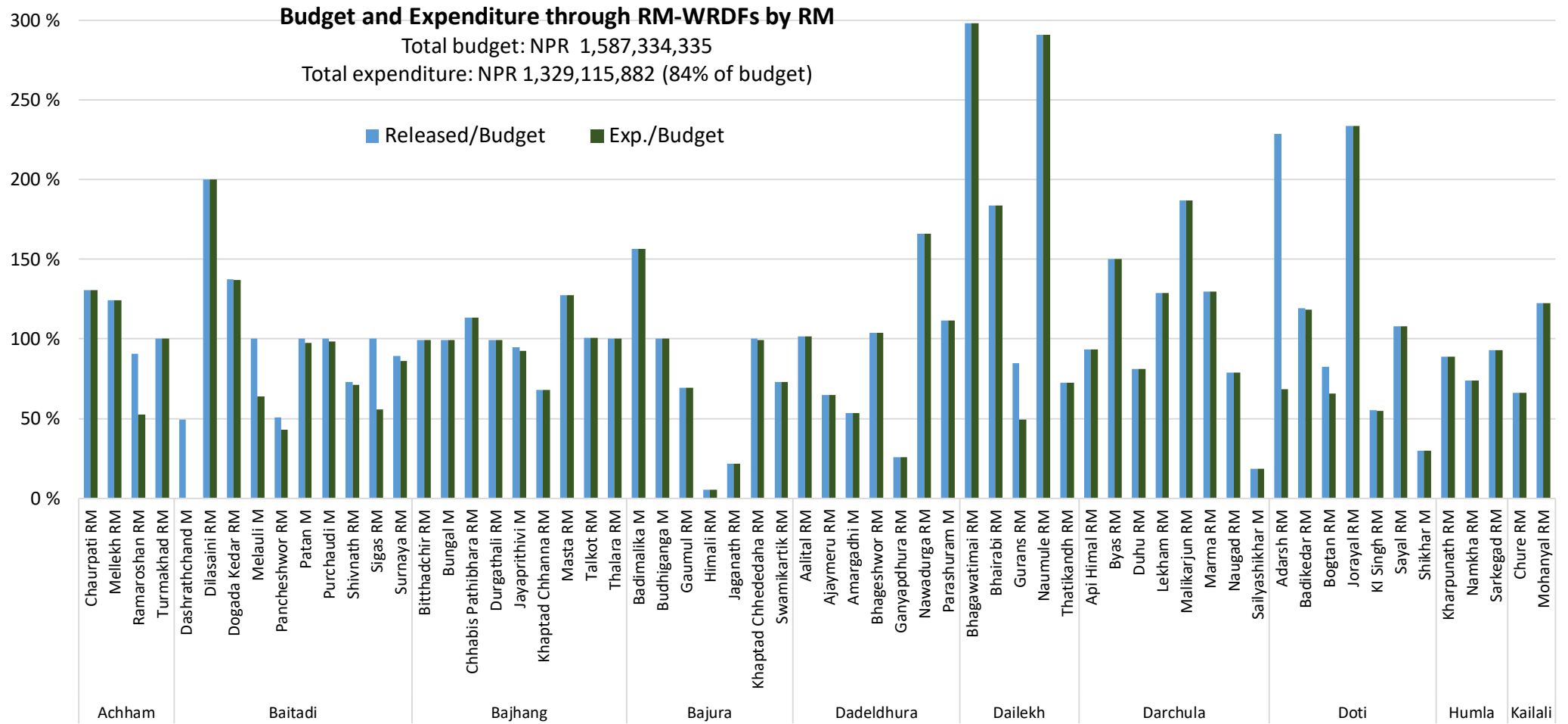


Figure 28 Budget and Expenditure through RM-WRDFs by RM (%)

### 3.5 Budget through Technical Assistance accounts

Total budget through TA accounts for FY05 was MEUR 2.17 of which 80% was utilized. The details of the TA budget are presented in Table 9 below. The actual cumulative FY01-FY05 expenditure is 63% of the total Phase III budget. The expenditure is well within the total budget both in terms of the total budget overall and in terms of individual budget-lines: out of total 76 months available (first year only 4 months), the project has used 68% of the total months available and 63% of the total budget. It is noted that the Reimbursable budget for FY05 was overrun, although it was in practice less expenditure than in a normal year (due to COVID-19). This is because the budget in the AWP05 was set unrealistically low due to the funds in the contract being insufficient from the start of the project. It was clear that the contract negotiation mid-year would fix this problem (more funds were added to this budget line) and permit more expenditure, but as the contract was not ready at that point, it was not possible to set it at a realistic figure in the AWP FY05.

Table 9 Technical Assistance budget actual expenditure FY01-FY05 (EUR)

Phase III	Phase III	FY01-05		FY05		
Summary	Budget	Cumulative Actual	Cumulative/ Total Budget	Budget	Actual	FY05 Actual / FY05 Budget
	EUR	EUR	%	EUR	EUR	%
<b>TA International</b>	2 190 500	1 437 780	66 %	397 000	319 600	81 %
<b>TA National (PSU &amp; TSU)</b>	3 067 883	2 205 588	72 %	561 539	541 803	96 %
<b>Reimbursable</b>	1 392 707	786 589	56 %	88 000	140 707	160 %
<b>Capacity building</b>	3 600 000	1 837 503	51 %	791 148	448 242	57 %
<b>Operational Costs</b>	1 840 000	1 325 371	72 %	335 000	294 189	88 %
<b>Total</b>	<b>12 091 090</b>	<b>7 592 831</b>	<b>63 %</b>	<b>2 172 687</b>	<b>1 744 540</b>	<b>80 %</b>

### 3.6 Capacity Building (TA and PCO Funding)

TA funded capacity building is funded by the GoF/EU, whereas PCO funded capacity building is solely funded by the Government of Nepal. The capacity building activities funded from the TA budget are budgeted under the Result areas 1, 2 and 4. Table 10 shows the summary for the TA operated Capacity Building plan and actual expenditure for FY05, see more details are in Annex 5. RVWRMP considers capacity as a combination of training, coaching, learning visits/events, monitoring, working together, knowledge development and drafting guidelines. Capacity building activities address individual and organizational/ institutional capacities by using transparent, inclusive and participatory approaches, promotion of multi-stakeholder processes and in the support with drafting RM policies.

Table 10 TA operated Capacity Building budget for FY06

Budget Code	Name of Training Activity	Budget	Actual	Cumulative / Budget
		EUR	EUR	%
<b>C1</b>	Plans and Studies	0	2 321	
<b>C2</b>	Result 1: WASH	46 208	14 509	31 %
<b>C3</b>	Result 2: Livelihoods	50 417	32 026	64 %
<b>C4</b>	Result 4: Capacity Building and Visibility	694 856	399 386	57 %
	<b>Total (TA funded capacity building only)</b>	<b>791 481</b>	<b>448 242</b>	<b>57 %</b>

## 4 RISKS AND RESPONSE MEASURES

RVWRMP operates in a high-risk environment in many ways. Risk management is an integral part of the programme cycle management, the participatory approaches ensuring that all stakeholders within the different domains share the understanding of the risks involved and contribute to their mitigation at different layers. The risks can be very practical location- and scheme-specific ones, or national or even global as manifested by COVID-19 – a risk that was not expected but which was managed with local solutions fairly successfully within the project area. The results were not seriously compromised by COVID-19.

The Project Document took the governance risks as the point of entry, as at the time, the local government entities, Rural Municipalities and Municipalities were just formulated and the elections of the representatives held in June 2017. In addition, the AWP FY05 included some administrative/governance risks. Now we can look back and conclude that it was a risk worth taking when shifting the operations and fund flows into the newly established structures, adjusting the human resources related structures accordingly. The Project's support and contributions are highly appreciated in this situation where the local governments remain under-resourced in terms of staff and physical facilities. There were some difficulties with financial and administration staff not being available to make payments (especially during the round of GoN recruitment). However, there is a high willingness among the RMs to improve the services provided by the RM. This is manifested by the significant actual expenditure and contributions by the RMs and users, and towards the end of FY05, also the willingness to establish RM WASH Management Boards and WASH Units to start taking over the functions provided by the project by far.

One risk noted in the AWP, which did eventuate, was the loss of staff from RMs and PCO. The GoN had a round of recruitment, and the posts in the remote regions tend to be less popular. Therefore, in the early months of the financial year, there were gaps in staffing in the RMs, particularly of financial and administrative staff. This slowed progress as there was often no one available to make payments or participate in trainings. By the end of the FY05, this situation was mainly resolved.

The situation at the next levels of governance have not changed, and the uncertainty on the role of DoLI and the Provincial authorities remain. Natural calamities in combination with road construction continue to damage infrastructure and negatively affect the discharge of water sources. However, there were no serious calamities such as an earthquake.

The Project's GESI and HRBA approaches have mitigated the risks related to the poorer groups being exposed to deep-rooted inequality and unable to claim their rights to services, the call for inclusive UCs and use of WUMPs for scheme prioritization preventing local elites capturing public resources. Continued targeted GESI and HRBA advocacy has somewhat mitigated the risk described in the Project Document as "Public service staff is drawn mostly from the male elites and are somewhat less than responsive to the needs of women and the poor and excluded." It is not possible to change the staffing, but capacity building can change attitudes and knowledge. This has been manifested in practice in such as successful implementation of gender responsive planning and budgeting, and more open discussion on such as menstruation related taboos and needs. The income generation and livelihoods related efforts have addressed the weak economic base leading to migration and the temporary and permanent loss of the young and able, albeit the migration from the Far and Mid-Western parts of Nepal for foreign labour continues to be high.

In general, the Project has been successful with moving ahead despite the challenges on the path. The relation with the RM administrations and elected members is very positive and the willingness to work together is very high (as can be seen, for instance, by the progress, the numbers of strategies and policies developed together, the financial contribution, and the enthusiasm in discussions).

Annex 6 includes the risks, what eventuated in FY05, risk mitigation measures and risk owners for each risk.

## 5 SUSTAINABILITY, LESSONS LEARNT AND RECOMMENDATIONS

This chapter outlines what works, what does not work and explores why this is the case. We explore key issues requiring action during the next year (what, why, how, by whom, when, what resources are needed). Since practically all lessons learned are linked to sustainability of the achievements and continuity of critical activities, this chapter covers also the measures and strategies adopted to ensure sustainability.

**Sanitation and Hygiene:** COVID-19 underlined the importance of handwashing and other personal hygiene measures. The Project was in a great position to contribute to the global and national efforts in combatting the spread of COVID-19, starting with the existing IEC materials and programmes. As they are recognised by community members as authorities on sanitation and hygiene activities, staff and SOs could provide fact-based information and combat myths in local languages (based on WHO advice), at community and household level. WRAs discussed this information with their co-workers to ensure that they were able to answer questions at community level. IEC materials were shared with RM staff, FCHVs, health posts, child clubs and teachers, whenever they had access to them. These topics are also raised during all project training activities. RVWRMP also took the role of coordination for the Provincial level COVID-19 WASH Cluster. The monsoon season at the end of FY05 was particularly damaging in terms of landslides and resulting local disasters, such as roads being blocked or wiped away for long periods of time, this having the next level of negative impacts in the already remote communities. In this context, the project staff and its RM (local) level stakeholders positioned in these remote communities could be seen as front-line humanitarian emergency workers. *It is recommended that at least at the RM-level these human resources are recognized within the emergency response context, and that the RM keeps track on trained human resources within its own and neighbouring RMs.*

**Sanitation:** While the entire area of Nepal is now declared “Open Defecation Free”, basic sanitation will need to stay in the agenda: some ODF areas have been declared with temporary structures or one-pit latrines. Both of these need attention: upgrading temporary latrines to permanent structures, and getting people to build a second pit where only one pit has been constructed. This is closely linked to the drive towards Total Sanitation, currently under work in the water scheme catchment areas only. With RM WASH Management Boards and RM WASH Units it is time to scale up Total Sanitation programme across the entire RMs, seeking to cover all Wards within the RM, with targeted focus on those areas that are identified as being in a more vulnerable position in terms of maintaining sustainable sanitation facilities and related behaviour.

**Water Safety Plans** link to the above: they are both about immediate disaster risk management and about longer-term climate change adaptation. As of now, their full potential is not systematically recognized, and in many cases, it is not clear how both the immediate (DRM) and longer-term (CCA) components are truly included into these. *It is recommended to start with RM-wide functionality surveys that cover all water supply systems within the RM-boundaries, the quality of WSPs and their implementation are checked together with the regular O&M and functionality related questions.* We further assume that there could be a number of lessons learned looking at the structures that were damaged during the monsoon period at the end of FY05. *We recommend choosing one of the most impacted RMs for a closer study of the damaged structures, considering the question: could this have been prevented? Is there something that WSP could include to protect structures, or something that the original design-and-survey could have done differently?* These findings could feed into the WSP training contents and the modification of the WSP Guidelines that the RM WASH Units could launch across all their water schemes, not only those of RVWRMP.

**Functionality** and rehabilitation of non-functional or partially functional schemes, regardless of who supported their investment in the first place, need attention. The project is planning to mobilize enumerators to visit every water scheme within the core-RMs to find out the functional status and overall service level and coverage of existing water supply systems. This contributes to both National WASH MIS and RM WASH MIS, providing up-to-date information for RM WASH Boards in prioritizing their budgets. The lesson learned is that non-functional water supply systems can truly undermine the progress made in sanitation, hygiene and home gardens (where these rely on water from domestic systems), and that it is time to establish



systematic local government wide support system for WUSCs. *Both RM WASH Unit and the proposed WUSC Networks should strongly focus on sustainable water and sanitation for all.*

**Micro-hydro power development** was anticipated during the planning of Phase III of RVWRMP, with the expectation that if the EU funding was approved, MHPs would be funded. In practice, the expansion of the national grid was much more rapid than anticipated, so by the time the funding became available, many communities had a clear plan to access electricity from the grid. There have been many difficulties with functionality and sustainability of MHPs in Nepal, and it was clear that for RVWRMP to construct more schemes, feasibility studies were critical, as well as time and commitment from communities and RMs. The detailed feasibility studies narrowed down the number of potential schemes to five remote locations in Humla and Bajura, and a plan was developed for management by cooperatives. However, costs became prohibitive and the construction time was likely to stretch due to the difficult locations, leading to insufficient time for post-construction activities to ensure feasible operation. The onset of COVID-19 delayed progress even further. Eventually, it was considered more appropriate to move to a solar mini-grid to serve two communities in one RM, and the remaining budget was reallocated to activities of irrigation, ICS, MUS, drinking water schemes with home gardens, and sanitation activities. While the outcome was that MHPs were not constructed, under the circumstances this was the best decision. The lesson learned is that MHP is becoming non-feasible in Nepal with the national grid expanding fast and the new technology, such as solar mini-grids, becoming feasible options.

**ICS** is implemented as separate schemes, most often integrated to the Project's water supply systems. The Project aims to cover the whole locality by ICSs. This enables Indoor Pollution Free declaration at the local level. For achieving the status of total sanitation, all households should have ICSs or biogas. The study made in FY05 found that the demand for the ICS technology and willingness to pay were higher in remote mountain areas, and the focus of the support should be primarily directed to those areas. Usually households use tree branches or bad quality soft wood for firewood. Worse wood was used in high-altitude areas than in low areas, and it was dried for longer time. These results may reflect the simple fact that firewood is scarcer while the demand for wood in winter is higher in the rugged high-altitude alpine slopes than in the lush river valleys, and there are fewer alternatives for cooking and heating in the more remote high-altitude areas. All types of ICSs were found more efficient than traditional stoves: the average reduction in firewood consumption was approximately 40% (though case-to-case variation is probably large), fully in line with the previous studies. In practice, it is safe to promise in the field that the family will save 1/3 in firewood consumption, the Rocket being even more efficient than the other stoves. The functionality of the stoves was generally at a relatively good level (85-90% were fully functional) regardless of their age. *We recommend that the project should investigate whether the current system of production, installation, and maintenance requires more trained ICS promoters and masons than what is now provided.*

**IWMs** have a CCA/DRM objective, but also other rationales for the implementation: reduction of drudgery of specially women to improve the living standard; creation of employment opportunities for rural poor people and increase the productivity; and reduction of CO<sub>2</sub> emissions from grinding, contributing to climate change adaptation and mitigation. Each IWM is encouraged to be integrated into WASH or irrigation schemes instead of being a standalone facility. Affiliation with cooperatives and sector organizations are encouraged. IWM Impact study made in the project in FY04 observed that the rather simple technical and institutional setup of the IWMs support the sustainability of the operation, and *recommended that "the IWM implementation would benefit from broader management, maintenance, and livelihoods trainings and capacity building activities that would ever increase the sustainability of the IWMs."*

**Water supply schemes:** The Chairpersons coordination meeting made several worthy recommendations. We recommended to consider these in all water schemes that are in the planning phase, and when addressing functionality issues. RM WASH Units should consider these in all schemes proposed for rehabilitation and upgrading type of works:

- All drinking water schemes and MUS with water supply components shall be constructed with incorporation of a private tap system in line to support SDG target no 6. Cost of the schemes is

calculated based on the feasibility study report for MUS, Irrigation and water supply schemes. In these schemes, the RVWRMP contribution is estimated to be not more than 50% of total cost. Home garden activities are included in all drinking water supply schemes.

- The business plans will be formulated for all MUS and irrigation schemes to plan commercial livelihood activities in the scheme area. All activities will incorporate CCA and DRM aspects (for instance, in consideration of climate-smart crops and seed types, Water-smart livelihoods promotion, etc.) and link farmers to activities supported by the Agricultural Development Strategy.

**Step-by-Step Approach:** The roles and responsibilities of the various stakeholders was built in to the Step-By-Step and related Project Implementation Guidelines. This approach has been proven to be successful earlier in RWSSSP III (1999-2005) and in RWSSP-WN II (2013-2019) in ensuring sustainable end results and local institutions. Step-by-Step includes public audits and mass meetings to make the UC accountable to other community members and to make the scheme-related budgets transparent. The public audits have been highly appreciated and usually have very high participation with at least one representative from each beneficiary household. RVWRMP considers this essential as a process of community's empowerment and capacity building for future sustainability. Still after fifteen years of scheme completion, one can visit many UCs in the Western Region and witness functional water systems and even extended services. The earlier phases of RVWRMP have adapted this approach into Mid and Far Western context with a number of detailed lessons learned and documented in the scheme monitoring reports, field reports and training reports. The overreaching lesson learned is that each Step in the existing Step-by-Step and other guidelines, including the GESI Strategy, needs to be a constant subject of dialogue during the monitoring and supervision visits to remind and refresh the understanding of these steps by the various stakeholders, communities, SOs, staff and trainers alike. Taking the Steps one by one, with time and attention, should eventually result in more high-quality schemes and capacitated UCs, as well as SO and other staff that receives training through this learning-by-doing type of process. This is the foundation for the future scheme-level sustainability, both in terms of human resources and the physical design and structures. *We recommend that it is now time to adapt the Step-by-Step related documents (manual, training contents, monitoring formats and related practices) in the context of the RM WASH Management Board and RM WASH Units, cutting out project-specific content and demands, considering the human resources available for the RM WASH Units.*

**UC Network:** UCs have the key role to play all way through the scheme planning, implementation and later in its operation and maintenance. The RVWRMP approach is unique compared to many other water projects in Nepal by involving the UC from the start, trusting the scheme investment budget to UCs and bringing in the RM-level governance as the key executing body. The WUSC Network directive will institutionalise this role, avoiding a loss of community participation and providing a clear method for community members to liaise with the WASH Board. It will be important during the remaining implementation period to embed this structure and ensure that it remains representative of all users.

**GESI:** The work of the project to capacitate local government (the duty bearers) with regard to their responsibilities and the rights of their citizens will function as an exit strategy for the project. The preparation and implementation of gender-responsive plans and budgets by the RMs has been an important step to ensure that gender is considered by the new municipalities (and that female elected representatives gain confidence in steering development). Work has continued to focus on reducing negative impacts of chhaupadi tradition, including ensuring access to toilets and taps for menstruating women, and increasing participation in school and meetings during menstruation. This will continue to involve training and awareness raising, as well as installation of hardware. This is another issue where the changed institutional arrangements are beneficial, as the Vice Chairpersons and RM are now driving the work in a sustainable manner, via the Dignified Menstruation Management process (rather than it being a project driven process). An interesting finding is the link between private taps installation and improved access to WASH for menstruating women. *During the remaining project implementation period the GESI Guidelines will need to be updated for the changed local government system. In addition, given the ground-breaking progress on the DMM Directive at RM level, we recommend that RVWRMP will work with national and local level authorities to share experiences that could support other RMs to replicate this.*

## **ANNEXES**