



Draft Design and Monitoring Framework

Project Number: 35173
June 2014

Proposed Loan and Administration of Loan and Grant Nepal: Third Small Towns Water Supply and Sanitation Sector Project

Asian Development Bank

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact Improved living conditions in project towns.</p>	<p>By 2023 Reported cases of diarrhea in children under 5 years of age reduced to 98/1000 in 26 project towns (2011 baseline: average 140/1000).</p> <p>Average time/ day/ household to fetch water reduced to zero in 26 project towns (2014 baseline: 40 minutes)</p>	<p>Project towns' hospital records/ project socio-economic surveys</p> <p>Project socio-economic surveys pre and post completion</p>	<p>Assumptions Potential transition to federal structure and local elections don't derail the sector reforms and project implementation.</p>
<p>Outcome Inclusive, gender-focused and sustainable water supply and sanitation service delivery in project towns.</p>	<p>By 2020 390,000 people in project towns have access to 24*7 piped water supply at 100 lpcd (inclusive of all poor, FHH and vulnerable¹ HH) (2014 baseline: 19,500 people have piped water supply at 45 lpcd and 2hrs/day).</p> <p>390,000 people in project towns have access to improved sanitation facilities (inclusive of all poor, FHH and vulnerable HH covered) (2014 baseline: 288,600 people have access to sanitation).</p> <p>Project towns are declared ODF by the concerned WASH CCs (2014 baseline: none declared ODF).</p> <p>Water supplied meets the National Drinking Water Quality Standards, 2005 (baseline: noncompliant).</p> <p>Institutional and regulatory framework strengthened for WUAs in small towns through tariff guidelines, corporatization and management agreement (baseline: none existing)</p> <p>Water supply and sanitation facilities operated at 80% of O&M and at least 25% of capital cost recovery (baseline: no cost recovery).</p>	<p>(For all indicators)</p> <p>National census, WUSC/ LB's reports/ project surveys</p> <p>National Census, PMO and WUSC/ LB's reports</p> <p>Local-level WASH CCs' reports</p> <p>Reports by RWQMLs and WUSC/ LBs</p> <p>SEIU, WUSC/ LB's financial statements</p>	<p>Assumptions Availability of professional and adequate human resources in RPMOs and WUSCs.</p> <p>Timely implementation of tariff increases.</p>
<p>Outputs 1. Improved water supply and sanitation</p>	<p>In project towns by 2020 Around (i) 1,450km supply pipelines installed; (ii) 78,000 additional HH connected to piped water supply; and</p>	<p>(For all indicators)</p> <p>Project progress reports by PMO</p>	<p>Assumptions Timely availability of co-financing resources.</p>

¹ Vulnerable persons are defined as those suffering the effects of marginalization within or outside their community due to their ethnicity, gender, caste, religion, disability, health, education or socio-economic status. For the purpose of the project, this specifically includes Dalit, disabled, disaster affected, marginalized and endangered indigenous groups that are politically, socially or economically excluded.

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
infrastructure	<p>(iii) 26 WTPs with a total capacity of 69,680 cum/ day constructed. (inclusive of all poor, FHH and vulnerable HHs in project areas).</p> <p>Around 20,300 additional private and 26 public toilets with septic tanks constructed (inclusive of all poor, FHH and vulnerable HHs).</p> <p>14 septage treatment facilities² and 2 decentralized wastewater treatment plants (2,500 cum/day) constructed.</p> <p>Drainage master plans for estimated 5 towns with flooding risk and priority drains completed.</p> <p>Around 5 existing water supply systems rehabilitated/ expanded</p> <p>Non-revenue water maintained at 10 percent in project towns; and approximately 100 tons of CO₂ emission reduced³.</p>	and WUSC/LB's, and MOUD (SEIU) reports	<p>Timely approval of national budget.</p> <p>Assumptions No delays in obtaining required clearances, environmental approval and resettlement during implementation.</p>
2. Strengthened sector policy, regulatory and institutional capacity and service delivery	<p>By 2020 Tariff guidelines adopted and implemented in small towns</p> <p>ISSAU established in DWSS, central office building of DWSS constructed, and business plans for DWSS, CHRDU, SEIU and WUAs adopted.</p> <p>TDF restructured to strengthen its capacity and allow flexible financing of WSS projects in small towns</p> <p>SWM plans completed and adopted for project towns</p> <p>Female WUSC/ LB executives trained on leadership (target: 100% female executives of 26 WUSC/ LBs).</p> <p>Minimum 200 staff of project WUSCs/LBs trained on technical, financial and utility management (target: 100% female staff of the relevant sections trained).</p>	(For all indicators) Project progress reports by PMO, TDF, ISSAU and SEIU	<p>Assumptions Government's timely approval of qualified staff ISSAU and CHRDU.</p> <p>Government's continued commitments to improve TDF's capacity as financial intermediary for WSS sector.</p>

² Institutional strengthening and physical facilities for septage management in 4 towns will be carried out with support from the Sanitation Financing Partnership Trust Fund under the Water Financing Partnership Facility.

³ The target is indicative only.

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
	<p>Computerization of billing and collection system completed and operational in project towns.</p> <p>At least 20,300 HH received awareness on water conservation, livelihood enhancement, SWM and WASH (<i>target</i>: at least 80% women).</p>		
3. Improved project implementation	<p>By 2020 PMO and RPMO staff fully trained on project management (<i>target</i>: at least 30% women).</p> <p>Project implemented on time and within budget.</p>	<p>(For all indicators)</p> <p>Project progress reports by PMO</p>	Assumptions
<p>Activities with Milestones</p> <p>1 Output 1: Improved water supply and sanitation infrastructure</p> <p>1.1 Finalize detailed engineering design and issue bid documents for WSS packages in 18 towns (Q3 2014)</p> <p>1.2 Sign management agreements (Q4 2014)</p> <p>1.3 Finalize detailed engineering design and issue WSS bid documents for remaining towns (Q3 2015)</p> <p>1.4 Protect water supply source and prepare water safety plans for project towns (Q3 2016)</p> <p>1.5 Award contracts for all towns (Q1 2016)</p> <p>1.6 Complete construction (Q1 2018) and issue management agreement to WUSCs/LBs (Q1 2019)</p> <p>2 Output 2: Strengthened sector policy, regulatory and institutional framework and service delivery</p> <p>2.1 Recruit ISSAC and IDC (Q3 2015)</p> <p>2.2 Develop and adopt business plans for DWSS, CHRDU and participating WUAs/ LBs (Q2 2016)</p> <p>2.3 Produce annual sector performance reports, and establish performance monitoring and evaluation system in SEIU (every year starting from 2015)</p> <p>2.4 Complete awareness trainings in project towns, RPMO, PMO and DWSS (Q3 2016)</p> <p>3 Output 3: Improved project implementation</p> <p>3.1 Allocate adequate budget for project (Q2 2014)</p> <p>3.2 Recruit DSMCs and DRTAC (Q1 2015)</p> <p>3.3 PMO, RPMO established and fully staffed by Q1 2015</p> <p>3.4 Establish PPMS (Q2 2015)</p>		<p>Inputs (in millions)</p> <p>Loans: ADB - \$60 OPEC Fund for International Development - \$20</p> <p>Grant: Sanitation Financing Partnership Trust Fund under the Water Financing Partnership Facility - \$1.3</p> <p>Government - \$23.1 Beneficiaries - \$4.6</p>	

ADB = Asian Development Bank, CHRDU = Central Human Resources Development Unit, DWSS = department of water supply and sanitation, DUDBC = Department of Urban Development and Building Construction, FHH = females heads of households, ISSAU = Institutional Support and Service Advisory Unit, MUD = Ministry of Urban Development, O&M= operation and maintenance, ODF= open defecation free, OFID = OPEC Fund for International Development, PIU = project implementing unit, PMC = project management consultant, PMO = project management office, SEIU = sector efficiency improvement unit, TDF = Town Development Fund, WASH CC= Water Sanitation and Hygiene coordination committee, WFPF = Water Financing Partnership Fund, WSSDO = water supply and sanitation divisional or sub-divisional office, WUA = Water User Association, WUSC = water users and sanitation committee.
Source: Asian Development Bank.