Rural Water Supply and Sanitation Fund Development Board

A campaign towards a healthy nation
Background

The Rural Water Supply and Sanitation Fund Development Board (Fund Board), established on March 14, 1996 by the Government of Nepal (GoN) under the Development Board Act 1956, is an autonomous organization under the Ministry of Water Supply and Sanitation (MoWSS), promoting and integrating community-led, demand-driven and participatory approach in rural drinking water and sanitation (RWSS) services all over the country. The prime objectives to set up the Fund Board were to: (i) bring about fundamental changes in the conventional supply-oriented approach to a demand-driven approach and participatory decision making and, (ii) support the government in sector policy making and development efforts. The major funding agency is the IDA/World Bank and with contributions coming from GoN and the communities.

The Fund Board is governed by an autonomous Board chaired by a Chairperson.

- Ministry of Water Supply and Sanitation (MoWSS) – Joint Secretary
- Ministry of Federal Affairs and Local Development (MoFALD) – Joint Secretary
- Association of DDCs in Nepal (ADDCN) – Representative
- National Association of VDCs in Nepal (NAVIN) – Representative
- Three Members nominated by Ministry of Water Supply and Sanitation (MoWSS) representing NGO sector, Private Sector and Women
- Executive Director of the Fund Board –Secretary

The Board’s policies and plans are executed by the Fund Board Secretariat through the mobilization and deployment of 48 core staff, led by an Executive Director.

Organogram
Objectives

- To establish the Fund Board as a regular sector organization to facilitate the provision of RWSS services.
- To empower rural communities in service delivery with full emphasis on community ownership and responsibility for supporting in mobilization of social and economical capital of rural people to reduce rural poverty.
- To promote cost effective, inclusive and sustainable project development.
- To support the GoN to mainstream the Fund Board’s approach within and beyond the sector.
- To support the GoN in policy formulation to meet the international and national target in the sector.

Key Strategies

- Take facilitating roles and continue to be small and effective organization.
- Establish self-managed community institutions and strengthen their capacities appropriately and support them in project identification, planning, implementation and overall scheme management.
- Mobilize Government and Non Government Organizations (NGO) & private sector firms as Support Organizations (SOs) to build capacity of the community and support them in program implementation by adopting public private partnership (PPP) model.
- Mainstream Gender Equality and Social Inclusion (GESI) in programs and project cycle.

Implementation Modality

- Communities/Water Supply and Sanitation User Groups (WSUGs) – Demand Placement, Implementation of the schemes.
- Support Organizations (Partner NGOs and Private Sector) – Facilitation and technical support to the WSUGs.
- Service Agencies (Consulting Firms/Individuals) – Monitoring and Evaluation, Capacity Building/Training/Orientation and Research/Studies, Documentation.
- Fund Board - Funding, facilitation, monitoring and evaluation, coordination and linkage with local authorities and concerned stakeholders.
- VDCs/DDCs – Schemes approval/endorsement and joint monitoring of the schemes.
Implementation Approach

- Demand driven, inclusive and community-led approach: Local communities play the lead role in planning, design and implementation of the Water Supply and Sanitation (WSS) schemes, as well as in its operation and maintenance (O&M).
- Community Action Planning (CAP) endorsed by the whole community through mass meeting.
- Community procurement resulting cost effectiveness and quality control and ownership of the community.
- Technical options (Gravity, Ground, Rainwater, Lift systems) decided based on community demand, commitment and technical feasibility.
- Community Contribution: 2.5% upfront cash (50% subsidy for identified ultra poor households) and 3% O&M Fund for Gravity and 10% upfront cash and 4% O&M Fund for Ground Water.
- Ensure sustainability of WASH services: Water Supply and Sanitation User’s Committee (WSUC) managed O&M fund; and provision (per scheme) of a Village Maintenance Worker (VMW) for maintenance of water supply infrastructure and a Village Health Promoter (VHP) for health, hygiene and sanitation promotion activities, selected by the communities and trained by the SOs concerned staffs.
- Linkage and coordination with VDCs/DDCs, V-WASH-CC/D-WASH-CC and other WASH stakeholders.
- Empowerment and livelihood improvement of Women through Women Technical Support Services (WTSS)/ Jeevika Karyakram.
- Social Accountability through Jagaran Karyakram - developing downward accountability by using community score cards.
- Community participation at all stages of the project cycle including operation and maintenance.

Achievements

From inception to date, the Fund Board has already been reached in 74 districts out of 75 and that has benefited 2.13 million people with completion of 2,745 water supply schemes in different projects (RWSSP-I, 900 schemes with 700,000 beneficiaries, RWSSP-II, 1,465 schemes with 1,140,892 beneficiaries, GoN, 196 schemes with 155,323 beneficiaries and RWSSIP retroactive 157 schemes with 135,495).

Encouraged by the successful and satisfactory completion of RWSSP-I and RWSSP-II, Government of Nepal (GoN) and the World Bank have agreed to implement Rural Water Supply and Sanitation Improvement Project (RWSSIP) from July 2014 to June 2020 through Fund Board.

The project is mainly funded by IDA/World Bank, where communities and the
Government of Nepal also contribute some share in the fund. The Fund Board has set the target to accomplish altogether 1874 WASH schemes by benefiting 1.5 million populations in 55 Districts of Nepal.

Under this project, the above mentioned 1874 WASH schemes are to be implemented under component 1 by the Fund Board. Likewise, five selected districts namely Sunsari, Dolakha, Makawanpur, Lamjung and Salyan are under Component 2 of this project which is being implemented directly by the Ministry of Water Supply and Sanitation. However, the entire schemes in those districts implemented by different Governmental and Non-governmental organizations will be assessed of their functionality and sustainability. Meanwhile, a strategy will be prepared to bring the defunct schemes into functionality and sustainability through the strengthening of local government institution which will aim to develop models that are replicable across Nepal.

**Rural Water Supply and Sanitation Improvement Project (RWSSIP- 2014 to 2020)**

Encouraged by the successful and satisfactory completion of RWSSP I and II, and with the strengthened institutional capacity of the Fund Board, in the early 2013, the GoN and the World Bank reached to an agreement in designing a new project as Rural Water Supply and Sanitation Improvement Project (RWSSIP) to be executed by the MoWSS through the Fund Board, agreeing to provide US$ 72 million with co-financing from the GoN and the communities for a period of 2014-2020. The total project cost is US$ 90 million.

RWSSIP aims to implement 1874 WASH schemes covering 1.5 million people in 55 Districts of Nepal and declare 400 Village Development Committees (VDCs) as Open Defecation Free (ODF) VDC and subsequently implement Stand Alone Total Sanitation campaigns.

**Project Development Objectives (PDO)**

1. To increase access to improved water and sanitation services in rural areas.

2. To develop and implement a pilot long-term support mechanism to promote the sustainability of rural community managed water supply schemes in selected Districts.

**Key Components**

- **Component 1:** Access to Improved Water Supplies and Promote Improved Sanitation and Hygiene Practices.
- **Component 2:** District Level Institutional Strengthening.
- **Component 3:** Technical Assistance/Capacity Building and Project Management
- **Component 4:** Contingency Emergency Response.
Project Activities

The Fund Board has the prime responsibility of carrying out Component 1 through the implementation of various programs and activities.

### Anticipated Outcomes

1. **Community Ownership and Leadership**
2. **Cost Effectiveness**
3. **Quality Water Supply**
4. **Sanitation Improvement**
5. **Improvement in Social Accountability**
6. **Gender Equality & Social Inclusion**
7. **Sustainable Development**
8. **Support to GoN in policy Formulation**

### Core Activities

- **Water Supply Schemes**
  - Scheme Construction
  - Catchment Protection
  - Waste Water Management
  - Environment & Social Management

- **Health Hygiene & Sanitation**
  - Community and Institutional Health & Sanitation
  - ODF and Post ODF (Total Sanitation) Activities

- **Institutional Development & Capacity Enhancement**
  - WSUG/C, SOs, SAs, Local Government

- **Environment and Social Management Framework**
  - Environment Management Plan
  - Environment and Social Management Plan
  - Environment Social Assessment

### Innovative Activities

- **Social Accountability Program (Jagaran Karyakram)**
  - Institution & Staff Accountability
  - Good Governance/Transparency
  - Downward Accountability

- **Women Empowerment & Economic Development/ Jeevika Karyakram**
  - Women Technical Support Service
  - Jeevika Karyakram
  - Income Generating Activities

- **Insurance Program**
  - Mitigation of natural hazards
  - Jeevika Group Life Insurance

- **Rehab & Reconstruction Program**
  - Rehab and Reconstruction of Damaged Water Supply System and;
  - Repair of Household & Institutional Toilets in Earthquake Affected 31 Districts Adopting Build Back Better Policy

### 1. Quality Assurance

The important aspect of the water supply scheme is the Quality Assurance. The Fund Board has been adopting different technical and service level options in water supply systems that are made available to the communities. Different types of technology available are Gravity, shallow tube well, dug well and ground water lift and surface lift
(deep tube well and surface water lift), rain water harvesting etc. The communities can choose the best of them based on their technicality, suitability and affordability. Similarly, operation and maintenance fund is also provisioned in such a way that the community people are able to manage minor repair and maintenance of their water supply system independently.

**Water Quality Assurance**
To ensure the quality of water from source to tap and tap to mouth, Water Quality testing are done in different stages of the project (Pre Feasibility, Development Phase, and Implementation Phase).

**Material Quality Assurance**
At different stages of the project cycle, various types of monitoring such as Compliance and Process Monitoring, Community Monitoring, Strategic Monitoring, Outcome and Impact Monitoring are carried out. To ensure the quality material procured by the community, material quality spot check is done through third party M&E team. Micro to Macro level monitoring are done by community, Support Organizations, third party M&E team and the Fund Board.

2. Health, Hygiene & Sanitation (HHS)
The Fund Board aims to bring about fundamental changes in the knowledge, attitude and practices (KAP) regarding health and sanitation issues among the community people including all ethnic groups, irrespective of their education level. The HHS programs that adopted demand driven and participatory approach including community empowerment to manage and maintain their WSS facilities have been more successful than those relying on one-way information dissemination. Integrating health, hygiene and sanitation programs with water supply is a vital part of Nepal’s RWSS projects.

VDC wide ODF campaigning through D-WASH-CC and V-WASH-CCs are the new initiatives of the Fund Board in the Improvement Project. Thus, the traditional Sanitation Loan Revolving Fund (SLRF) has been changed to Grant to the V-WASH-CC for the ODF campaigning. Under this project, 1874 WASH schemes will be implemented focusing on ODF and Post-ODF activities.

3. Institutional Development & Capacity Enhancement
Community mobilization is the first step and major program sub-component to organize and prepare the community for WSS system development and formation of social capital in the community. The SOs support the communities for institutional development, delivery of WSS facilities and economic development as well.
Training/orientation to the community people is another step where the Fund Board recruits competent Service Agencies (SAs) for building the capacity of the SO staff. The SO staff thus trained will train community people, particularly WSUC members, treasurers, WTSS members, Village Health Promoters (VHP) and Village Maintenance Workers (VMW), on Community Action Plan (CAP), HHS, leadership and management, resource mobilization, conflict management, and project planning, implementation and monitoring & evaluation and make them capable for shouldering all responsibilities and accountability of the project.

4. Women Empowerment & Economic Development

Women are the principal change agents when it comes to WSS and bring positive changes in family health and hygiene practices through their roles in the household. Thus, the Fund Board emphasizes on the active involvement and participation of women in the decision making process in all stages of the scheme cycle. Women’s lead role is reflected in deciding the tap stand location, Mother Child Tap Stand Group (MCTSG) formation and WTSS activities etc. The Fund Board has provision of contributing maximum of NRs. 20,000 per scheme for effective utilization of saved time (with availability of water supply facilities nearby) for economic development activities by women groups (Jeevika/ WTSS groups). Moreover, WTSS program is basically targeted to the poor, deprived and indigenous women. There is a mandatory provision of including 33% women in each WSUC, with at least one holding a key position. Also high participation of women and socially excluded groups are encouraged in the capacity building activities.

5. Social Accountability and Transparency

The Fund Board has initiated Jagaran Karyakram (Social Accountability Program) focusing on accountability and transparency as factors for successful implementation of the project. The program builds a mechanism in which the participating stakeholders viz community institutions, SOs and project facilitators have downward accountability of service delivery. It builds community people’s capability and equips them with the appropriate tools so that they can contribute in all stages of the project cycle, including budgeting and performance evaluation of the service deliverers. A Facilitation Committee in the Fund Board (FCB) has been formed to facilitate the Jagaran activities.

6. Environment and Social Management Framework (ESMF)

The ESMF is prepared to provide a systematic approach for identifying various potential environment and social impacts at different stages of the sub-project cycle and suggest appropriate mitigation measures. This will eventually help to enhance positive and sustainable environment and social outcomes associated with project implementation.
The environment management includes measures for source protection, surface drainage improvement, protection of pipelines, fencing of structure, suitable arrangement of overflow pipe and proper waste water management. The social aspects include maximizing project benefits to women and other vulnerable groups. Activity regarding ESMF will be reflected from Batch 10 onwards.

7. Scheme Risk Insurance

The Fund Board introduced scheme insurance program for the water supply schemes for the first time in the history of Nepal. Till the end of the RWSS-II, 36 Water Supply and Sanitation schemes were insured through the initiation of the WSUC/G.

8. Rehab & Reconstruction (R&R)

The mega Earthquake of April 25, 2015 and subsequent aftershocks have damaged enormous infrastructures. The GoN declared 14 Districts as severely affected districts where 43.9% of water supply schemes are badly damaged. The Fund Board is now all set to implement R&R works of the damaged schemes of different batches in those 14 earthquake affected districts (EAD). This program has been conceptualized for the early recovery of damaged schemes and making them functional and to minimize waterborne epidemic by restoring the sanitation facilities in the 14 EAD.

Project Features

1. Community Procurement and Financial Transparency

The culture of transparency and accountability is instrumental for the effective implementation of the project. A tripartite agreement is signed among the Fund Board, the SO and the WSUG in the implementation phase. The scheme construction fund provided by the Fund Board is deposited in the joint account of the SO and the community. While the community procures the non local materials, the SO ensures quality of the materials procured.

Financial audit is done in order to ensure better financial management and transparency. Public auditing is done in each scheme during and after the completion of the scheme through mass meeting of community. In addition, information related to funding sources and expenditures are displayed on display board in the public places of each scheme cluster.

2. Community’s Cost Sharing in the Scheme

Apart from the Fund Board’s cost, the community also shares a portion of the total scheme cost both in cash and kind (unskilled labour, local material and transportation). The community contributes a proportion of upfront cash of 2.5 percent of gravity system and 10 percent of ground water system of the hardware cost.
3. Effective Operation and Management

The communities are responsible with full ownership and commitment for operation, maintenance and management of the schemes. The community collects 3 percent of total contribution cost in gravity and 4 percent in ground water schemes. Raised as up-front cash contribution in the Development Phase is to set up the O&M fund. Similarly, regular tariff collected per month per household is deposited in the O&M fund for meeting O&M related expenditure that helps in the sustainability of the schemes.

4. Gender Equality and Social Inclusion (GESI)

The Fund Board has special focus on empowering and providing opportunities to women, poor and excluded (WPE). GESI is mainstreamed in the project cycle and all project activities. Representation of WPE is ensured in the user committees, WTSS, and even in SO staff composition. Women are encouraged to take advantage of the livelihood activities to utilize their saved time for fetching water. Pro-poor approaches and strategies are implemented whereby subsidy is provided for poor people and schemes are prioritized based on poverty level of people.

5. Comprehensive Monitoring and Evaluation

In order to ensure technical as well as social awareness activities’ quality and effective beneficiary participation, the Fund Board intermittently monitors implementation progress, impact of the investment and the quality of the work. It closely monitors and keeps vigilance to each community who are mandated to maintain their books of accounts in a transparent way in a prescribed format provided by the Fund Board. A web centric Management Information System (MIS) has been established where all the scheme and project activities related data and information are captured. This has facilitated the reporting mechanisms of the Fund Board. The Fund Board has adopted the following four types of monitoring systems:

1. Compliance and Process Monitoring
2. Community Monitoring
3. Impact/Outcome Monitoring
4. Strategic Monitoring

6. Coordination, Linkage and Partnership Building

The Fund Board maintains vertical and horizontal coordination with concerned ministries/ departments, stakeholders, the World Bank and other concerned donors at the centre. Similarly, at the district and local level, it coordinates with District Development Committees (DDCs/D-WASH-CCs), VDCs/V-WASH-CCs) line agencies, I/NGOs, WSUCs including communities. It ensures smooth functioning of the projects, avoids duplication and facilitates cost sharing.
**Project Cycle**

Based on the experience of RWSSP-I and II, the Fund Board under the RWSSIP has designed a New Scheme Cycle and its duration span is not more than 24 months depending on geographical location, technology and type of community. Same length of the scheme cycle may not be suitable with the varying degrees of awareness, empowerment and organization among different communities in the country. Hence, activities within each phase may vary with the situation (scheme size, community’s capacity to organize) in a given community, and the contracts are awarded accordingly.

**Pre Development Phase (3-6 months)**
- SO identification and selection.
- Schemes prioritized through D-WASH-CC and followed by community demand placement.
- Orientation/Training to SO on proposal preparation.
- Orientation/training to SA on project/site appraisal.
- Development phase contract with SO for technical and operational support to community.

**Development Phase (6-8 months)**
- Project orientation to SO staff.
- Social mobilization, establishment of legal institution (WSUG/C) and coordination with local government.
- Preparation of CAPs and implementation of selected CAPs activities.
- Detail study, survey and scheme design & cost estimation.
- Community contribution and O&M fund collection.
- Partial fund transfer to the VDCs for ODF campaigning and initiate the campaign.
- Proposal preparation and tripartite agreement among the Board, Community and SO for implementation phase.

**Implementation Phase (10-12 months)**
- Execution of CAPs, particularly related to construction of different schemes structures.
- Continuity of construction of household and institutional toilet with urinals.
- O&M system establishment.
- Utilize women’s saved time from fetching water in productive uses. Initiate Jeevika Karyakarm.
- Continue ODF campaigning & final payment to VDCs for the campaign.
- Preparation of action plans for transparency and sustainability of scheme (Jagaran Karyakram).
- Proposal and contract agreement preparation for post implementation phase.

**Post Implementation Phase (24 months)**
- Periodic follow up on sustainability aspects: technical, social, and community management including O&M.
- Monitoring visit and technical support by SO to scheme/community.
- Community water quality monitoring through proxy indicators.
- Post ODF/Total Sanitation activities.
- Reporting to local government and the Fund Board.
Project Coverage Area

The Fund Board has implemented WASH Projects in 74 districts of the country in different phases. Under the Rural Water Supply and Sanitation Improvement Project, it will work in 55 districts. Similarly, the Fund Board will implement Rehab & Reconstruction works of the damaged schemes by the mega earthquake of April 25, 2015 and subsequent aftershocks in 31 districts.