



Draft Design and Monitoring Framework

Project Number: 41022
May 2009

Proposed Asian Development Fund Grant Nepal: Second Small Towns Water Supply and Sanitation Sector Project

A design and monitoring framework is an active document, progressively updated and revised as necessary, particularly following any changes in project design and implementation. In accordance with ADB's public communications policy (2005), it is disclosed before appraisal of the project or program. This draft framework may change during processing of the project or program, and the revised version will be disclosed as an appendix to the report and recommendation of the President.

Asian Development Bank

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>Impact Improved health, economic and environmental living conditions of people in small towns in Nepal</p>	<p>In 20 towns:</p> <ul style="list-style-type: none"> • Reduction in reported cases of water and sanitation related diseases (by 30% by 2017) • Quality of Life (QOL) index to be developed by SEIU and compared between pre- and post-project period 	<ul style="list-style-type: none"> • Health statistics from clinics and health centres in towns • Government survey compiled in MDG reports • Town data published in SEIU reports 	<p>Assumptions</p> <ul style="list-style-type: none"> • Macroeconomic stability • Political stability <p>Risks</p> <ul style="list-style-type: none"> • Natural disaster affecting construction and operation • Degradation in other QOL attributes
<p>Outcome Improved, affordable and sustainable water supply and sanitation services in small towns, which are governed and managed by locally accountable representative bodies</p>	<ul style="list-style-type: none"> • 240,000 people in 20 small towns have access to High¹ level water service by 2015 • Reduced time for fetching water (essentially to zero in all towns) by 2015 • 270,000 people have access to and use improved sanitation² facilities by 2015 • Wastewater in at least 3 towns is disposed of in a way that meets environmental standards³ by 2015 • Operation of water supply and wastewater services with full O&M cost recovery is implemented by WUSCs in 20 towns by 2015 	<ul style="list-style-type: none"> • Household surveys compiled in BME Reports • Data from each town compiled in ADB project completion report • Government/SEIU reports • Household surveys and national censuses assembled in JMP–MDG reports 	<p>Assumptions</p> <ul style="list-style-type: none"> • WUSC members/employees receiving trainings and guidance remain in their positions • Conforming policies/institutions/human resource are engaged/established by Government and remain in place • Willingness of the community to pay • Appropriate tariffs set in accordance with suggestions by PMO/TDF and collected efficiently <p>Risks</p> <ul style="list-style-type: none"> • Federalism and decentralisation develops in a way that contradicts proposed sector development • Users continue to use non-sanitary but cheap sources of

¹ (i) increased per capita water supply (90-100 lpcd for private house connection); (ii) 24-hour water supply with adequate residual pressure; (iii) at least 90% coverage of the service area after 5 years of operation; (iv) treated water satisfying the National Drinking Water Quality Standards (2007); and (v) predominantly private house connections.

² Defined, in accordance with JMP, as the system that hygienically separates human excreta from human contact. Flush or pour-flush toilet to piped sewer system, septic tank or pit latrine, pit latrine with slab and composting toilet are included.

³ "Tolerance limits for wastewater to be discharged into inland surface waters from combined wastewater treatment plants," set by the Government, will be used. Limits include 50 mg/l for total suspended solids (TSS), 50 mg/l for biochemical oxygen demand (BOD) and 5.5 to 9.0 for pH.

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			water (such as shallow wells)
<p>Outputs</p> <p>1. Safe, accessible and adequate water supply and sanitation facilities developed in 20 towns</p> <p>1.1 Water supply facilities expanded and rehabilitated</p> <p>1.2 Sanitation facilities expanded and improved</p> <p>1.3 Households connected to the water supply and sanitation system</p>	<ul style="list-style-type: none"> • Water extraction (surface/ground water), treatment, storage, transmission and distribution facilities constructed in 20 towns by 2014 • 1,400 km of network for water supply pipes installed or upgraded by 2014 • Sanitation (household, on-site sanitation, public toilet, septic tank sludge disposal, and storm water drainage) facilities constructed in 20 towns by 2014 • 16,000 households newly connected to piped water supply within the first year of operation • 24,000 served with new sanitation connections within the first year of operation • 12,000 poor households served through OBA for water and sanitation connections • Wastewater management facilities constructed in at least 3 towns by 2015 • 1,500 m³ (40% of the wastewater in these towns) collected and treated to meet environmental standards by 2015 	<ul style="list-style-type: none"> • Town-level data compiled in project monitoring reports • Independent verification reports for household connections • Reports from WUSCs • Socio-economic surveys with gender, caste and ethnicity disaggregated data 	<p>Assumptions</p> <ul style="list-style-type: none"> • Each town follows suggested fee and subsidy scheme • Commitment and paying capacities of local governments and WUSCs towards integrated water supply and sanitation system development • Government commitment to OBA and development of workable system <p>Risks</p> <ul style="list-style-type: none"> • Political interference in project selection, preparation and construction
<p>2. Efficient, effective and accountable urban water supply and sanitation sector developed</p>	<ul style="list-style-type: none"> • SEIU established in 2009 • Service standards established, performance monitored for 80% of the urban water supply system, which are documented and published by 2012 • Service standards improved against initial performance (collected by 2012) for 30% of the water supply system by 2015 • National standards for sewerage and wastewater management formulated by mid 2012 • Regional water quality and meter calibration laboratories test water quality on regular basis for all 29 towns under STWSSSP-I by 2011 	<ul style="list-style-type: none"> • Town-level data compiled in project monitoring reports • Government reports • Nation-wide data from water supply operators published in SEIU reports • Monitoring reports by laboratories 	<p>Assumptions</p> <ul style="list-style-type: none"> • Government and MPPW keep its commitment towards improvement of sector efficiency and effectiveness • Urban utilities (nation-wide) undertake improvement based on findings of performance monitoring
<p>3. Governance and capacity strengthened for project management</p>	<p>In 20 towns:</p> <ul style="list-style-type: none"> • WUSCs raise the capital fund, participate in decision-making during implementation and 	<ul style="list-style-type: none"> • Town-level data including training records compiled in project monitoring 	<p>Assumptions</p> <ul style="list-style-type: none"> • Conducive political environment exists and policies are

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<p>and operation</p> <p>3.1 WUSC strengthened and fully address concerns of the diverse groups of users</p> <p>3.2 RO/WSSDO strengthened</p> <p>3.3 Public awareness on health and hygiene increased</p>	<p>operate and manage the systems upon commissioning</p> <ul style="list-style-type: none"> • Towns water supply systems operated in accordance with the high level water service, tariff raised to cover at least O&M and repayment and loan repayment to TDF as scheduled, by 2014 • Collection and management system for data disaggregated by sex, caste and ethnicity established by 2010 • At least 33% representation of women among WUSC members upon first election • Women, poor and vulnerable groups appropriately represented in general assembly or other sub-groups of WUA in accordance with GESI action plan • At least 50% of WUSC members trained on project implementation, operation and management by commissioning • At least two key managers for operation engaged by WUSCs and trained before construction completion • Technical support of RO/WSSDO to WUSC increased • Gender/social development specialist designated in PMO/WSSDO • Personal and communal hygiene behaviour improved by 2014 	<p>reports</p> <ul style="list-style-type: none"> • Stakeholder responses in surveys, workshops and capacity building programs • Reports from WUSCs • TDF annual reports • Tariff collection records • SEIU reports • Interviews with WUSCs • Households surveys 	<p>developed and enacted to facilitate WUSCs</p> <ul style="list-style-type: none"> • Staff receiving capacity building remain in their position <p>Risks</p> <ul style="list-style-type: none"> • Political interference in establishment and management of WUSCs • Institutionalization of WUSCs are not given due priority by Government
<p>Activities with Milestones</p> <p>1. Safe, accessible and adequate water supply and sanitation facilities developed in 20 towns</p> <p>1.1 Batch 1</p> <p>1.1.1 Towns selected (2Q 2009)</p> <p>1.1.2 DSC recruited (3Q 2009)</p> <p>1.1.3 Local NGOs engaged (4Q 2009)</p> <p>1.1.4 DD reviewed and bid documents prepared (1Q 2010)</p> <p>1.1.5 Contractors awarded (3Q 2010)</p> <p>1.1.6 Sub-loan agreement between TDF and WUSC concluded (3Q 2010)</p> <p>1.1.7 Construction completed (3Q 2012)</p> <p>1.1.8 House connections supported by OBA completed (1Q 2013)</p> <p>1.1.9 Operation handed over to WUSC (Q3 2013)</p>			<p>Inputs</p> <ul style="list-style-type: none"> • ADB (\$45.1 million) • Government (\$20.5 million) • Beneficiaries and Local Governments (\$6.1 million)

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<p>1.2 Batch 2</p> <p>1.2.1 Towns selected (1Q 2010)</p> <p>1.2.2 DSC recruited (3Q 2010)</p> <p>1.2.3 Local NGOs engaged (3Q 2010)</p> <p>1.2.4 DD and bid documents prepared (1Q 2011)</p> <p>1.2.5 Contractors awarded (3Q 2011)</p> <p>1.2.6 Sub-loan agreement between TDF and WUSC concluded (3Q 2011)</p> <p>1.2.7 Construction completed (3Q 2013)</p> <p>1.2.8 House connections supported by OBA completed (1Q 2014)</p> <p>1.2.9 Operation handed over to WUSC (Q3 2014)</p> <p>1.3 Batch 3</p> <p>1.3.1 Towns selected (3Q 2010)</p> <p>1.3.2 DSC recruited (1Q 2011)</p> <p>1.3.3 Local NGOs engaged (3Q 2011)</p> <p>1.3.4 Feasibility study prepared (3Q 2011)</p> <p>1.3.5 DD and bid documents prepared (1Q 2012)</p> <p>1.3.6 Contractors awarded (3Q 2012)</p> <p>1.3.7 Sub-loan agreement between TDF and WUSC concluded (3Q 2012)</p> <p>1.3.8 Construction completed (3Q 2014)</p> <p>1.3.9 House connections supported by OBA completed (1Q 2015)</p> <p>1.3.10 Operation handed over to WUSC (Q3 2015)</p> <p>2. Efficient, effective and accountable urban water supply and sanitation sector developed</p> <p>2.1 SEIU established and staffed (3Q 2009)</p> <p>2.2 SEIU consultants recruited (4Q 2009)</p> <p>2.3 Urban Water Supply and Sanitation Sector Action Plan drafted (2Q 2010)</p> <p>2.4 Service standards for water supply and sanitation established and benchmark data collected (2Q 2011)</p> <p>2.5 Water Supply and Sanitation Act drafted (2Q 2011)</p> <p>2.6 National technical standards for sewerage and wastewater management drafted (4Q 2011)</p> <p>3. Governance and capacity strengthened for project management and operation</p> <p>3.1 PMO established and fully staffed (3Q 2009)</p> <p>3.2 PMC recruited (4Q 2009)</p> <p>3.3 Project performance management system developed (4Q 2010)</p> <p>3.4 Capacity building programs for RO/WSSDO planned (2Q 2010)</p> <p>3.5 Capacity building programs for WUSCs planned (2Q 2010)</p> <p>3.6 Capacity building programs implemented for RO, WSSDO and WUSCs (by 3Q 2015)</p>			

ADB = Asian Development Bank, BME = benefit monitoring and evaluation, DD = detailed design, DSC = design and supervision consultant, DWSS = Department of Water Supply and Sewerage, GESI = Gender Equality and Social Inclusion, JMP = Joint Monitoring Programme (program of WHO/UNICEF), MDG = Millennium Development Goals, MPPW = Ministry of Physical Planning and Works, NGO = non governmental organization, OBA = Output Based Aid, O&M = operation and maintenance, QOL = quality of life, STWSSSP-I = Small Towns Water Supply and Sanitation Project 1, PMC = Project Management Consultant, PMO = Project Management Office, PMU = Project Management Office, RO = Regional Monitoring and Supervision Office, SEIU = Sector Efficiency Improvement Unit, TDF = Town Development Fund, WSSDO = Water Supply and Sanitation Divisional Office, WUA = Water Users Association, WUSC = Water Users and Sanitation Committee.