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

TA Consultant: FCG Finnish Consulting Group Ltd

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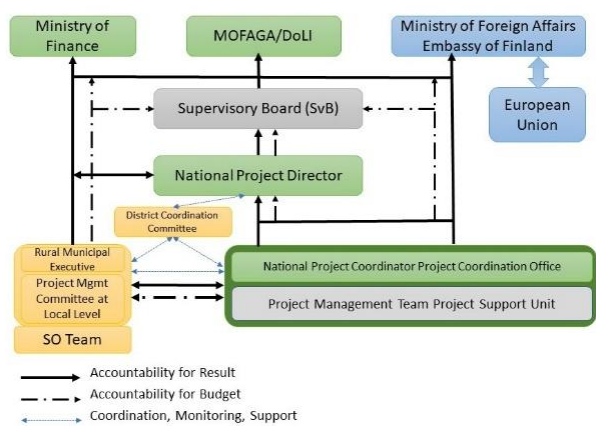
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Project Fact Sheet

Project Title	Rural Village Water Resources Management Project Phase III		
Project Intervention Code	66014228/66014273		
Sector	Water Resources Management, Health and Sanitation, Livelihood, Climate Resilience		
Geographical Coverage and Project Site	Achham, Baitadi, Bajhang, Bajura, Dadeldhura, Darchula, Doti and Kailali Districts in Sudurpaschim Province and Dailekh and Humla Districts in Karnali Province		
Technical Assistance Consultant	FCG Finnish Consulting Group Ltd.		
Duration	03/2016-11/2022		
Starting Date	March 2016		
Planned Project Financing:	<i>PD original (60.2 MEUR):</i> <i>PD revised (FY06) (70.1 MEUR):</i>		
Government of Finland	15 million EUR	58%	15.4 million EUR 51%
European Union	20 million EUR		20 million EUR
Government of Nepal	15 million EUR	25%	15 million EUR 21%
Rural Municipalities	5.2 million EUR	9%	8.7 million EUR 12%
Users' contribution	5 million EUR	8%	11 million EUR 16%
Overall Project Objective	Improved health and reduced multidimensional poverty with the Project working area		
Project Purpose	Universal access to basic WASH services, and improved livelihoods with establishment of functional planning and implementation frameworks for all water users and livelihood in the Project area.		
Institutional Framework	 <p>The diagram illustrates the institutional framework of the project. At the top level, the Ministry of Finance, MOFAGA/DoLI, and the Ministry of Foreign Affairs (Embassy of Finland) are connected to the Supervisory Board (SvB). The SvB oversees the National Project Director. The National Project Director is linked to the District Coordination Committee, which in turn oversees the Rural Municipal Executive, Project Mgmt Committee at Local Level, and the SO Team. The National Project Director also oversees the National Project Coordinator, Project Coordination Office, Project Management Team, and Project Support Unit. The European Union is shown as a partner organization. A legend at the bottom indicates that solid arrows represent Accountability for Result, dashed arrows represent Accountability for Budget, and double-headed arrows represent Coordination, Monitoring, Support.</p>		

Implementing Agency	Ministry of Federal Affairs and General Administration (MOFAGA)/Department of Local Infrastructure (DoLI), Nepal together with the Local Governments – Rural Municipalities since Federalisation.
Competent Authorities	Ministry of Finance, Nepal Ministry of Foreign Affairs of Finland

Abbreviations

AGM	Annual General Assembly Meeting
APR	Annual Progress Report
AWP	Annual Work Plan
CCA/DRM	Climate Change Adaptation and Disaster Risk Management
CEO	Chief Executive Officer
CI	Conventional Irrigation
DAG	Disadvantaged group
DDL	Dadeldhura
DMM	Dignified Menstruation Management
DoLI	Department of Local Infrastructure
DWS	Drinking Water Supply
DWSSM	Department of Water Supply and Sewerage Management
EU	European Union
EUR	Euro
FC	Field Coordinator
FCG	Finnish Consulting Group Ltd (earlier FCG International Ltd)
LF	Livelihood Facilitator
LO	Livelihood Officer
FY	Fiscal Year (Nepal, from mid-July to mid-July)
GESI	Gender Equality and Social Inclusion
GoF	Government of Finland
GoN	Government of Nepal
GWRO	Gaunpalika Water Resources Officer
HG	Home Garden
HH	Household
Hydram	Hydraulic Ram pump
HR	Human Resources
HRBA	Human Rights Based Approach
ICM	Internal Coordination Meeting
ICS	Improved Cooking Stove
IEC	Information Education and Communication
IWM	Improved Water Mill
KoBo-data	Internet based tool for data collection
kW	Kilowatt
LIP	Livelihood Implementation Plan
LMBIS	Line Ministry Budgetary Information System
M	Million (MEUR: million Euros)
MFA	Ministry for Foreign Affairs (of Finland)
MHM	Menstruation Hygiene Management
MHP	Micro-hydro Power
MIS	Management Information System
MIT	Micro Irrigation Technology
MoFAGA	Ministry of Federal Affairs and General Administration
MoU	Memorandum of Understanding

MT	Mega Tonnes
MUS	Multiple Use Water System
NPR	Nepalese Rupee
N-WASH MIS	National WASH Management and Information System
O&M	Operation and Maintenance
ODF	Open Defecation Free
OSS	Operational Self Sufficiency
PEARLS	Protection, Effective financial structure, Asset quality, Rates of return and cost, Liquidity and Signs of growth
PCO	Project Coordination Office
PD	Project Document Phase III
MHP	Micro Hydropower
PoCo	Post-Construction phase
PoU	Point of Use
PSI	Point Source Improvement
PSU	Project Support Unit
PWD	People with Disabilities
QARQ	Quality, Accessibility, Reliability, Quantity
RM	Rural Municipality / Gaunpalika
RME	Rural Municipality Executive
RMPMC	Rural Municipality Project Management Committee
RMSU	RM Support Unit
RV	Rural Village - used as a short description of the project or all staff working for the RVWRMP
RVT	Reservoir Tank
RVWRMP	Rural Village Water Resources Management Project
RWH	Rainwater Harvesting
SDG	Sustainable Development Goals
SHP	Sanitation and Hygiene Promoter
SMC	School Management Committee
SMW	Solar Maintenance Worker
SO	Support Organisation
TA	Technical Assistance
TF	Technical Facilitator
TL	Team Leader (also CTA or Chief Technical Advisor)
TS	Total Sanitation
TSU	Technical Support Unit
UC	Users' Committee (water, sanitation, micro-hydro, irrigation, etc)
VDC	Village Development Committee
VMW	Village Maintenance Worker
WASH	Water, Sanitation and Hygiene
WRA	Water Resource Advisor
WRDF	Water Resources Development Fund; also referred to as "RM-WRDF"
WRE	Water Resource Engineer
WSP	Water Safety Plan
WSS	Water Supply Scheme
WUMP	Water Use Master Plan

Step-by-Step approach and scheme status:

- PPO Preparatory Phase On-going
- PPC Preparatory Phase Completed
- IPC Implementation Phase Completed and financially cleared
- IPC* Implementation Phase Completed but not financially cleared
- IPO Implementation phase ongoing

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. 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 activities such as home garden support as part of the scheme. There were 36 Non-Core RMs. Non-core implementation support ended in FY06, though some capacity building continued till the end of FY07.

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 utilise 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 maximises the nutrient value of the available space in a sustainable way. Without one or more component, it is not considered to be a complete home garden. The term "kitchen garden" is sometimes used instead of home garden, but usually means that they 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 must be completed two weeks before the budget speech (15 Jestha; 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.

Multiple-Use Water Systems (MUS) are water systems designed in such a way that a single water system fulfils several functions - domestic, productive, and other water needs like renewable energy. As such, it considers the water demands for each of those components. 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 on the priority list of the RVWRMP menu.

Non-Conventional Irrigation differs from a conventional canal system. It is relatively modern system where 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 in an efficient manner 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; 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 practice 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 institutionalised; 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'. The 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)

Total Sanitation standards were introduced in Nepal with the National Total Sanitation Guideline in 2018 (2073). They aim to institutionalise defined national sanitation standards through local governments. Total Sanitation builds on the previous Open Defecation Free (ODF) campaign that was completed with a nation-wide ODF declaration in 2018. There are seven primary Total Sanitation themes: planning, toilet use, personal hygiene, safe drinking water, safe food, household and institutional sanitation and environmental sanitation. Community progress is measured through a set of detailed indicators that all need to be achieved to receive Total Sanitation status.

Water Safety Plan: Preparing a Water Safety Plan is a compulsory activity for all water supply schemes, as stated by Step-by-Step modality. Once schemes are completed, UCs receive training, during which the WSP is formulated. WSP supports Disaster Risk Management both in terms of preparedness and reduction, and when strengthening UC capacity to deal with unexpected structure damage, caused by natural or man-made disasters.

Table 1 List of working Rural Municipalities

Sn.*	Sn.**		RM/M 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

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	Jayaprithiwi 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	Jorayal RM	Proposal Based
34	61	Doti	K.I. Singh RM	Proposal Based
35	62	Doti	Sikhar M	Proposal Based
36	63	Humla	Simikot RM	Proposal Based
* Total number of Core (Programme) RMs and Non-Core (Proposal-based) RMs ** Total number of working local governments				

Executive Summary

The Rural Village Water Resources Management Project (RVWRMP) was throughout its life cycle a bilateral Project supported by the Government of Nepal (GoN) and Government of Finland (GoF). During Phase III, the European Union joined as a financier. It has been implemented over three phases: Phase I from 10.2006-8.2010; Phase II from 9.2010 - 2.2016; and Phase III from 3.2016-11.2022.

The responsible agencies of RVWRMP at the national level were the Ministry of Federal Affairs and General Administration (MoFAGA), which until 2017 was the Ministry of Federal Affairs and Local Development (MoFALD); and its Department of Local Infrastructure (DoLI), which until 2017 was the Department of Local Infrastructure Development and Agricultural Roads (DoLIDAR). The Technical Assistance (TA) consultant for RVWRMP has been FCG Finnish Consulting Group Ltd throughout all Phases.

This document is the **Completion Report of RVWRMP Phase III**. It covers the period from March 2016 to August 2022 corresponding to Government of Nepal Fiscal Year (FY) as well as the closing period. There is separate Completion Reports for Phase I and Phase II (also available via links on the RVWRMP website). Yet, since this report is the Completion Report of the entire RVWRMP it will, where relevant, cover the entire Project period from 2006-2022. The Completion Report consists of two Volumes: Volume I Main Completion Report (this document and its Annexes) and Volume II Rural Municipality Completion Reports (27) from all the Core-Municipalities of the Project. In addition, there was no separate annual report prepared for FY07, so where appropriate, specific achievements of the year will be mentioned.

The Overall Objective of RVWRMP was improved health and reduced multidimensional poverty within the Project working area. The Purpose of the Project was 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 were grouped under four result areas:

1. Institutionalised community capacity to construct and maintain community managed water supply and adopt appropriate technologies and sanitation and hygiene behaviour
2. Improved and sustainable nutrition, food security and sustainable income at community level through water resources-based livelihoods development
3. Increased resilience to disasters and climate change as well as promotion of climate change mitigation and adaptation
4. GoN institutional capacity to continue integrated water resources planning and support communities in implementing and maintaining WASH and livelihood activities

The Project was aligned to the policies of the Government of Nepal and the activities were geared towards the Sustainable Development Goals (SDGs).

Cooperation with the newly established Rural Municipalities (from 2018 onwards), and their elected representatives, achieved excellent results. The observed lack of ownership in Districts and VDCs was replaced by willingness to cooperate and contribute by the elected politicians, which resulted in a rapid increase in local level contributions to fund schemes in the field. This voluntary extra funding increased the whole Project budget by more than ten percent, allowing it to exceed the set targets. The RM cooperation emphasised the role of capacity building, water governance and policy development at RM level. Soon multiple new types of GESI trainings and activities were conducted in the municipalities and integrated into municipal budgets. Towards the end, the Project developed the RM WASH Board and Unit concepts with the municipalities to institutionalise WASH governance, planning and information management, as well as to ensure sustainable management of the sector beyond the Project working period. The municipalities ended up adopting several Project modalities and applying them in other sectors as well. The new Constitution (2015) moved responsibility for many of the Project issues to the municipality level. Increased RM cooperation reduced the need to work directly with national level agencies (for instance, agricultural and other agencies of GoN), many of which were anyhow dissolved in the structural reform.

The final years of the Project were characterised by the global COVID-19 pandemic that caused frequent lockdowns from early 2020 to early 2022. The pandemic occurred during the peak implementation years and had initially a striking impact on Project implementation and motivation of the staff to stay in working stations and continue implementation. Gradually the Project learnt to cope with the pandemic and the work continued during the lockdowns in the field almost normally. Travel was kept at a minimum, all possible precautions were followed, and all larger gatherings were forbidden, but implementation and construction work continued. The Project teams benefitted from the rise of tools for online meetings (such as Zoom and Teams). These also allowed Project staff to participate more easily in national level meetings, without long travel.

Key achievements

RVWRMP III supported local governments, institutions and communities in planning, funding, implementing and monitoring of rural water resources management. At local level the Project worked initially via the District Development Committees of the ten participating districts (and participating Village Development Committees). RVWRMP worked in ten districts: Darchula, Baitadi, Dadeldhura, Bajhang, Bajura, Doti and Achham districts in the Far Western region (later Sudurpaschim Province); and Dailekh and Humla districts in the Mid-Western region (later Karnali Province).

Following the federalisation process and elections in 2017, RVWRMP III worked with 27 core Rural Municipalities (RM) and 36 proposal based Rural Municipalities with a lesser programme and different financing modality (see list presented in the *Table 1* List of working Rural Municipalities page xi). The Project was fully embedded in the new federal structure and local governance. Key indicators and achievements are presented in Table 2 below, while the full list of indicators is found in **Annex 2**.

Sustainability and transfer of capacities during the Project exit was supported through institutional development in RMs, especially through the WASH Board and Unit concepts, capacity building of the UCs and municipal staff, and the tens of thousands of trained residents whose capabilities stay in the area. Most of RVWRMP key staffers continue their careers in other development projects in ever more demanding tasks, where their skills have been greatly appreciated. Many of the Project guidelines have been adopted by the RMs for their own use, as well as being used by several other donor-funded projects in Nepal. The PSU was shifted to Kathmandu for the final months to complete reporting and financial clearances.

RVWRMP III developed the **Water, Sanitation and Hygiene Management Board (WASH Board) concept** together with Rural Municipalities (RMs) to institutionalise WASH governance. The Project moved ahead with the concept of the WASH board and its operational arm, the RM WASH Unit. Former local Project teams, known as Rural Municipality Support Units (RMSUs) have been merged with the WASH Units during the last year of implementation (FY07). Former RMSU staff, Gaunpalika Water Resource Officers, Technical Facilitators and Livelihood Facilitators, work inside the WASH Unit.

Another important achievement is the incorporation of **Gender Equality and Social Inclusion (GESI) at all levels of Project activities**. Concrete activities included Human Rights Based Approach (HRBA) & GESI trainings and orientation, awareness raising programs, national and international thematic day celebrations, leadership development trainings, interaction programs and gender responsive planning with RMs. Monitoring data collected in all activities and trainings was disaggregated by sex, caste and ethnicity and recorded in the Management Information System (MIS). Workshops on Women as Decision Makers were held to formulate Gender Responsive Plans and Budgets, with the later addition of a disability component. During the final year of project implementation follow-up workshops were held to ensure that the gender and disability targets were incorporated in the Seven-step planning process in the RMs. Review workshops were held in all core RMs before the end of the Project. Furthermore, Dignified Menstruation Management (DMM) activities aimed to improve access of women to taps and toilets and to ensure they could live in a safe environment with their rights protected became a focus in Project activities with the appointment of a **DMM Ambassador who steered a musical campaign** in various of the municipalities.

In the last year of implementation, the Project focused on developing the **National WASH MIS platform by**

RM level data collection. RMs can utilise the collected data in their own RM WASH MIS. RM level field data collection was completed in early 2022.

The Project has benefited a total 398,283 people in 821 water supply schemes. In FY07 alone, there were 29,418 new beneficiaries in 15 water schemes. This includes water supply beneficiaries from the multiple-use water systems (MUS). These were schemes which in FY06 were IPC*.

Table 2 Key Indicators and targets

Result Indicator	Achievement FY07	Cumulative Achievement	Cumulative Progress (%)	End Target
1.2 Number of water supply beneficiaries	29 418	398 283	111%	357 500
1.6 Number of institutions / schools / public places supported by the project fund with disabled and gender-friendly toilets and access to hand washing	47	241	134%	180
2.1 Number of home garden beneficiaries	10 502	326 887	116%	281 500
2.5 Families trained in income generating activities (counted in beneficiaries)	24 784	108 706	181%	60 000
2.8.1 Beneficiaries of irrigation schemes	22 374	97 931	141%	69 677
2.10.1 Shareholders of cooperatives	1 296	32 036	107%	30 000
3.2 Number of beneficiaries provided with access to sustain-able energy services (ICS and IWM)	22 266	249 361	128%	195 000
3.4 Greenhouse gas emissions mitigated using sustainable technologies, e.g., ICS & IWMs (mtCO2e)	8 788	352 167	141%	250 000
4.6 RM-WRDF funds are expended against the annual budget	86%	89%	103%	86%

The Project was an “on-budget-off-treasury”-type of intervention. The total Project budget as presented in the Project Document was MEUR 60.2. However, as shown in the APR FY06 the overall budget increased to MEUR 70.1 because of significant contribution from the local level and users. The actual contributions in EUR from the GoN and GoF/EU remained the same although the contributions for each result area have been modified to correspond to actual expenditures.

All contributions from the GoN and GoF/EU to the WRDF have been spent productively by the end of FY07 as planned.

Lessons Learned Summary

- Water Supply Schemes work better when combined with derived uses of the water provided – Multiple Use schemes – the productive use of the water also supports good maintenance, and hence, long term functionality and sustainability.
- Capacity building and participatory approaches are crucial for the sustainability of schemes. The project recommends use of adequate TA and other resources to ensure capacity building at RM as well as community level.
- Human Resources are needed for sustainable impact and change in all areas. RVWRMP recommends investing enough resources to ensure long-term sustainable impacts.
- Many UCs could benefit from service delivery by cooperatives. RVWRMP recommends cooperative affiliation of UCs.
- UC networks will play a crucial role in information exchange from the UCs to the RM, RVWRMP recommends establishment of UC networks in all RMs.
- Private taps are in demand, thus are more likely to be maintained and hence sustainable. Households manage the water use more carefully, as well as putting the water to productive uses i.e home gardens. Private taps have additional benefits concerning women’s status in relation to DMM issues.
- *The Step-by-Step process for water supply schemes should be continued.* The process is crucial in developing the capacity of the UC and very effective for the transparency, ownership, and

participation of the community. Special priority should be given to build the capacity of UCs in financial, procurement and record keeping processes. Several municipalities have already decided to use the Step-by-Step process in their own activities – clear evidence of its value.

- Schemes are well-planned and as much as possible, designed to withstand natural calamities. However, climate change and anthropogenic issues (such as poor management of construction or water use) are leading to problems for sustainability. More effort should be placed on securing the long-term availability of water in/around the springshed, through better land-use planning and tenure/use of 'open land' (= common land) and to counteract construction impacts (roads, houses).
- Sanitation/toilets and DMM – it is important to involve all women in discussions concerning DMM – these activities render better results when women are decision makers and can take actions.
- Through providing technical assistance and capacity building at local level, the Project has to some extent substituted for the lack of local knowledge, skills and manpower, which ideally should be provided by the RMs and/or the Provincial level. There will be a continuous need for strengthening the RMs capacity to provide the services they are responsible for in the coming years, until the RMs are allocated the necessary financial and human resources as well as the required institutional development. Furthermore, there is a need for also building the capacity of the Provincial levels for them to cater for the needs at municipality level.
- The RMs had strong ownership and the Project developed excellent working relationships with them. This permitted the 'on-budget, off-Treasury' fund flows to operate transparently and efficiently, achieving good results and local ownership. Working with the provinces was more institutionally complicated, as there was no clear linkage outlined in the Project Document (understandable as the institutional arrangements were initially unclear), and the RMs had responsibility for the Project activities. In addition, working across two provinces made this even more complex.
- The NWASH system has proven to be very useful at RM level. The RMs (newly elected) should fully understand how they can apply, update and extend this tool for their planning process to best serve their communities.
- The WASH Boards and Units are very important concepts to ensure the sustainability of water schemes. However, there was not enough time to establish and capacitate the municipalities.

Recommendations for future development cooperation:

- It is recommended to take a broad approach to water, via Multiple Use Systems and improved watershed/springshed management approaches, rather than focusing only on WASH in a narrow sense. In addition, the development of private tap systems is highly recommended.
- The WASH Board concept has worked well so far. However, the Board and the Unit should be institutionalised within the RM organisational structure.
- Work across more than one province in future projects will be complex. A new project is more likely to be successful with a focus on the RM level and improving their linkages to their provincial level. If there is more than one province involved, it will require greater inputs also from national level line ministries, and hence more bureaucracy. As Karnali province already has support to WASH from several development partners, it would make more sense to continue with support to the RMs in Sudurpaschim, in order to develop their processes and capacities further.
- International and national technical assistance is still important in remote area projects. They can build capacities, and provide innovative solutions to local problems, while also acting as independent facilitators and monitors. It is therefore important to analyse the factors contributing to the provision of relevant and effective technical assistance.

The following summarises **the cornerstones** which have played a major role in the successful implementation of RVWRMP.



1. Long-term institutional learning and organisational evolution over time

The foundation of the success, on which everything else depends, has been the possibility for long-term, continuous learning and institutional development of the Project over decades. The learning and evolution over time has enabled adaptation to ever-changing project contents and operational environment, and to changing requirements from both grassroots and donor levels.

2. “RV University”: Supportive working culture and operational structure

The Project’s capacity to deliver has largely been dependent on the ways the staff have been involved, capacitated, and managed. Staff did not operate alone but were backed up by others in the team. In this regard, working culture plays a crucial role in steering the mind-set of the staff, whereas the operational structure must support the staff in delivering results.

3. Modalities and monitoring - Prerequisites for quality implementation

RVWRMP has developed and recreated a set of modalities over the years, many of which date back to the Lumbini project that started 30 years ago (though being continually developed further since). The modalities are therefore a result of continuous WASH sector cooperation of Finland in Nepal over more than three decades, with a common thread of many of the same staff from the home office and project team.

4. “RV family”: Committed staff and strong local presence

Committed staff is another important precondition of success. Many staffers felt that the Project was exceptional at working with the poorest of the poor and remotest of the remote communities, making the job special and its contribution particularly important for the nation. As the result, the Project staff generally felt very committed and proud of being part of the ‘RV family’. The strong, constantly present teams at the municipal offices and in the villages enabled understanding of the local context and challenges, enabled quick responses to problems, built trust and made implementation socially fitting and more flexible.

5. Strong backup

One key to the Project’s success was the constant support and understanding of the Project context by the Embassy of Finland and DoLI. The Project also got significant support from FCG home office, especially in crucial times when the Project budget, organisational operations (especially during COVID-19), or reporting was at stake.

6. Finnish values, GESI and HRBA

The values in the Finnish development cooperation sector, involving GESI, HRBA, and focus on the poorest and the disadvantaged groups, have been integrated to all Project works as presented in this report. The values have backed the work for good governance at both municipal and community levels, including participatory approaches, inclusion, transparency, and trust.

7. Excellent reputation and mutual trust among partners

In the case of the Project, the good track record and demonstrated capacity for institutional learning over a long time eventually translated to a very good local reputation and functional, trustworthy interrelations. The reputation, once achieved, has fuelled the cooperation and created a positive enforcing loop of good cooperation among the key partners.

1 Introduction

This document is the Completion Report of RVWRMP Phase III. It covers the period from March 2016 to August 2022 corresponding to Government of Nepal Fiscal Year (FY). There is separate Completion Reports for Phase I and Phase II. Yet, since this report is the Completion Report of the entire RVWRMP it will, where relevant, cover the entire Project period from 2006-2022. The Completion Report consists of two Volumes: Volume I Main Completion Report (this document) and Volume II Rural Municipality Completion Reports (27) from all the Core-Municipalities of the Project.

RVWRMP Phase III has over the years worked in a total of 63 Rural Municipalities in 10 districts of Sudurpaschim and Karnali Provinces.

The Overall Objective of RVWRMP 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. Livelihood development; 3. Renewable energy and climate change; and 4. Governance. The Project is aligned to the policies of the government of Nepal and the activities are geared towards the Sustainable Development Goals (SDGs).

The Project governing authorities are the Ministry of Finance of Nepal and the Ministry for Foreign Affairs of Finland and EU. The EU joined the Project via a delegated funding arrangement with the MFA Finland in late 2017, with additional finance available for the TA contract in late 2018. 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 Finnish Consulting Group Ltd (FCG, formerly FCG International), which has continued since Phase I (and also implemented the earlier Lumbini water Projects, under the name Plancenter, thus providing important institutional memory).

The Project is known as a forerunner in its alignment to the federal structure of the country. Municipalities were established in 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 therefore went from dealing with 10 units of District-level local governments and their associated Village Development Committees (VDCs), to working directly with and through the municipal administrations. The fund flow mechanism was adjusted accordingly, the funds from Finland and European Union being channelled directly to RMs' accounts for investment and recurrent local budgets, as approved at national level in the Redbook. The RMs have the lead in the implementation of the schemes and related activities, while the Project focuses more on providing capacity development, facilitation and monitoring of the processes.

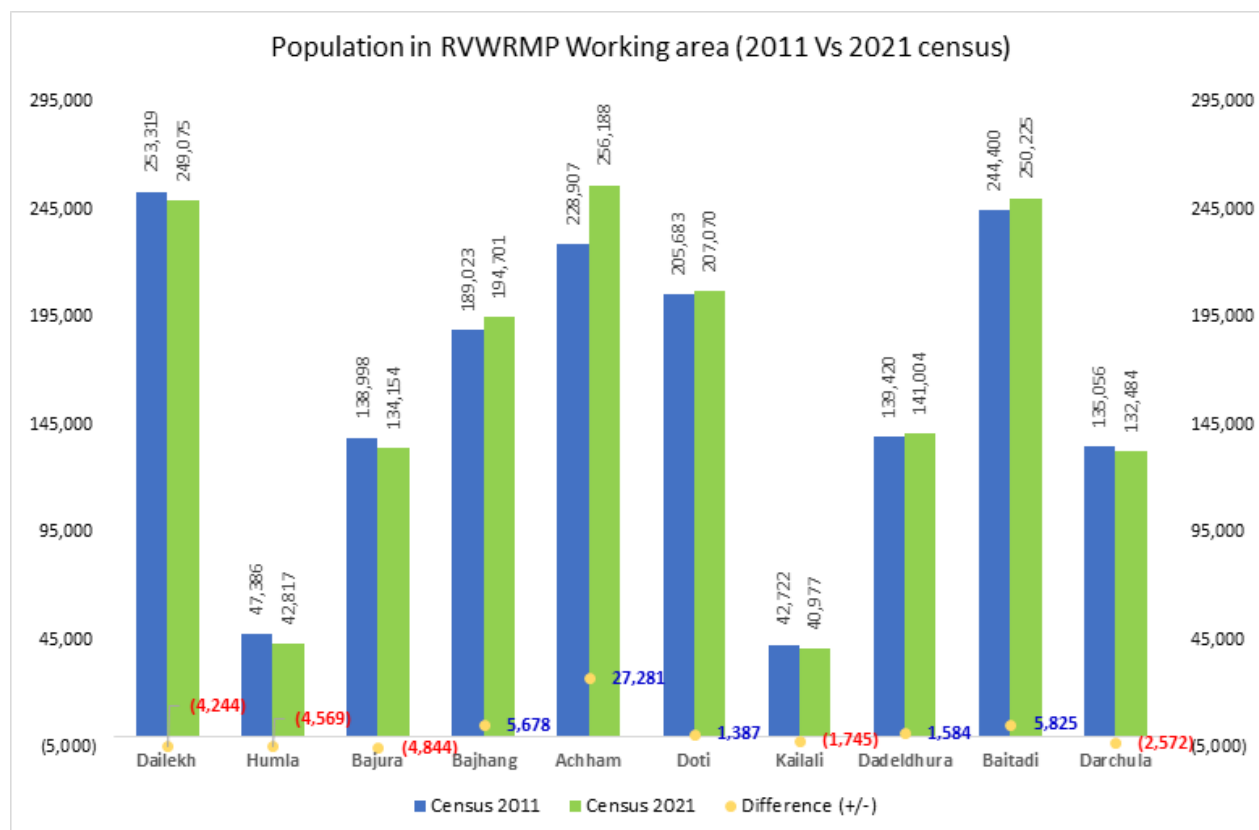
Changes in Project working municipalities over the years are presented in *Table 3*.

Table 3 RVWRMP Working Area

Fiscal year	Core RMs	Population (in Core RMs)	Program (other) local levels	Population (in Non-Core RMs)	Total	Remarks
FY 2074/2075	27	438 916	21	471 844	48	No physical construction in two core RMs. Only WUMP preparation
FY 2075/2076	27	438 916	42	922 032	69	27 core program RMs 14 other program RMs continued 28 other program RMs
FY 2076/2077	27	438 916	39	732 125	66	27 core program RMs 38 other program RMs selected based on proposals for DWS 1 RM selected for MHP only
FY 2077/2078	27	438 916	36	619 589	63	27 core program RMs 36 other program RMs (1 MHP RM and 2 DWS RMs dropped out)
FY 2078/2079	27	438 916	0	0	27	27 core program RMs
Total as per 2011 Census		438 916		922 032		
Total as per 2021 Census		429 305		1 324 673		

The population in the core working municipalities in the 10 districts has changed from the population census 2011 to 2021, as illustrated in *Figure 1*. The population in core areas has been very stagnant while the population in non-core areas has increased. This is probably explained by the fact that non-core areas involve Municipalities such as district capitals to which people are migrating, whereas the core areas are all Rural Municipalities where outmigration rates are higher. The population in the Project's working areas has grown most in Achham, and decreased most in Bajura and Humla, which are the most remote working areas. This is in line with the general urbanisation trend. The data also shows that most of project beneficiary populations lived in Dailekh, Bajhang, Achham, Doti, and Baitadi, and the least in Humla and Kailali.

Figure 1 Population in RVWRMP working core area (27 municipalities)



The total budget in the Project Document for Phase III was MEUR 60.2. The GOF contribution was set at MEUR 15, the EU contribution was MEUR 20, the GON contribution was MEUR 15, and the RM contribution was estimated at MEUR 5.2. Additional contributions were expected from users/beneficiaries worth MEUR 5 in cash and kind. However, this budget was revised over the years of implementation to correspond to the actual contributions, so the total budget by the end of the Project was estimated to MEUR 70.1. The additional budget derived from an increase in the contributions from RMs and users. In addition, the GoF carry-over of EUR 385,726 already released to RMs from Phase II was added to implementation in Phase III.

The Project Support Unit (PSU) in Dadeldhura (initially in Dhangadhi until early in Phase III) managed Project implementation and the Project Coordination Office (PCO) coordinated the operations on behalf of DoLI/MoFAGA. Technical Support Units (TSUs) were located at district-level. They supervised implementation of activities in Rural Municipalities (prior to the federalisation process, they worked with districts and VDCs). Former local Project teams, known as Rural Municipality Support Units (RMSUs) were merged with the RM WASH Units since the beginning of FY07. Former RMSU staff, Gaunpalika Water Resource Officers, Technical Facilitators and Livelihood Facilitators, worked inside the WASH Unit. The RM WASH Unit is the operational arm of the RM WASH Board. User Committees (UCs) have been and 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 have been based on the priorities as identified in RM Water Use Master Plan (WUMP) for their respective area.

The Project had two cross-cutting objectives. First, the Project operated through the human-rights based approach (HRBA) and considered gender equality and social inclusion (GESI) as a cross-cutting objective. There have been a range of targeted capacity building activities with a focus on HRBA and GESI including, for instance, Menstruation Hygiene Management (MHM), and gender and disability focused budgeting. Second, Climate Change Adaptation and Disaster Risk Management (CCA/DRM) activities included renewable energy, climate resilient infrastructure development and both local and municipal level capacity building.

The next sections consider the Project background and history (**Section 2**); its relevance (**Section 3**); management and coordination arrangements (**Section 4**); resource allocation (**Section 5**); progress and achievements of results (**Section 6**); sustainability (**Section 7**); cross-cutting objectives (**Section 8**); risk and responses (**Section 9**); lessons learnt and recommendations (**Section 10**).

The Project's contribution to the SDGs is summarised in **Annex 1**. The annual and cumulative achievements at the end of the Project targets are presented in **Annex 2** Result Chain Matrix. **Annex 3** presents financial status with regards to Rural Municipality (RM) Water Resources Development Funds (WRDFs). **Annex 4** presents all the schemes implemented through the WRDF. **Annex 5** provides a total overview of the TA Capacity Building activities. **Annex 6** presents the use of human resources. **Annex 7** presents the overall budget versus expenditure. **Annex 8** presents the Hand-Over Certificates; **Annexes 9-21** present the study reports as well as the final report on value chains. **Annex 22** presents the communications and visibility accomplishments as well as blog posts published during the Project's third phase. **Annex 23** presents a report on the DMM Musical Campaign, **Annex 24** provides a summary of risks and mitigation measures, **Annex 25** presents summary from the RM exit workshops, **Annex 26** summarises the regional closure sharing and learning workshop. **Annex 27** presents the summary of the RM Chair lessons learned and recommendation workshop. Finally, **Annex 28** presents a summary of SVB meetings' minutes.

SCHOOL WASH ALITAL RM



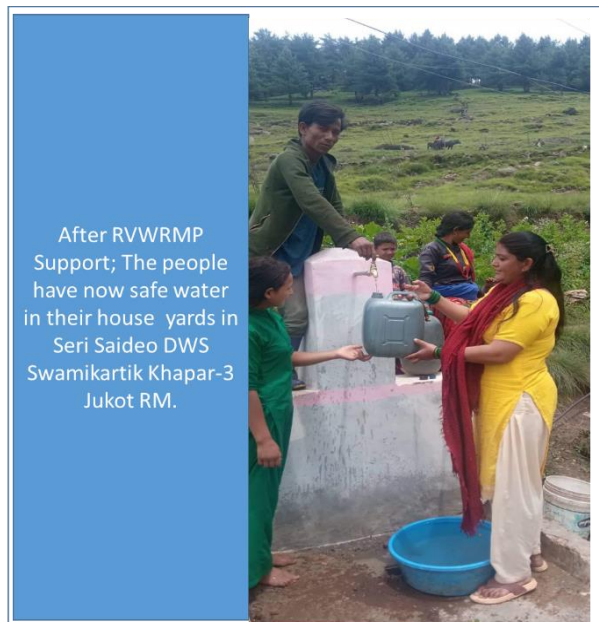
BEFORE PROJECT



AFTER PROJECT



Before RVWRMP Support; Seri Saideo DWS the people used to drink unsafe water from rain water collected in spouts



3-STAR PREPARATION OF KALIKA MA VI, MANGHAR, BHAGWATIMAI RM



BEFORE PROJECT



AFTER PROJECT

2 Project background

2.1 Rationale for the Project Phases I-III

RVWRMP (2006-2022) can be seen as a continuation of the Finnish-funded Lumbini project. From 1990-2005 Finland supported three phases of a Project improving water supply and sanitation in western Nepal (the so-called Lumbini project). This had been extremely successful, improving the access to water and toilets from extremely low levels and developing the concept and procedures to support community-managed supply. Based on this, two further projects were planned to replicate the good results - the Rural Water Supply and Sanitation Project in Western Nepal (RWSSP-WN) and RVWRMP. However, in the interim, in February 2005 the King deposed the government in a coup d'état. This delayed the start of RVWRMP until 2006, when the government was reinstated, and the monarchy was dissolved.

The formal proposal for the intervention came from the Government of Nepal already in 2000-2001, followed by an identification mission in 2001, a Project document preparation mission in 2004, and finally an extra security mission to monitor the situation of the proposed working area (which was under the Maoist insurgency in 2004). The insurgency changed the scenario defined by the Project document and increased costs already before the Project could begin. The Project began alongside the national peace treaty in late 2006, after two years of delay. Many ex-Lumbini project staff joined the new Project, ensuring continuation of the best practices, lessons learnt in the national WASH sector, as well as institutional memory transfer.

The working area for the new Project was selected with a focus on the poorest and remotest areas where the need for improvements was the highest. Far West Nepal was selected due to these features, as well as its pronounced food and water scarcity, low health status and education level, and other features such as high seasonal migration. Women held a low position in the community, with much of the hard work falling to them. Lack of women's education is demonstrated by, for example, the literacy rate of adult women - 27%, and the girls' school attendance rate of 40%. At the time, all nine hilly districts where the Project worked were among the 20 least developed areas of Nepal, four of them being among the five least developed ones. This made the new proposed area extremely difficult to work in.

The management structure in the first phases resembled many elements of the Lumbini project's organisation. However, this time the new Project was to accommodate a broader view of water resources management than the previous Finnish-funded interventions. There was a focus also on basic livelihoods and renewable energy, going beyond the WASH sector alone. RVWRMP developed as a broader rural development Project with a wide range of activities, all in some form linked to water resources management.

This was highly relevant for the location as it was extremely remote with high poverty levels in 2006. The civil war had just ended, and the Government of Nepal was focused on relief, reconstruction and development of infrastructure, and social development. It was anticipated that service delivery would be strengthened, capacities developed and there would be an inclusive development process, involving all disadvantaged groups. It was hoped that in this way the causes of the civil war would be addressed, via inclusive social, economic and political processes.

2.2 RVWRMP Phases I-III in a nutshell

Phase I (2006-2010)

The main goal of RVWRMP has from the start been poverty reduction. The focus of implementation work was put on improving the very low coverage of basic water supply, followed by improving the sanitation status. The main goal of the first phase was to achieve an 85% basic water supply coverage in the selected remote working areas, typically far away from road access and access to basic official, health, or banking services. At the time, toilets were non-existent in the area, so the work started with building simple squat toilets for all families along with behaviour change activities. Home gardens, Improved Cooking Stoves (ICSs),

Improved Water Mills (IWMs), and small renewable energy interventions played a role in the Project's palette as well. In relation to governance, the Project supported the ongoing decentralisation process. However, there was no system of elected local governments - the last having ended during the civil war, and the Project worked mainly with line ministries. The objective was to support proper implementation of the decentralisation by working through independent Projects in Districts and implementing with Village Development Committees (VDC), as well as Users' Committees (UC).

The result areas of Phase I were:

1. Integrated Water Resources Management (IWRM)
2. Improved Institutional Capacity and Coordination
3. Service Improvement: Water Supply
4. Service Improvement: Sanitation
5. Service Improvement: Irrigation
6. Service Improvement: Energy

In the beginning, most of the funds came from the donor side, the Government of Finland paying 83% of the overall budget, whereas the central government funded 7%. District and VDC level contribution were planned to stay at 2% of the budget each, but the districts allocated only 0.1-0.2% of the total funding. VDCs kept the promise of contributing 2%, and the community contributed the rest in labour and cash. The contribution pattern shows a lack of commitment from the district side. Many of them told that "this is not our project", which was largely due to the lack of democratically elected representatives at that level, and the organisational culture where the key government officials were largely deciding on the funds. Despite this, the cooperation functioned well in most cases once the partners came to know each other's ways of working and the districts learnt to respect the Project's values and good quality of work. Building these relationships of trust, and finding the right ways of working, however, required several years.

The Project developed further the Step-by-Step approach, District Profiles, Gender Strategy and other modalities inherited from the Lumbini project. Broader GESI issues and participatory principles were incorporated into the SBS and other modalities from the beginning, social inclusion of disadvantaged groups (castes and ethnicities) receiving more attention. MHM issues and persons with disabilities were not yet brought to the core of development work at the start. The Project conducted a study on *chhaupadi* practices in 2008 and the Project interventions on this topic increased gradually towards the second phase. Following a small pilot at the end of Phase I, home gardens became integrated to Project implementation and the SBS only in the second phase, reflecting the clear priority on water supply coverage in the first years of operation. Post-construction phase was emphasised in the reports and developed further in the SBS. Furthermore, initiatives related to discriminating and inhuman practice, Solid Waste Management Approach, Rainwater Harvesting for productive (non-domestic) uses were started in phase I.

In practice, the first phase was oriented heavily on water supply and sanitation. Basic livelihoods like home gardens, irrigation schemes, and renewable energy solutions were the next priority. School WASH came more systemically to the Project's palette in the second phase only. In the beginning, the Project mostly worked in the hills and mountains, but some schemes were selected in the Terai plains areas in Kailali, where the PSU was located. While the water supply in the hills and mountains is mainly gravity-fed, water supply in the Terai is via wells. Arsenic mitigation became a compulsory part of the work in the Terai as water sources were often contaminated by arsenic, and organised water supply was not possible without providing a solution to the problem. The arsenic problem endures in these areas, which made the utilisation of shallow wells a problematic option. The Project faced difficulties in convincing people to use and maintain arsenic water filters. Despite this, the Project achieved very good results in promotion of ODF in the Terai.

The Project piloted several new interventions that were not tried earlier in Lumbini, including biogas support, solar power in Bicchaya, Bajura; and several micro-hydropower Projects under the Alternative Energy Promotion Centre of GoN, where the role of the Project was to provide a matching fund on behalf of the community. The Project learnt how important it is to carefully assess the financial, social, and technical

feasibility of demanding projects before selecting projects. The Project started micro finance activities through 1680 community savings and credit organisations (COs) and gradually united them into cooperatives in three districts for better rural service provision (four cooperatives were supported in Phase I). The training package developed at the time was the backbone of the cooperative support till the end of the Project. The work could only be piloted and truly started in the second phase with 15 cooperatives, and lots of demand for better saving and credit possibilities remained in the field. The Project encouraged UCs to affiliate with cooperatives to proliferate their capital and receive repair funds in case of emergencies. Rural services were also improved by piloting agro-vet and leader farmer training concepts. IWM and ICS support started for the first time, going beyond the scope of the Lumbini project.

RVWRMP utilised local NGOs in implementation. While the work was mostly successful, the modality soon faced challenges. The support organisations sometimes lacked capacity or were dishonest with their work and staffing, and many of them had to confront external political influences. RVWRMP responded by introducing an alternative model of directly hired support persons where necessary, and by emphasising strong District level management capacity from the Project's side. Managing the pros and cons of the different models for managing the field staff has since then been one of the main management tasks in Project implementation.

The Project faced challenges with building toilets as they were not a priority of the communities at that stage. The Project had to accelerate the process by demanding that sanitation improvements in the form of building toilets become a part of the activity of construction of water supply. At the time, there was no coordination among sector stakeholders, nor a national strategy for improving the sanitation status, but all donors and actors developed their own modalities. As an incentive, the Project started a subsidy model - the Project paid for construction of the toilet to plinth level and the house owner was expected to build the superstructure - however it was still problematic. In 2011, during Phase II, GoN developed the ODF campaign and strategy, which accelerated the progress in the sector.

Phase II (2010-2016)

The second phase (2010-2016) largely continued the work and modalities of the first phase. However, some developments broadened the Project's scope ever more beyond water supply. Sanitation was emphasised and mainstreamed along with national ODF campaigning (under the National Sanitation Campaign), and all water supply implementation started applying the target of 100% toilet coverage and the resulting ODF status. No subsidies were given for toilet construction and a Community-Led Total Sanitation approach was followed, using various behaviour change tools to achieve ODF status and improvements in hygiene. Home gardens were integrated to SBS and mainstreamed in all WASH interventions, as well. ICS and irrigation support was scaled up, and the Project continued funding Micro-hydro Power (MHP) schemes. Other livelihoods activities intensified, compared to the first phase, though there was still a focus on improving food security and nutrition, and less work on value chains (as poor road access still made this problematic). Leader farmers started to scale up home gardens to commercial vegetable production to satisfy the local demands. The working modality developed towards a mixed use of NGOs as support organisations, or directly hired support persons.

The Project's scope was divided to Result Areas for the first time. The first result area considered community capacity in WASH, the second area considered livelihoods, and the third one considered Districts' capacity to manage WASH.

The result areas of Phase II were:

1. Community level capacity and access to services: institutionalised community capacity to construct and maintain community managed water supply and adopt appropriate technologies and behaviour related to sanitation infrastructure.
2. Improved and sustainable livelihoods: improved and sustainable nutrition, food security and sustainable income at community level through natural resources-based livelihoods development; and

3. District level capacity: institutionalised capacity at district level to continue integrated water resources planning and to support communities in implementing and maintaining Water Supply, Sanitation and Hygiene (WASH) and livelihood activities.

This brought the focus more on governance and institutional capacity building.

The WASH sector stayed as the main area of work. Targets for coverage were set higher than before, to 90% of the population with access to improved water supply. School WASH was incorporated more systemically to the implementation works but the concept remained rather simple, providing simple separate facilities for male and female users, equipped with access to water.

The second phase responded to the needs and suggestions raised in the first phase. For instance, work with micro-finance was continued by providing capacity building support to community organisations and cooperatives. The cooperative support showed promising results towards the end of the phase as the number of members and activities grew annually. By the end of Phase II, the Project was supporting 15 cooperatives (four continuing from Phase I and 11 new).

*RVWRMP cooperated with the project **Promoting Renewable Energy Technologies for Enhanced Rural Livelihoods** (REFEL - with funding by the Nordic Climate Fund and implementation also by FCG) from 2011-2014. REFEL operated in RVWRMP VDCs and focused on development of improved water mills (IWM) for grain grinding, husking, oil extraction and electricity production (149 IWMs were installed - 130 short shaft and 19 long shaft), as well as training and support for the promotion, testing and expanded use of variety of improved cooking stoves (6073 ICS installed). REFEL also supported the piloting of hydraulic ram pumps (Hydrant) for small-scale irrigation in upland areas (six Hydrants). These benefitted the RVWRMP communities, and the Project staff were able to learn from the experience.*

Cooperation with Districts and VDCs continued much like before. The targeted combined contribution of the local levels of government was set to 7% but the district level contribution pattern remained at around 1% throughout the phase, while VDC contributions increased so that in the last year the combined contribution target was met. Given that the Terai project activities were so different to those of the hills,

it was decided to phase out of Terai VDCs altogether, moving into two new hill VDCs in Kailali. In addition, by the end of the phase, the Project phased out support to well performing VDCs from Phase I and II, to pick up new VDCs in Phase III. By the end of Phase II, a total of 113 VDCs were covered in the ten districts, of which investments were fully completed in 53 VDCs (including six Kailali Terai area VDCs, where a WUMP was not prepared). Water Use Master Plans (WUMP) were prepared in 62 hilly VDCs in Phase II but Kuntibandali VDC of Achham merged to a municipality, leaving 61 WUMPs for implementation in RVWRMP III.

Constitutional debates led to political unrest and many bandhas disturbed the Project work - one lasting for 35 days. Nepal also suffered from two severe earthquakes in mid-2015, though the damage in the Project area was limited. It did, however, result in delays to the planned EU funding, which was diverted to earthquake relief. This was followed by a period of political tension with India, and a blockade of the borders. This made procurement of construction materials and fuel for travel problematic and slowed the work.

Despite the challenges, the Project could meet all its main targets and develop the modalities while ensuring good quality results. For this reason, the second phase of RVWRMP was awarded the 'Project of the Year' award by the Finnish Project Association in 2016, as well as receiving a bronze medal in the respective international project awards (the International Project Management Association) in 2017.

Phase III

At the start of Phase III, the result areas were:

1. Institutionalised community capacity to construct and maintain community managed water supply and adopt appropriate technologies and sanitation and hygiene behaviour
2. Improved and sustainable nutrition, food security and sustainable income at community level through water resources-based livelihoods development
3. GoN institutional capacity to continue integrated water resources planning and support communities

in implementing and maintaining WASH and livelihood activities

If changes in the organisation or working environment remained relatively minor during the first and second phase (until 2015), the third phase immediately faced many changes that had significant impacts on the Project structure. Many of the changes were externally induced, including the new Constitution (2015) that drove structural government reform in Nepal and elections in 2017. The districts were given a much smaller role, and VDCs were dissolved and replaced by Municipalities.

RVWRMP established support units under each of the 27 newly selected core Municipalities that were supervised by District-level Technical Support Units. The structural reorganisation meant hiring around a hundred new staff and a new selection by RMs of NGOs as support organisations. Second, the PSU was moved from Dhangadhi to Dadeldhura in the first year of phase III, affecting recruitments and staffing (not all were prepared to move). Some of the previously phased out VDCs came back into the Project, as they became wards within Project municipalities. The WUMPs, previously prepared on a VDC basis, needed supplementary work to fill the gaps in core RMs.

The EU prepared a separate project document (for procedural reasons) and this was approved in late 2016 as the 'Water and Agriculture based Village Enhancement (WAVE) in the Mid-Far West'.

WAVE result areas were:

1. Improved livelihoods and incomes through enhanced access to energy, irrigation and markets, and WASH services
2. Increased resilience to disasters and climate change and promotion of climate change mitigation
3. Enhanced administrative capacity at sub-national level to maintain and increase rural infrastructure conducive for improved livelihoods
4. Roadmap for a regional cohesion policy to address disadvantages of remote areas

During 2017 a new merged RVWRMP Project document was developed, following discussions between the EU, the Embassy of Finland and the Project staff. The results framework changed from three result areas to four for the remaining period of Phase III.

RVWRMP III final result areas were:

1. Institutionalised community capacity to construct and maintain community managed water supply and adopt appropriate technologies and sanitation and hygiene behaviour
2. Improved and sustainable nutrition, food security and sustainable income at community level through water resources-based livelihoods development
3. Increased resilience to disasters and climate change as well as promotion of climate change mitigation and adaptation
4. GoN institutional capacity to continue integrated water resources planning and support communities in implementing and maintaining WASH and livelihood activities

In line with the result areas, the target indicators for each level were revised to match and reflect achievements corresponding to the objectives. The Project Document targets for water supply coverage were replaced by beneficiaries in the third phase. The national Total Sanitation movement set new standards for sanitation and hygiene after the Project had accomplished ODF declarations in all working areas.

The EU provided additional delegated funding of 20 million EUR. This added around one third to the Project's budget, along with instructions to extend livelihoods support and continue implementing MHP. Targets for all other indicators also increased remarkably - for instance, water supply beneficiaries increased to 351,000 from 246,000. This had an impact on the Project staffing and extended the scope toward more advanced livelihoods support modalities.

Unfortunately, after a long preparation process, MHP plans were later cancelled due to difficulties to locate potential sites and thereafter implement challenging schemes, the rapidly extending national power grid,

general difficulty to find suitable contractors, and finally the global pandemic in early 2020 (see the discussion in Chapter 6, Result Area 3). The funds were re-channelled to advanced livelihood value chain development, irrigation, water supply, ICS/IWM and two solar mini-grid schemes in Humla. When joining the Project, the EU also brought up the aspect of visibility more strongly than before. Special attention has been paid to visibility in the third phase.

The third phase scaled up all implementation sectors as the budget suddenly was around three times as big as in the previous phases. In the peak years of 2019-2021 the Project hired directly and indirectly around 500 staff, mostly located at municipal or community levels. In the peak years, the Project had to find more beneficiaries outside the core working municipalities to be able to meet the high implementation targets. A concept of proposal-based schemes outside the core municipalities was introduced to overcome the problem. Several thousands of beneficiaries got water supply outside the core areas, but mobilisation of technical support proved difficult in those areas that did not have a field team constantly present.

In September 2017, the new Government introduced a Labour Act, which gave significant extra benefits to Project staff (though not to Government staff), leading to an increase in the staffing costs.

More developed menstrual hygiene and disabled friendly institutional toilets were developed in this phase. Similarly menstrual hygiene management, menstrual pad-making and vending machine support, and many other women-targeted activities were started in the end of the second phase or during the third phase, highlighting the importance of gender issues in project implementation.

Cooperation with the newly established Rural Municipalities, and their elected representatives, started creating results. The observed lack of ownership in Districts and VDCs was replaced by willingness to cooperate and contribute by the elected politicians, which resulted in a rapid increase in local level contributions to fund schemes in the field. This voluntary extra funding increased the whole Project budget by more than ten percent, allowing it to exceed the set targets. The RM cooperation emphasised the role of capacity building, water governance and policy development at RM level. Soon multiple new types of GESI trainings and activities were conducted in the municipalities and integrated into municipal budgets. Towards the end, the Project developed the RM WASH Board and Unit concepts with the municipalities to institutionalise WASH governance, planning and information management, as well as to ensure sustainable management of the sector beyond the Project working period. The municipalities ended up adopting several Project modalities and applying them in other sectors as well. Increased RM cooperation and responsibility for project activities reduced the need to work directly with national level agencies (for instance, agricultural and other agencies of GoN), many of which were anyhow dissolved in the structural reform.

A rush by the RMs to construct new roads damaged some schemes, however it also opened the access, enabling a stronger focus on value chains. Staff at PSU and TSUs worked with RMs, cooperatives and the private sector to develop the main value chains of vegetables, large cardamum, ginger, citrus and chiuri. In addition, smaller pocket support was given to production, processing and marketing of sea buckthorn, beans, apples, walnuts, non-timber forest products and milk. The Project continued training local community members, such as Agrovets, leader farmers and local resource persons to support livelihoods.

RVWRMP continued to develop its modalities in the third phase. For instance, the SBS modality was updated and simplified, and a procurement guideline and training were developed for the UCs who procure the materials for their water schemes. A Livelihood Procurement Manual¹ was introduced. 47 new cooperatives were supported in Phase III - in total RVWRMP has supported 62 cooperatives (including seven women's cooperatives) - 34 Agriculture/Small Farmer Agriculture Cooperatives, 11 Multipurpose Cooperatives, 14 saving and credit cooperatives, one Consumer Cooperative and two Solar Mini Grid Cooperatives (Yari and Hilsa) in Namkha RM, Humla. Cooperatives received different business and account software trainings conducted to 60 growing cooperatives in Phase III. Cooperatives became one of the three main institutions that ensure resilience of communities and sustainability of WASH, along with the UCs and Municipalities. CCA

¹ Livelihood Procurement Manual, RVWRMP III, PMT approved Dec 2019

/ DRM thinking was developed over the phase by integrating it to all result areas and by adding structures such as recharge ponds and plantations, as well as by extending MUS thinking to all schemes. RVWRMP worked with the N-WASH MIS survey in the core RMs, to gain an updated understanding of the water and sanitation infrastructure in the RMs, and its functionality.

The final years of the Project were characterised by the global COVID-19 pandemic that caused frequent lockdowns from early 2020 to early 2022. The pandemic occurred during the peak implementation years and had initially a striking impact on Project implementation and motivation of the staff to stay in working stations and continue implementation. Gradually the Project learnt to cope with the pandemic and the work continued almost normally during the lockdowns in the field. Travel was kept at a minimum, all possible precautions were followed, and large gatherings were forbidden, but implementation and construction work continued. The Project teams benefitted from the rise of tools for online meetings (such as Zoom and Teams). These also allowed Project staff to participate more easily in national level meetings, without long travel.

Sustainability and transfer of capacities in Project exit was ensured through institutional development in RMs, especially through the WASH Board and Unit concepts, capacity building of the UCs and municipal staff, and the dozens of thousands of trained residents whose capabilities stay in the area. Most of RV key staffers continue their careers in other development projects in ever more demanding tasks, where their skills have been greatly appreciated. Many of the Project guidelines have been adopted by the RMs for their own use, as well as being used by several other donor-funded projects in Nepal (for instance, SUSWA). The PSU was shifted to Kathmandu for the final months to complete reporting and financial clearances.

3 Relevance

In short, the RVWRMP has been highly relevant to fulfil the policies and plans of the GoF, EU and the GoN. The following sections will describe this in more detail.

3.1 SDGs

Building on the experience of the Millennium Development Goals (2000-2015), Sustainable Development Goals (SDG) were formulated in 2015 to express a universal call to action to end poverty and hunger, protect the planet and ensure that all people enjoy peace and prosperity. Nepal as a member state of the UN is a part of this global initiative.

RVWRMP III was formulated to assist Nepal in achieving the following SDGs (though in practice it contributed to many more of the SDGs, see **Annex 1**):

Goal no 1: Zero poverty

Goal no 2: Zero hunger

Goal no 5: Gender equality

Goal no 6: Clean water and sanitation

Goal no 7: Affordable and clean energy

In terms of the main targets, the RVWRMP (all Phases) has supported Government's SDG target of open defecation free status. By 2018 the Project working districts were declared ODF. 635 222 (Phase III: 398,283) people have been provided with basic water supply services with improved system. 122 831 (Phase III: 97,931) people have benefitted from irrigation systems and 28 635 people have been connected to household electricity from sustainable sources (Phase I and II). 236 423 (Phase III: 169 727) people have benefitted from changing their cooking stoves to an improved smokeless and energy saving model. 497 312 (Phase III: 326,887) people have benefitted from home gardens, hence providing their families with better nutrition. Some 108,706 (Phase III) people have participated in trainings on income generation, improving their opportunities in commercial agriculture, agribusiness and small business ventures.

3.2 Alignment with Finnish, EU and GoN Development Cooperation Policies

Overall, the three phases of RVWRMP have been focused on poverty eradication and sustainable development. Phase I of RVWRMP was guided by the Development Policy Government Resolution of 2004, whose main principles included commitment to the United Nations Millennium Declaration (the MDGs), principles of sustainable development, partnerships for development, promotion of the rights of women and girls, and of gender and social equality, promotion of the rights of vulnerable groups, environmental protection, and transparency.

During the project design of Phase II, the Finnish Development Policy Programme 2007 emphasised eradication of poverty and promotion of ecologically, economically and socially sustainable development in accordance the MDGs, placing particular emphasis on climate and environment (RVWRMP II contributed directly or indirectly to the achievement of all eight MDGs). The 2007 Policy included the following cross-cutting themes: Gender and social equality, human rights and equal participation opportunities of easily marginalised groups (including children, people with disabilities, indigenous people and ethnic minorities), the fight against HIV/AIDS as a development challenge, as well as environment, climate and disaster risks. In the course of Phase II implementation, the MFA published the Finnish Development Policy (2012) emphasising three cross-cutting objectives: gender equality, reduction of inequality and climate sustainability, within an umbrella of a Human Rights Based Approach. This 2012 policy, as well as the subsequent 2016 Development Policy, and the Sustainable Development Goals (SDGs) governed the focus of Phase III.

Finland's Development Policy 2016. The Project objectives were highly compatible with many of the goals stated in the Development Policy. The Policy is divided into four priority areas:

1. The rights and status of women and girls
2. The growth of developing countries' economies to generate more jobs, livelihoods and well-being
3. Democratic and better-functioning societies
4. Food security, access to water and energy, and sustainable use of natural resources

The Project was in line with all four priority areas. The fourth priority area focuses on food security and access to water and energy, and the sustainable use of natural resources. The sub goal for this priority area was to increase the number of people with access to high-quality water supply and increase the access to and use of decent toilets, which was the objective of the Project as well.

The Project was also in line with the policy's aim to improve people's possibilities to produce or buy food. The construction of micro hydro, water mills and improved cooking stoves supports the policy's goal on increasing developing countries' investments to sustainable energy solutions.

Another priority area focuses on enhancing the rights and status of women and girls. The Project ensured that GESI aspects were considered and monitored in all Project activities. Promoting female inclusion also supports the goal of more women and girls enjoying the right to make decisions which affects their lives. By encouraging women to participate in the cooperatives, the goal of women being more active in decision making and economic activities was supported.

The Project's livelihoods and cooperative activities supported the priority area that focuses on the developing countries' own economies to generate more jobs, livelihood opportunities and well-being. The goal aims at women, young people and the poorest having better access to decent work, livelihoods and income.

Finnish Policy and Strategy Framework

- *Finland's Development Policy 2004, 2007, 2012, 2016*
- *Report on Development Policy Across Parliamentary Terms, 2021*
- *Country Strategy for Finnish Development Cooperation with Nepal (2013-2016, 2016-2019, 2021-2024).*
- *International strategy for Finland's water sector (2009)*
- *Finnish Water Way - International Water Strategy, Finland (2018)*
- *Manual for Bilateral Programmes, MFA, 2018*
- *Human Rights Based Approach in Finland's Development Cooperation - Guidance Note, 2015*

Finally, the Project supported a democratic and better functioning society by being fully embedded in the new federal structures and modalities of work.

While there was not a new Finnish Development Policy after 2016, there was a **Report on Development Policy across Parliamentary Terms**, in 2021. It reiterated the over-arching goals of promotion of poverty reduction and the realisation of fundamental rights, the rules-based multilateral system and the SDGs. It also stated the main goals of Finnish Development Cooperation as being:

- promoting the rights of women and girls
- education and training
- sustainable economy and decent work
- peaceful, democratic societies
- climate change, biodiversity and sustainable management and use of natural resources.

The crosscutting objectives remained similar: gender equality and non-discrimination, climate-resilient and low-emission development as well as environmental protection, with an emphasis on safeguarding biodiversity.

RVWRMP Phase III continues to respond to all of these objectives, and the SDGs (see Annex 1).

Country Strategy for Finnish Development Cooperation with Nepal (2013-2016, 2016-2019, 2021-2024).

During RVWRMP Phase III, there have been three Finnish country strategies for cooperation with Nepal. Finland remains committed to supporting the development of Nepal, which is classified as a high-warning state² and grouped among the least developing countries (LDCs). Nepal has made significant progress in poverty reduction in recent years, and it took a great step forward in its democratic transition by promulgating a new and progressive Constitution in 2015. In November 2021 the UN General Assembly approved to upgrade Nepal from LDC to middle-income developing country by 2026.

However, Nepal's democratic and economic development remains undermined by unequal access to decision making, basic services and economic opportunities. Finland supports Nepal in this critical stage of transition into a stable, equitable and economically viable democracy.

Finland's Country Strategy 2016–2019 contributed to this goal by promoting the most marginalised groups' rights to education, water and sanitation, and access to decision-making and service delivery. The Country Strategy built on previously achieved results, focusing on sectors in which Nepal has strong ownership and where Finland has experience, expertise and value to add.

IMPACT 1 Finland continues to support improved water supply and sanitation.

IMPACT 2 Providing high-quality education for all students is crucial for the social and economic development of Nepal

IMPACT 3 Nepal has in recent years made strides to improve the rights and status of women and vulnerable groups. Finland has supported these advancements through targeted interventions and policy dialogue. Enhancing the rights of women and marginalised groups contributes to economic development and reduces the risk of conflict. All Finnish activities in Nepal therefore seek to address women's and vulnerable groups' rights, livelihoods and access to basic services and decision-making.

HRBA is at the root of all of Finland's interventions in Nepal. Disaster risk reduction (DRR) will be mainstreamed to all programmes to improve resilience. Throughout the strategy period, Finland will engage in active policy dialogue with the Government of Nepal. Questions with relevance to Finland's support – education, water and sanitation, human rights and gender equality – has been regularly raised with the Government of Nepal.

In addition, Finland will actively promote synergies between development cooperation and commercial

² Fragile State Index 2022 by Fund for Peace and the magazine Foreign Policy.

relations to support economic growth and development in Nepal.

The new Country Strategy for the period 2021-2024 includes focus on the following strategic goals:

1. To reduce inequalities by addressing the connections between gender, disability and discrimination and other forms of exclusion and marginalisation.
2. To support sustainable development and climate and disaster resilience in the areas of education, water, sanitation and hygiene (WASH), livelihood development and gender equality.
3. To diversify and further enhance political and economic cooperation between Nepal and Finland to prepare for Nepal's future transition to a middle-income country.

The Country Programme for development cooperation (2021-2024) specify three impact areas:

1. Communities' improved climate resilience and health through sustainable water supply, sanitation and hygiene and livelihood development
2. An inclusive Education system that provides students with the necessary skills contributing to Nepal's economic and democratic development
3. Equality and prosperity of ALL women and girls including those with disability and those in vulnerable positions is enhanced

The RVWRMP III has fully supported the IMPACT areas 1 and 3 of Finland's Country Strategy for Development Cooperation Nepal 2016–2019. Furthermore, the Project has contributed greatly to the implementation of the new strategy and programme (2021-2024) with its activities directed towards the strategic goals.

The Finnish Water Way - International Water Strategy, Finland, 2018 gave guidance on an integrated approach for the implementation of SDG6. It includes three pillars of Water for Sustainable Development, Water for People and Water for Peace. The cross-cutting objectives are: Promoting water as a human right; Good governance; Equitable and sustainable water use; Climate change mitigation and adaptation; Gender equality; Policy coherence; Responsible and rights-based use of water resources; Enhancing international collaboration and business opportunities in the water sector; Water, energy and food security nexus.

While the strategy came after the design of RVWRMP Phase III, the project provided useful inputs to the preparation of the Strategy and is clearly following this integrated - nexus - approach, as well as applying a HRBA.

Furthermore, the Project was in line with the following policies, strategies, manuals and guidelines:

- International strategy for Finland's water sector, 2009
- Government Report on Finnish Foreign and Security Policy, 2020
- Manual for Bilateral Programmes, MFA, 2018
- Human Rights Based Approach in Finland's Development Cooperation - Guidance Note, 2015

EU Development Cooperation

The Project formulation was based on the EU Multiannual Indicative Program (MIP) 2014-2020 Nepal, European Commission (2014) which put forward three sectors for EU support until 2020. These sectors were:

1. Sustainable Rural Development
2. Education
3. Strengthening Democracy and Decentralisation

The current Multi-Annual Indicative Programme (MIP) 2021-2027 the EU is aiming to reinforce its strategic focus in the coming years. To tackle the development challenges and the SDGs, the EU will engage in three systematically inter-linked priority areas with five indicative sectors under the MIP, following an integrated territorial approach. Civil Society will be engaged at programme level in each priority area, participating in local and sectoral decision-making and monitoring to promote a rights-based approach, inclusivity, gender

equality, meaningful representation and the accountability of local public authorities. Inclusive and accountable local service delivery is identified as an essential mitigation factor in the conflict sensitivity analysis conducted by the EU Delegation to Nepal. Therefore, the EU will closely engage with local authorities in the public service delivery on national strategies and develop country-based systems that will allow sustainable local financing. Where relevant, programmes build on the ongoing engagement of the EU and its Member States and offer opportunities for strengthening and using country systems.

The MIP 2021-2027 includes 3 Priority Areas:

1. **Inclusive Green Growth.** Programmes under this priority area will support the efforts at local level to achieve a green economy, green jobs and sustainable growth in Nepal's natural resource-based sectors, with a strong focus on the 2019 Climate Change Policy, notably the NDCs and carbon finance. This priority area is strongly inter-linked with the second priority area (Human Capital Development) and is the backbone of the Team Europe Initiative on Green Recovery.
2. **Human Capital Development.** Programmes under this priority area will enhance the resilience of Nepal's society and economy by increasing the employability of youth, inclusion of marginalised groups and bridging the gap between education and training, service delivery and market potentials for green and inclusive jobs, contributing to the sustainability of Green Recovery, including the Team Europe Initiative.
3. **Good Governance.** The EU's and its Member States have been long-term supporters of Good Governance, the democratic transition from conflict to peace, institutions and civil society in Nepal. This priority area will consolidate peace by promoting equity and by supporting federal, provincial and local level governance in all priority areas. The approach will strengthen state institutions, including the oversight mechanisms to ensure inclusive, transparent and accountable government(s), combined with support to civil society to ensure inclusivity and citizens' oversight.

The result areas of RVWRMP III were aligned with the EU support in the Sustainable Rural Development sector 1 of the MIP 2014-2020, which includes the objectives of profitable agricultural commercialisation with improved connectivity and market infrastructure, efficient and sustainable agriculture sector guaranteeing food security in rural areas, improve maternal, infant and child nutrition in rural areas, strengthen response, preparedness and recovery capacities of communities exposed and vulnerable to recurrent and predictable disasters and maximise the development impact of migration and to minimise its negative consequences in rural areas.

The expected results under these objectives were defined in the Agriculture Development Strategy (ADS) and Multi-Sector Nutrition Plan (MSNP) and the EU support for this sector was MEUR 146 until 2020.

RVWRMP has successfully supported these sectoral goals. Furthermore, the activities of RVWRMP III have supported the EU's Strengthening Democracy and Decentralisation sector, reflected also in the MIP 2021-2027, specifically the support to ensure quality service delivery to all citizens at the local level by capacity development and working closely with and through the local level structures.

RVWRMP support from the EU was the first experience of delegated funding via Finland. This successful experience has now been replicated in other projects in Nepal, and in other countries (such as Ukraine).

3.3 Alignment with GoN Policies

Aligning to the federal structure

At the time, when RVWRMP started third phase, Government of Nepal (GON)'s administrative structure was Ministry – Region – District Development Committee (DDC) – Village Development Committee (VDC). The Project document was also written based on the existing administrative structure. The Constitution of Nepal (20 Sept 2015) has the provision of the local government, but the restructuring was decided only on March 2017 by declaring 753 local levels. The Project was in its second year of Phase III implementation at that time.

Following the Government's restructuring decision and establishment of the local levels under the federalisation process, RVWRMP's Supervisory Board decided on 16th June 2017 to implement the Project under local government before the local elections. The RVWRMP investment budget for FY03 was entered and approved to the local level's red book. As noted earlier, the Project document and guidelines were updated. RVWRMP (together with RWSSP-WN II) were the first projects that adapted to the federal structure and aligned the Projects accordingly. The Finnish water projects again got the opportunity to work with elected local government after 20 years (there was elected local government between 1996 to 2002 in Lumbini project second and third phase). RVWRMP recalled the experience of Lumbini project and experienced that all the RMs effectively owned the Project. This was evident from the higher RM and community contribution than the anticipated in the Project document. Respecting the local government's planning system as outlined in Local Government Operation Act, 2974, the Project has been aligned fully with the GoN's planning process.

WASH intervention aligned to the WASH Sector Development Plan

The Project document visualised the provision of basic water supply facilities. The RMs and Project team realised that the GoN has been giving emphasis to improved services, rather than only basic services, as per the SDG targets. Consequently, as demanded by the community and the RMs, the Project decided to move towards a private tap connection system. Although, there was a variation on the cost, it was important step to align the Project with the GoN's policy and SDG target. This movement from basic services to private tap connections not only contributed to the GoN's policy, but also made a remarkable contribution to minimise MHM-based discrimination. The personal hygiene of women and girls has been improved as taboos regarding touching water taps and using toilets seem to have significantly decreased once adequate water is available at the house. Run-off water from the tap can be easily utilised in the home garden, leading to significant improvements in nutrition as well as income generation of the households. Please refer to the research reports of the Project found in **Annex 9-15**.

RVWRMP's contribution to the NWASH system

The Ministry of Water Supply and its Department of Water Supply and Sewerage Management (DWSSM) have been promoting the National Management Information System (MIS) of WASH sector. To support national sectoral thematic of WASH, a memorandum of understanding (MoU) between the Department of Local Infrastructure (DoLI), the implementing agency of RVWRMP, and the Department of Water Supply and Sewerage Management (DWSSM), the WASH sector lead agency, was made for effective harmonisation among the activities. The Project committed to survey most of the core RMs (25 out of 27 core RMs). Two RMs were not taken into the survey of RVWRMP because they were already supported by UNICEF. After the signing of the MoU, the Project completed NWASH surveys using NWASH tools providing the data to central level while at the same time supported to incorporate and establish N-WASH MIS at RM level to enhance WASH governance at RM level.

Nepali Policy and Strategy Framework

- *Water Resources Act 2049 (1992)*
- *Nepal Water Resources Strategy (2002)*
- *Water Resources Strategy (2002) and the National Water Plan (2005)*
- *Rural Water Supply and Sanitation National Policy, Strategy and Strategic Action Plan (2004)*
- *Tenth Five Year Development Plan 3.2002 - 8.2007*
- *Three Years' Interim Plan of the Government of Nepal 7.2007 – 6.2010*
- *National Sanitation and Hygiene Master Plan of Nepal (2011).*
- *Local Self-Governance Act 1999 provided the legal basis for the devolution of responsibilities for water and sanitation systems to local government and users groups, represented by WUSCs and Institutional Management Committees at the individual scheme level.*
- *Local Government Operation Act 2074*
- *National WUMP Guidelines (draft)*
- *Sector Development Plan (WASH) (draft)*
- *Nepal MDGs Acceleration Framework: Improving Access to Sanitation (2012).*
- *Climate Change Policy (2011)*
- *Agriculture Development Strategy (ADS), Ministry of Agricultural Development (MOAD) (2014)*
- *Multi-Sector Nutrition Plan (MSNP) for accelerating the reduction of maternal and child under-nutrition in Nepal, National Planning Commission (2012)*

Contribution to school WASH and Total Sanitation

Initially, the Project's document included limited indicators on school WASH and total sanitation. Later, after Mid-term Evaluation, the team also realised to follow Government of Nepal's guideline on school WASH and total sanitation (including the 3-Star system), rather than developing a project-focused guideline and manual. The Project enhanced the capacity of local level to execute school WASH guidelines promulgated by the Department of Education and the Total Sanitation Manual promulgated by DWSSM.

Policy advocacy

The Constitution of Nepal B.S. 2072 (2015 A.D) has provided powers to different levels of the governments. The list of powers mentioned in schedule 5 to 9: Schedule – 5 (List of Federal Power), Schedule – 6 (List of State Power), Schedule – 7 (List of Concurrent Powers of Federation and State), Schedule – 8 (List of Local Level Power), Schedule – 9 (List of Concurrent Powers of Federation, State and Local Level), and Local Government Operation Act B.S. 2074 (2017 A.D). The Federalism Implementation and Administration Restructuring Coordination Committee further unbundled or detailed out of the List of Exclusive and Concurrent Powers of the Federation, the State (Province) and the Local Level Provisioned in the Constitution of Nepal. Government of Nepal has also promulgated Local Government Operation Act, 2074 that gives details of RMs' execution including legislative and administrative activities. The National Planning Commission has published "Criteria for classification and distribution of development programs and projects that falls under the responsibility of the federal, province and local levels, 2076".

In this context, RVWRMP also provided evidence to explore the areas for policy development at the RM level.

- RM level policy and legislation: Based on the experiences of RVWRMP, the Project advocated for local levels to develop the RMs' policies, acts and directives. RVWRMP supported RMs technically in an advisory role while they were developing policies, acts and directives. RMs developed many legal documents. Among the RVWRMP working RMs these included: "WASH Management Directive", "Dignified Menstruation Management Directive", "RM Level Water Supply and Sanitation Scheme Repair Fund Operation Procedure", "Water Resources Act", "Water Resources Regulation", "Total Sanitation Promotion Procedure", "Agricultural Enterprises Promotion Act", "Cooperative Regulation", etc. Find the full list in *Table 24*.
- RM level WASH Management Board: RVWRMP observed that water supply schemes had been constructed by two types of agencies: long-term and short-term. Long-term agencies are public sector, such as the Water Supply Divisional Office or DDC or VDCs, whereas short-term agencies are mostly I/NGOs and other projects. It was realised that short term projects have provided services to the community but are either not recorded in the line agencies' database, or the line agencies do not take any accountability for further monitoring and post project support. This creates gaps regarding accountability among duty bearers, in claim versus redress mechanisms, and in sustainability, and in UCs' capacity and technology (e.g. with lack of experience, communities' demands for service level improvement, service area expansion, etc. at not met). Hence, RVWRMP started discussing the scope and role of the WASH Management Board with RMs. RMs paid attention and developed this further: for instance, making an inventory of all WASH schemes and their status, centralising the data and managing it at the RM level, organising UCs in a network and supporting them to participate in the RM level decision making platform, monitoring and supervision of schemes, and providing regular support, etc. Finally, all 27 core RMs established a WASH Management Board at the decision-making level of the RM and a WASH Unit for execution of the Board's decisions.
- National WASH Policy: The Ministry of Water Supply has recently developed a WASH Policy. It is in the draft form. There was a sharing workshop at the central level. RVWRMP participated and contributed to the WASH Policy development process from the Project's experiences.
- RVWRMP staff participated in the preparation of many other guidelines at national level - for instance the National WUMP Guidelines (draft), the draft Dignified Menstruation Management Policy, etc.

Open Defecation Free Campaign

The GoN has focused on improving water supply and sanitation coverage throughout the Project phases. A joint sector review in 2011³ (also with contribution by the Project) led to the formulation of the National Sanitation and Hygiene Master Plan (2011). This Plan drove the Open Defecation Free (ODF) campaign nationally. RVWRMP changed its modality of support to sanitation during Phase II. Initially the Project carried out awareness-raising via Village WASH Coordinating Committees (V-WASH-CCs) and supported construction of household toilets to plinth level, while the household provided the superstructure. Following the start of the ODF campaign, in Phase II, the Project ended subsidising of construction and moved to the community-led total sanitation approach, using 'triggering' to encourage households, VDCs and eventually districts to declare themselves ODF. By the end of Phase II, five districts were declared ODF, and the remaining districts declared ODF by 2018.

This was an extremely successful campaign, and in 2019 Nepal declared itself ODF - although it is recognised that this is not totally true, given that in the Project area, menstruating women were still often not permitted to use the toilet. Work on this has continued in the Total Sanitation campaigning of Phase III.

3.4 Changes in Project and working environment Phase I-III

Political and organisational changes

As noted above, there have been significant political and organisational changes during the three phases of the Project.

Constitutional debates continued for some years in Nepal after the peace agreement in late 2006 and the Project was started. The New Constitution was finally approved in 2015 and elections were held in 2017 (first at local government level, then provincial and national level - with an extended period of uncertainty). Nepal went through a historical process of state restructuring in which central power was transferred to newly established governmental units. By January 2018, Nepal was divided into seven provinces and six Metro, 11 Sub-Metro, 276 Municipalities and 460 Rural Municipalities.

Restructuring of governance required restructuring of the Project. RVWRMP continued to work in the same ten districts. Instead of working with DDCs and VDCs, the Project moved to work directly with RMs as well as continuing to work with User Committees. The RM executive bodies and councils became the key implementors of the Project.

Memoranda of Understanding (MoUs) were signed between the Project and all core RMs and DoLIDAR. The formal relationships were at central and local level - there was no formal role for the provincial governments, although the Project carried out workshops and liaison with Provincial ministries.

The change of implementors also meant a change in the financing modality. In the earlier phases and the start of Phase III, GoN and Finnish funds were deposited in joint bank accounts managed by the DDC and the Project - the District Resources Management Fund. Line ministry staff in the district, the Local Development Officer and the RVWRMP Water Resources Advisor discussed local problems, progress and prepared and monitored the plans - with both the LDO and WRA having joint control of the budget. After the restructuring funds were deposited in the RM accounts. The Project now assumed a role in planning of activities, providing capacity development, facilitating and monitoring, rather than keeping direct control.

During the final year of implementation of Phase II, representatives of the EU became interested to work with RVWRMP. Following a positive field visit in April 2015, it was considered that the EU would be likely to join as a financier of Phase III. However, the earthquakes in April and May 2015 delayed this, as funding was diverted to earthquake relief. Hence, Phase III of RVWRMP began with the bilateral funding from Finland and Nepal, and they were joined by the EU in the end of 2017 (contract signing).

³ The Project contributed financially for field trips and technically through inputs to different thematic areas.

Human Resources changes

In line with above changes also the technical assistance had to be restructured. The district teams from the early phases of the Project became Technical Support Units (TSUs) overseeing and guiding the work of a Rural Municipality Support Unit (RMSUs) in every core RM. The RMSUs were Project staff based in the RM. In addition, Gaunpalika Water Resources Officers (GWROs) were recruited by RMs with funding from WRDF. Support organisations (SOs usually local NGOs) moved to be recruited directly by the RMs with funding from WRDF.

Water User Master Plans

From the beginning of the Project (Phase I) Water User Master Plans (WUMPs) were developed for a whole district. However, it was recognised that this was too complex and less useful. The Project moved to prepare VDC level WUMPs in Phase II (ref page 8). When the federalisation process occurred, several VDCs (3-8) were merged to form each rural municipality as wards. In this restructuring, some new areas were added where RVWRMP had not worked earlier, and supplementary work was undertaken to finalise RM-wide WUMPs in all core RMs. In Phase III the WUMPs were supplemented by Livelihood Implementation Plans (LIPs) as they related to the schemes.

4 Management and coordination arrangement

4.1 Coordination with GoN and other development cooperation projects

RVWRMP is closely aligned with GoN structures, the local governments being the main partners of the project. Cooperation with GoN in WASH and governance was daily. RVWRMPs main coordination mechanism was at RM level where RMSUs together with Rural Municipality Project Management Committees (RMPMCs) assured that duplication did not take place or were coordinated to ensure synergies (co-funding, mutual training participation, joint monitoring etc.). The Project has conducted meetings with all of the major GON and donor projects that were active in the Project area and shared information on Project activities and Project target RMs. RVWRMP participated from 2009 in the Joint Sector Reviews (JSR) and Sector Stakeholder Meetings, and hosted JSR monitoring visits.

Most projects operating in Sudurpaschim had (branch) offices in Dadeldhura and/or Dhangadhi and throughout the districts and municipalities, and the Project coordinated and shared information to avoid significant overlapping of activities. The main development partners working in the sectors that RVWRMP supported in the Project area included the USAID-supported Suaahara, PAHAL, Kisan II and Paani Programme. In addition, the Rural Access Program 3 (RAP III), Building Climate Resilience of Watersheds in Mountain Ecoregions (BCRWME), Nepal Climate Change Support Programme (NCCSP). The Project had close coordination arrangements with the Finnish Meteorological Institute – who did not in the end work in the area – as well as with BCRWME (Asian Development Bank and Nordic Climate Fund support).

4.2 Organisation

The competent authorities of the two governments for RVWRMP III are the Ministry of Finance (MOF) of Nepal and the Ministry of Foreign Affairs (MFA) of Finland, represented in Nepal by the Embassy of Finland. The EU contribution was managed by the Ministry for Foreign Affairs by an indirect management arrangement agreed in the bilateral agreement between the EU and MFA.

The executing agency is Ministry of Federal Affairs and Local Development, now MoFAGA)/DoLI together with participating DDCs at first and later in Phase III the newly established Rural Municipalities (RM). The planning and execution of RVWRMP III activities were, to begin with, the responsibility of each DDC, supported by DoLIDAR and the Project. With the federal restructuring the planning and execution of activities were the responsibility of the RMs supported by the Project.

A Supervisory Board (SVB) was introduced in the Phase II as the highest decision-making body of the Project though it was not foreseen in the Project Document. The SVB consisted initially of five members, namely:

- Secretary of MoFALD as the Chair
- Director General of DoLIDAR as the Member Secretary
- Representative of the Ministry of Finance
- Representative of the National Planning Commission
- Representative of the Embassy of Finland

The SVB proved to be successful in its supervisory role. All together 14 SVB meetings were organised during Phase II implementation period. In addition, the Project facilitated some field monitoring missions for central level line ministry staff, to give them a good understanding of the field level work. With this success the SVB was continued in the Phase III of the Project.

The Supervisory Board for Phase III consisted of seven voting members:

- Secretary, Ministry for Federal Affairs and General Administration: Chairperson
- Joint Secretary, Planning and Foreign Aid Coordination Division of MoFAGA: Vice-Chair
- Joint Secretary, Ministry of Finance: Member
- Joint Secretary, National Planning Commission: Member
- Ministry of Foreign Affairs Finland: Member
- Delegation of EU: Member
- Director General, DoLIDAR (now DoLI): Member Secretary

The Supervisory Board aimed to reach a consensus in decision-making. For possible issues that could have considerable implications, especially financial, the competent authorities would have a veto-right. The SVB had the opportunity to invite non-voting participants:

- Joint Secretary, Infrastructure Development Division, MoFAGA
- Deputy Director General of DoLIDAR (now DoLI)
- Planning Section Chief, MoFAGA
- Foreign Aid Coordination Section Chief, MoFAGA
- Planning and Foreign Aid Coordination Section of DoLIDAR (now DoLI)
- National Project Director,
- National Project Coordinator
- Embassy of Finland
- An additional representative from European Union
- Team Leader
- Deputy Team Leader

A total of 12 SVB meetings have been held during Phase III. An additional SVB meeting will be held by the end of the Project in September 2022 for the approval of the present draft Completion Report and closure of the Project. **Annex 28** presents a summary of the SVB meetings' minutes.

A Project Management Team (PMT) was established for Phase I & II to ensure that the Project would be smoothly implemented, outputs achieved, and funds managed efficiently and effectively in accordance with the Project Document and approved work plans and budgets. The same structure was continued in Phase III as well. The SVB delegated powers to the PMT as necessary and appropriate. The SVB would, however, retain authority regarding approval of annual work plans and budgets. PMT were authorised to:

- initiate and draft TORs for short-term consultants (both national and international)
- select and approve short-term national consultants
- approve tender documents, assess quotations, and authorise the Team Leader to proceed with TA

related procurement, as planned in AWP

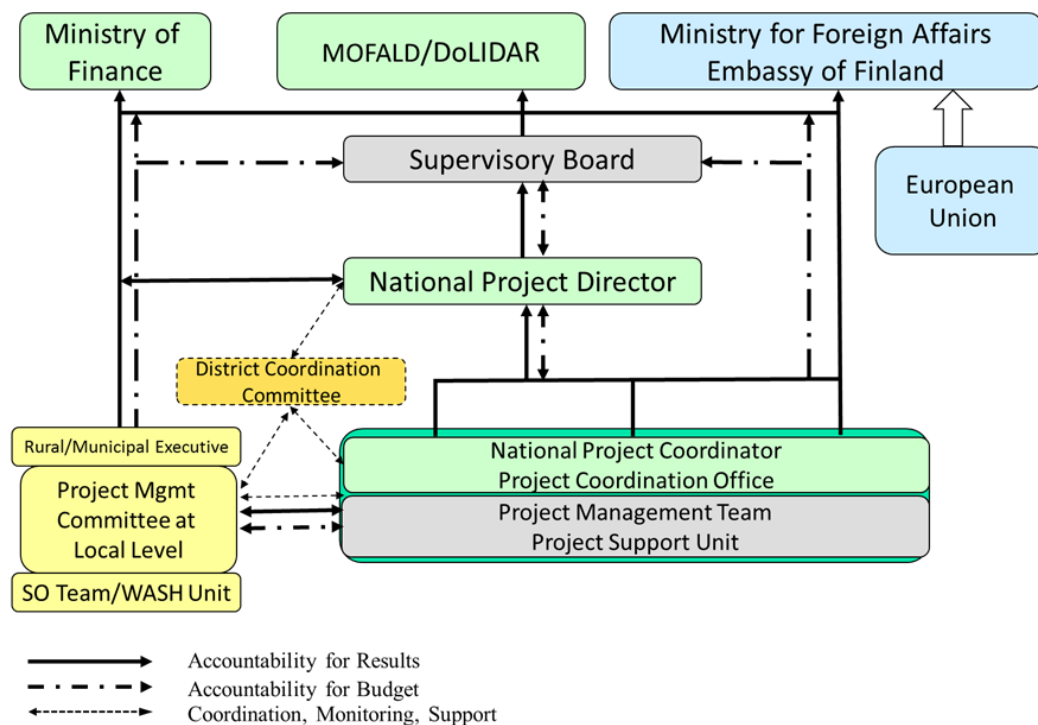
- review and approve TORs, manuals and bidding documents for studies and subcontracts to be outsourced and participate in the selection process of service provider(s)
- ensure that the Project is implemented with appropriate coordination and co-operation between the different agencies and stakeholders involved
- review technical documents of the Project before submission to SVB, and provide guidance to the efficient, effective and participatory implementation of the Project; and
- keep the concerned authorities in the Project area informed by reporting on decisions taken
- any other tasks delegated by Supervisory Board.

The members of the PMT were:

- National Project Co-ordinator: Chairperson
- Deputy Team Leader: Member
- Chief Livelihoods Adviser: Member
- A Senior Specialist of PSU: Member
- Technical Assistance Team Leader/Chief Technical Adviser: Member Secretary
- Chief Administration Officer: Non-voting member
- Field Specialist: Non-voting member

The above management structure has ensured a smooth implementation of the Project. It has been possible to deal with issues without delays - for instance, all the decisions concerning COVID-19 measures were simplified as the PMT was able to convene according to needs. The Project organisation is shown in *Figure 2* below.

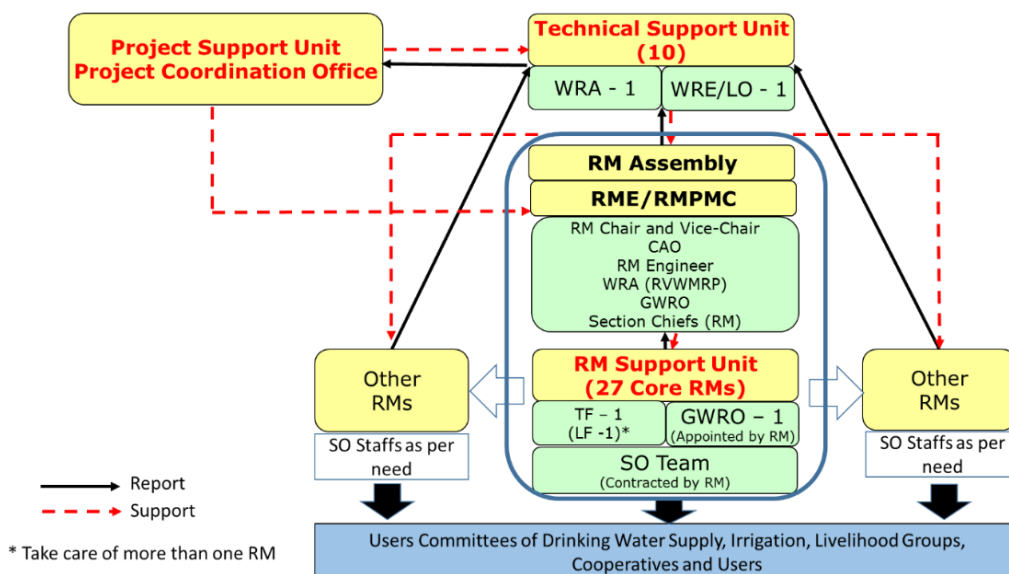
Figure 2 RVWRMP III organisational structure



In the previous phases and first two fiscal years, the Project worked under 10 District Development Committees, now renamed as District Coordination Committees (DCC). After restructuring, the Project worked with 27 core and 36 non-core local governments. Considering the Project implementation capacity

of the local governments at their initial stage, the Project provided adequate technical support through Technical Support Unit (TSUs) and Rural Municipality Support Units (RMSUs) to fulfil the gap. A 3-tier organisational structure at RM level was established as presented in *Figure 3* below.

Figure 3 Organisational Structure at RM level



The technical support to the local level governments were provided through the following Project units:

Project Coordination Office (PCO): The key role of the PCO was to submit reports to GoN authorities and provide technical support to the RMs. The PCO was headed by part time National Project Coordinator (NPC) and staffed by two Engineers and a part time PCO accountant, and other support staffs. Similarly, periodic reporting and planning and entering the Project plan in LMBIS and all GoN related affairs were dealt by the PCO. For first three fiscal years, DTO chief of Dadeldhura acted as NPC and later on Divisional Engineer of Infrastructure Development Officer (under provincial ministry) provided necessary support to the Project.

Project Support Unit (PSU): The function of the Project Support Unit was to provide specialised support to all RMs. The main function of the PSU was on the formulation of the strategies, guidelines and gradual handing over of the systems, skills and technology to the local level. The PSU was, furthermore, responsible for upkeeping the overall MIS system, preparing the aggregated work plans, budgets and progress reports, as well as following up and managing fund flows from the donors to RMs.

The PSU organised and managed the training events for all RMs on new technologies, project processes, innovations etc.

The PSU had maximum of 12 specialists initially, but the size of the unit was gradually scaled down. The PSU consisted of both International and National Specialists:

International Experts: International experts were recruited as per the Ministry for Foreign Affairs Consultancy Contract with FCG Finnish Consulting Group Ltd, through the provision of Technical Assistance in kind. The MFA provided the following international Technical Assistance to the RVWRMP III:

- Team Leader (52.5 + 14 months)
- Chief Livelihoods Adviser (45 months)
- Rural Monitoring and Reporting Specialist (21 months) - some of these months were utilised for short term consultancies
- Field Specialist (3 Junior posts, paid via the reimbursable budget)

The Rural Monitoring and Reporting Specialist position, and the additional 14 working months for the Team

Leader was added after confirmation of EU Funding.

PSU National Specialists: The following national experts worked for the Project, and their working months were adjusted according to the needs of the Project:

- Deputy Team Leader (entire Phase III)
- Technical Specialist (entire Phase III)
- MIS Specialist (entire Phase III)
- Sanitation and Hygiene Specialist (for first three FYs only - Technical and Sanitation Hygiene Specialist role was combined from FY05 onwards)
- Cooperative and Microfinance Specialist (for first three FYs only)
- Sustainable Livelihoods Specialist (entire Phase III)
- Social and Institutional Development Specialist (entire Phase III)
- Renewable energy specialist (ended after non feasibility of micro hydro schemes)
- Value Chain Specialist (added after incorporation of Value Chain component)

Accounts Monitoring Officer, national: Considering the large number of Project working RMs, the competency of RM accountants and the requirement for proper reporting and budgeting of the Rural Municipality – Water Resources Development Fund (RM-WRDF), an Accounts Monitoring Officer position was added to a PSU team in 2018. The cost of the officer was covered from the Capacity Building budget heading under Result Area 4.

Technical Support Unit (TSU): To provide close technical backstopping, monitoring of the Project activities at the field level as well as timely reporting of physical and financial progress of the projects to PSU, Project District Offices were converted to Technical Support Units (TSU).

The TSUs provided support to several RMs. Advisory staff, not available on the RM level, such as engineers and livelihood officers, with the authority to sign the infrastructure design documents, were posted in TSU, serving several RMs. The TSUs assisted in organising training events for different RVWRMP III competence areas. TSUs played a key role on monitoring of the schemes and the financial performances of the RMs, providing independent verification of the financial management and transactions taken from the RM Water Resources Development Fund. Until the end of FY05, there were 10 TSUs. From FY06 onwards they were gradually converted to the cluster TSUs overseeing the work in more than one district, in line with the phasing out of the Project. The TSUs were paid through the TA Contract, Long term National Staff.

Each TSU had a combination of WRA and or WASH/civil engineer. Some TSUs had in addition livelihoods officers (LO). The staffing of the TSUs were as follows:

- Water Resources Advisor (WRA): In charge of the TSU. The WRA played a key role on supporting management, monitoring and reporting. If the WRA was Engineer, he was also responsible for providing technical WASH support to RMs and the RM Support Unit. Where the WRA was from a non-engineering background, they provided support on livelihood and other social aspects.
- Water Resources Engineer (WRE): A WRE was stationed in the TSU where there was a non-engineering WRA. The main function of the WRE was to ensure proper technical support to RMs and RM Support Unit.
- Livelihood Officer (LO): The key role of the LO was to support RMs and the RM Support units in livelihood related technical aspects. The idea was to have LO position where there was a WRA with an engineering profile. After the initiation of more focused value chain activities the LOs were assigned to take care of each of the five value chains and located in the relevant TSU.
- An Office Assistant was provided to all TSUs.

RM Support Unit (RMSU): The RM Support Unit was established in each of the 27 core-programme RMs. The Unit provided support to other logistically convenient non-core RMs as well.

The Unit played vital role to support the implementation of the Project activities in the field, reporting, management of the Support Organisations and assisting the RM – Project Management Committee (RM-PMC) in decision making.

The RM support Units had the following staff positions:

- a. Gaunpalika Water Resources Officer (GWRO): The GWRO assisted the RMPMC in the planning, reporting and monitoring of activities. The GWRO acted as non-voting member of RMPMC. The Officer was hired by the RM and paid from the RM-WRDF. Recruitment of the GWRO was assisted and monitored by the Project.
- b. Technical Facilitator (TF): The TFs provided all required technical support at RM level. They worked together with RM technical section and contributed for the capacity building of RM technical staffs. They played role to provide technical support to SO staffs in survey, design, technical evaluation and monitoring of schemes. There were 27 TFs working until April 2022. During the peak implementation season, an additional 6 TFs were hired as short-term service providers (through TA CB) to assist implementation of proposal-based schemes. The TFs were part of the RMSU and paid by the TA CB funds.
- c. Livelihood Facilitator (LF): The LFs were deputed for the RMs where there were intensive income generation and livelihood activities. They also took care of livelihood activities in adjoining core and non core RMs. The key role of the LF was to train Support Organisations' Livelihood Promoters and farmers. They worked closely with RM agriculture section of the RM. Altogether 14 Livelihood facilitators worked till April 2022. The LFs were part of the RMSU and paid through the TA CB funds.
- d. Support Organisation Team: A Support Organisation was hired by the RM for each core RM. The SO had contractual relationship with the RM and report to RM. The SO team consists of field coordinators, Sub Engineers, Sanitation and Hygiene Promoters, Livelihood promoters, Water Resources Technicians. The number of staffs was decided as per workload. The SO staffs were reporting to the GWRO and acted as a part of Rural Municipality Support Unit. Key role of SO team was to provide direct support to the user committees and groups for implementing different activities in the field. There were 18 SOs working for 27 RMs. The same SOs provided support to other proposal-based scheme areas as recommended by the Project based on the annual performance of the SOs. The SOs were paid from the RM-WRDF.
- e. Local Resource Persons (LRPs): As a part of institutional capacity enhancement of the RMs, the Project provided training to the local resources persons who were selected by the RMs in various sectors, mainly livelihood and sanitation hygiene. The RMs appointed the LRPs under RMSUs and they provided support to the beneficiaries and livelihood group for awareness raising and technical support. The LRPs were paid by the RMs own fund and/or through the RM-WRDF. The idea was that the RMs gradually would take over.
- f. WASH Unit: Concept of WASH management board and WASH unit came into discussion from 2020. Gradually the RMs materialised the concept and established WASH management boards and approved WASH management directives. Once all the RMs approved the WASH management directives they discontinued the contract with existing working SOs and converted the RMSU to WASH unit of the RM. From the beginning of FY06, the RM established the WASH unit with the required type and number of human resources, who were appointed from the SO team based on their performance evaluation.

The overall structure was complex, and many staff were employed but served the Project and the RMs needs well. During the initial years following the elections, and suffering from staff constraints, the new RMs needed strong support to develop their work and ensure that development activities were implemented effectively and transparently. The Project provided them with such support and showed them how to go about their responsibilities and mandates for providing services to the communities in a very transparent manner⁴.

⁴ Ref: Annex 14 RM Cooperation Lessons Learned

The overall Project Organisation secured a smooth implementation with a constant follow up and support from PSU level to RMSU level. Frequent Internal Coordination and Technical Meetings with a flat hierarchy structure secured an open and free dialogue and a coherent approach to the implementation across the RMs.

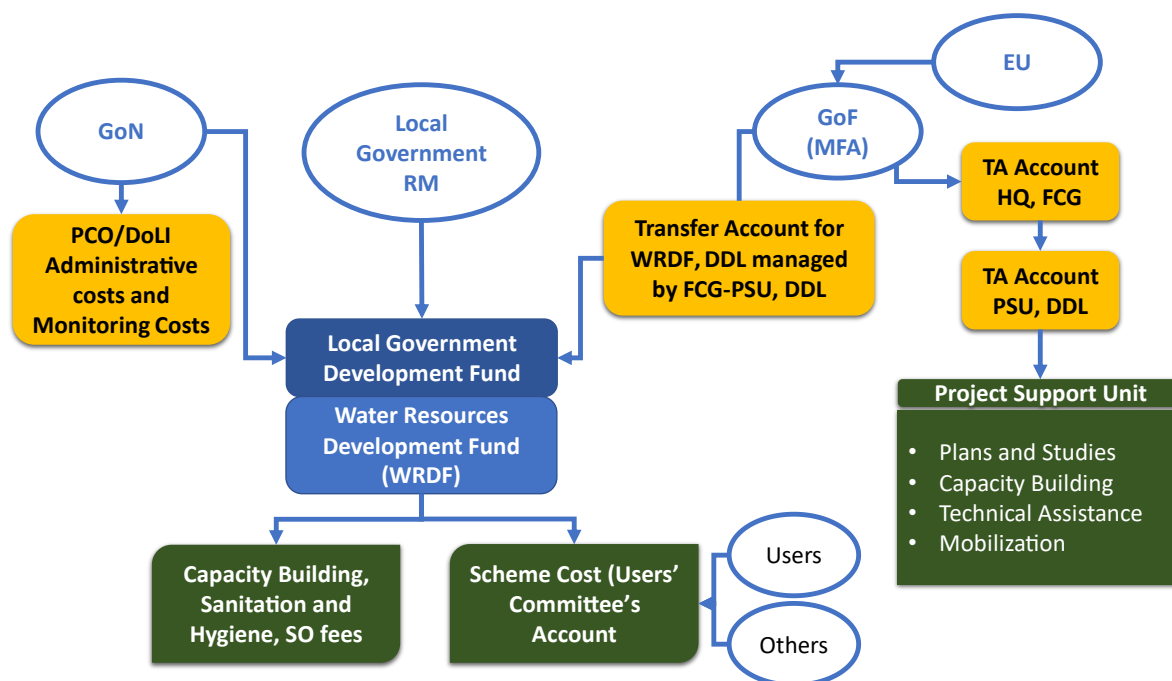
Annex 6 provides more detail on the Human Resources provided by the Project.

4.3 Fund flow mechanism

RVWRMP was fully aligned with the government budgeting system - being 'on budget, off treasury'. RVWRMP in coordination with the RMs produced annual work plans based on the 7-step planning process in the last half of the fiscal year and delivered to the Ministry of Finance (MoF) to be included in the central government budget. The Government of Nepal (GoN) share was released from the central treasury to the RMs as a part of the annual conditional grant that the RMs receive from the central level. All funds moved through the RM budget. In the first two Phases and in the start of Phase III, funds usually were available from the central level only late in the financial year. However, as the Finnish funds were available earlier it was feasible to balance the fund flow needs. Since the establishment of the RMs the central level funds have been released timely.

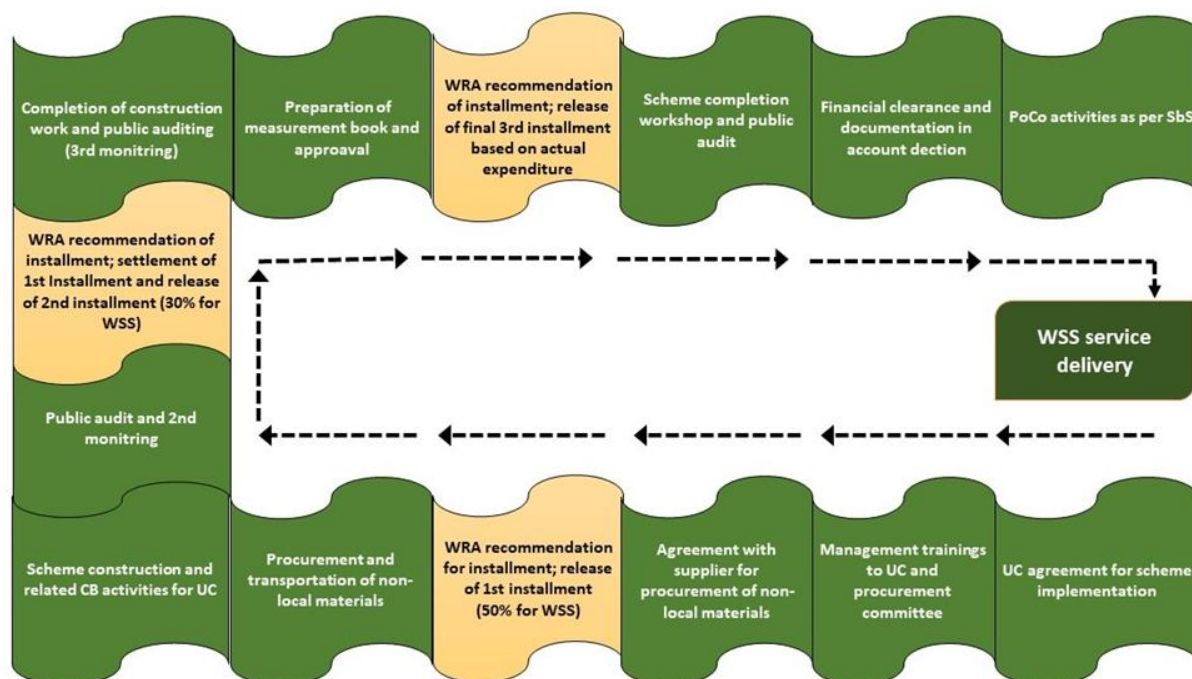
The GoN contribution was channelled from the central budget as a part of regular funding to the RM level, whereas the international donor contribution was channelled to the RM level through the implementing consultant (FCG) account in Nepal. The International donors also supported the technical assistance that is in practice managed by the Project Support Unit (PSU) (*Figure 4*).

Figure 4 Flow of funds



The role of the technical assistance was to ensure good governance, transparency, and quality of work in the Project, bringing in new technical ideas where feasible from local and international experience. In addition, the technical assistance managed the Project implementation, human resources, and fund flows. The Project fund was a conditional grant within RM budget that came from the central government, which meant that RM could not implement it beyond what was agreed in the approved AWP. The Project AWP budget lines were part of the RM's annual budget.

Figure 5 WRDF release process from RM to UC



The Water Resources Advisor (WRA, paid through the TA account), as a member of RMPMC, had the obligation to recommend all payments of instalments to community level. Without his/her recommendation, the funds could not be utilised (*Figure 5*). This ensured proper utilisation of the funds as per the AWP - getting value for money, transparency and quality of work. Ultimately this contributed to maintaining good governance. The modality was well trusted by RM officials and therefore there have been no regular delays in payments and UCs got the payments in time. The users deposit their contributions directly into the relevant UC accounts, and the value of in-kind contributions was finalised at the time of the scheme being cleared at the end of the construction, against the actual work done.

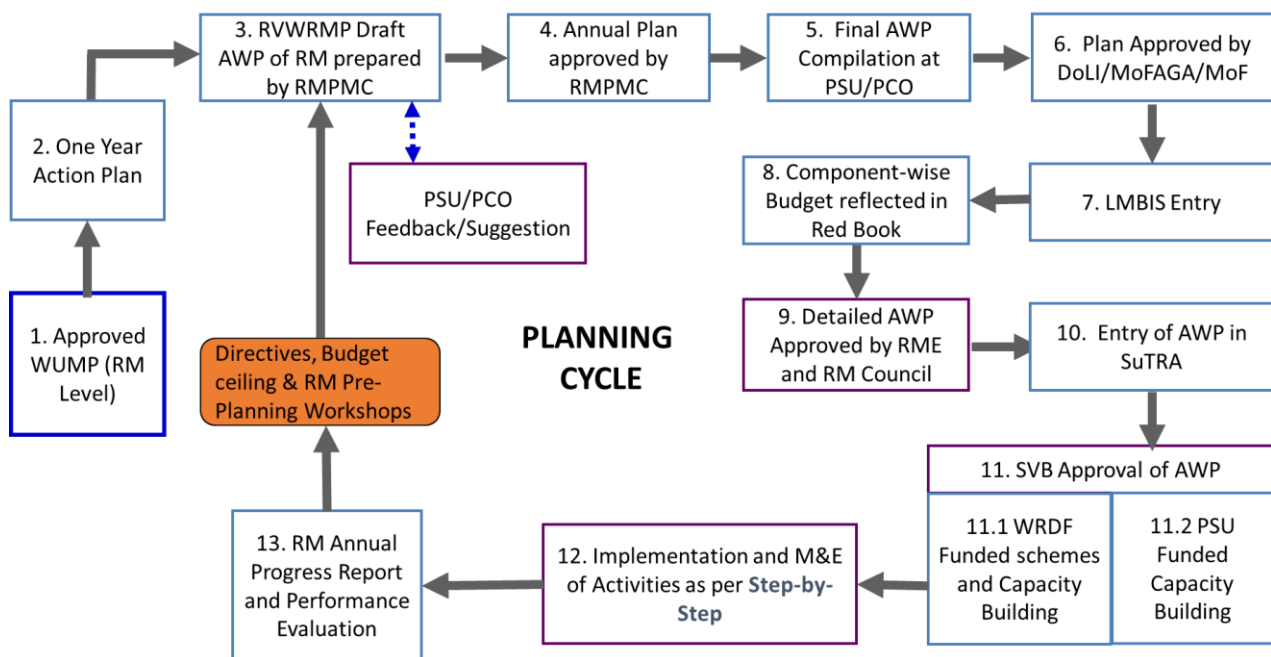
Initially, RMs were expected to follow the earlier fund contribution patterns agreed with the Village Development Committees (VDCs) - the earlier administrative structure that the Project dealt with. According to those MoU, RMs (as with VDCs) were originally expected to contribute at least 7% of the investments in WSS, irrigation, IWM, recharge ponds; MHP 10%, ICS, agribusiness 6%; public toilets 50%; school toilets 11% (later increased to 12%). TS and other activities as per AWP. In reality, the RMs soon voluntarily increased their contribution to a much higher level (refer to budget chapters).

4.4 Project planning

RVWRMP followed the Local Government's Planning Cycle adopted by the RMs up to the extent possible. Water Use Master Plan was entry point for any of the RVWRMP interventions (*Figure 6*). All activities were implemented following the Step-by-Step Manual developed by the Project. The Step-by-Step Manual includes the procedures, specifications and formats for all different types of individual schemes that would be implemented based on WUMPs priority.

All the activities supported from RM level Water Resource Development Fund (WRDF) strictly followed the Project Implementation Guideline; Step-by-Step Manual and other guidelines approved by the SVB.

Figure 6 RVWRMP Planning Cycle



Summary of the planning steps adopted by the Project is summarised below:

- Water Use Master Plan (WUMP):** The Project supported 136 VDC WUMPs in its first, second and first FY of third phase. The WUMP considered as entry point of all RVWRMP interventions in the field. The Project followed WUMP priorities to support where community prioritised water and livelihood activities through participatory decision-making process. When the Project entered into new working modality under RMs, 27 RM level WUMPs were supported, and the schemes were included in the plan according to the priority set by the RMs. In phase III, the livelihood implementation plan (LIP) was formulated together with WUMP to identify and prioritise best possible livelihood option. In case of proposal-based schemes (other than core RMs) the Project called for proposals from the RMs of RVWRMP working districts and the schemes were selected based on the set criteria. Key criteria for selection of the scheme were: commitment of contribution from municipality and the users (cash and kind), hardship of the proposed scheme area, remoteness from road head, proportion of Disadvantaged Group (DAG) households in the proposed scheme area. Scheme implementation and other modality followed the Step-by-Step (SBS) process of the Project.
- One Year Action Plan:** From the prioritised water schemes and other activities identified in the WUMP, the RM prepared one year action plans. The plans were formulated based on the need of the community and available resources. The one-year action plan for water and livelihood outlined all the possible interventions that were supposed to be implemented in support by all possible agencies together with RM's internal resources.
- Draft AWP Preparation:** Once the central government budget ceiling was received by DoLI, the RMPMC formulate draft AWP for next FY. The draft AWP included the budget required for carry-over schemes, new schemes, livelihood intervention and other capacity building activities. The draft plan was sent to PSU/PCO for feedback and to verify whether the plan was in line with the Project indicators, available budget and within the activity frame provided by the SVB. The PCO/PSU provided necessary feedback and comments and the RMPMC reviewed the AWP accordingly. To and from regarding the AWP may happen many times, according to the requirements.

Before starting preparation of the annual work plan for RVWRMP, DoLI provided the total budget ceiling for the Project for the fiscal year. Based on the total budget available, the proposal of the RMs for different schemes, the RM wise ceiling was proposed by the PCO/PSU to the DoLI. Based on the budget ceiling for each RMs, the RMs prepared a draft work plan for the FY.

4. **Annual plan approved by RMPMC:** Once the AWP got no objection from PSU/PCO, RMPMC approved the AWP and sent it to PSU for compilation and submission to DoLI.
5. **Compilation and Submission of AWP:** When RMPMC work plans were received from all RMs, the PSU/PCO compiled the plans and submitted them to DoLI for approval.
6. **Approval by DoLI/MoFAGA/MoF:** DoLI verified the plan and recommended to MoFAGA for approval. MoFAGA further recommended to the Ministry of Finance for final approval. The Ministry of Finance approved the plan and allowed it to be entered into LMBIS.
7. **LMBIS entry:** Ministry of Finance maintained the Line Ministry Budgetary Information System (LMBIS). Any plan that needs to be incorporated in the annual budget MUST be entered and approved in LMBIS. Based on the plan approved by Ministry of Finance, DoLI, with the support of PCO/PSU made the LMBIS entries. The entries should be completed by 15th of May. In case of RVWMP, only the component-wise budget has been entered into LMBIS. No detailed scheme list was included but the number of schemes in each sector, the number of beneficiaries and total proposed budget was entered (this was a learning - initially detailed scheme lists were entered, but then it was found that it was not sufficiently flexible as if the scheme had to be dropped it would be possible to spend the funds on another).
8. **Budget reflected in Red book:** On 15th Jestha (29th May) the Government of Nepal make the next FY's budget public, including budgets for all ministries and the Projects reflected in the red book.
9. **Detail Budget and Plan formulation and approval from RME and RM Council:** After approval of the budget for each RM and for each component, the RMPMC updated the detailed work plan and submit to sectoral committees, integrated committee, RM Executive and finally to RM council according to the provision made in seven steps planning process of the RMs. Final approval of the work plan is made by Rural Municipal Council.
10. **Entry of the Plan in SuTRA:** Sub-National Treasury Regulatory Application (SuTRA) is a budgetary application where all the plans need to be entered and approved by all RMs. They are not allowed to make any kind of expenditure without entering SuTRA. After approval of detail work plan by RM council, the plan is entered into SuTRA and the implementation of the activities started. The SuTRA can be revised once year as approved the revised by RM council.
11. **Approval of the AWP by Supervisory Board:** RVWRMP prepares a comprehensive Annual work plan, including the RMs annual plans and capacity building activities under TA CB and other TA related budgets. The RVWRMP Annual Work Plan and budget was submitted to the Supervisory Board to get approved. The Investment fund from GoF/EU received only after approval of the AWP by the Supervisory Board.

The approved plan started implementation following the Project's step-by-step process and other approved manual and guidelines. Monitoring is a regular activity throughout the year to ensure proper implementation of the approved activities.

A performance evaluation of RMs, SOs/GWROs was carried out annually, based on progress made against the annual plan. The same steps were followed while developing the next FY's plan.

4.5 Monitoring and Evaluation

Monitoring and evaluation (M&E) are important to ensure that the intended results of the Project interventions are achieved both in terms of quantity, quality and process.

Internal M&E was built into RVWRMP's organisational and implementation structure. It was carried out in a continuous and systematic way and immediate feedback and recommendations were provided to the respective units for improvement. These included both regular reports from SOs, UCs, RMPMCs etc., and formal monitoring visits at the time of critical stages of activities.

The core elements of scheme level monitoring in RVWRMP were:

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

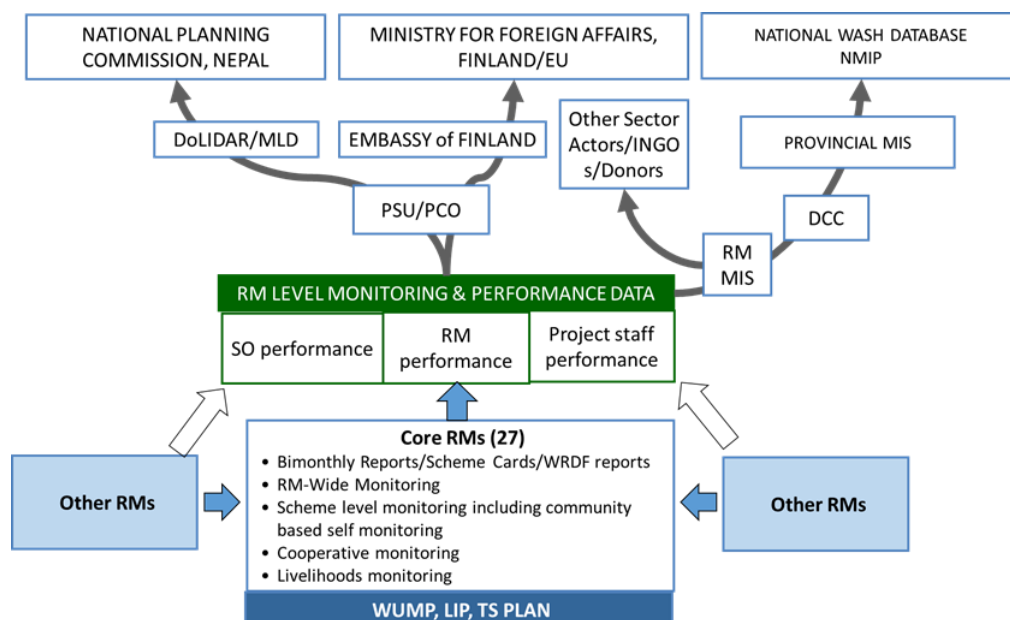
Assessing impacts of the activities against set indicators has been important. The Project level (logical framework) monitoring was done in the PSU utilising the MIS system developed by the Project. The PSU also provided information to the national monitoring systems and government stakeholders (such as the NPD and PCO).

The Monitoring and Evaluation Formats were developed for scheme level monitoring visits and compiled in booklet form for each scheme. The monitoring was carried out by the RM level monitoring team led by RM vice chairperson. All the monitoring information was fed to the Management Information System (MIS) hosted by PSU. PSU representatives participated in the team as per demand.

Short Description about RVWRMP MIS

The Management Information System (MIS) of RVWRMP was a strong foundation for creating institutional memory since RWSSP – Lumbini. In the beginning, the MIS was made in an Access and Excel based system. TSUs used to send data in excel and MIS unit in PSU entered data into the MIS. When the Project moved to RMs, it was a challenge to track information as its branches expanded from 10 (TSU level) to 27 (RMSUs). This shift demanded a robust system to enter the information from source to minimize the errors and track the progress in real time basis. The MIS section had an inhouse IT person (MIS Assistant and MIS Officer) having Computer Science and Information Technology (CSIT) background. The team gradually developed browser-based system using open source, pHP, MySQL application and database procuring small regular server. This shift was easily adapted by the field team. The MIS unit did not conduct focused training to the field team, but provided close follow-up, mentoring and sharing in different platforms such as Technical Coordination Meeting (TCM), Internal Coordination Meeting (ICM), Livelihood Coordination Meeting (LCM) and other regular ZOOM meetings. The system was started from digitizing scheme card and gradually increased features like, bi-monthly reporting system, Store management system, Vehicle log-book, Livelihood, Annual performance evaluation of RMs, GWROs and SOs and Financial Monitoring system (unsettled amount tracking system). The major learning is that, if we have good understanding in MIS and have IT person in house, this capacity can build good system as per project's need and can be changed, upgraded, and synchronized according to needs.

Figure 7 Monitoring and flow of information



All RVWRMP M&E information was adequately disaggregated to assess the inclusiveness of the Project activities, with particular regard to women and disadvantaged groups (Dalit and Janajatis).

Through the whole project / scheme cycle, the following data was maintained in the Project MIS:

- Water source inventory of all project core RMs.
- Existing social, institutional, hygiene and sanitation status
- Functional status of existing water systems
- GESI disaggregated demographic data and beneficiary data
- Water Quality Monitoring data
- Contribution from beneficiaries, local government, Government of Nepal and Finland
- Capacity building data at all levels
- O&M fund status of all schemes
- Livelihood related
- NWASH data for 25 core RMs and fed it to the national MIS system

Monitoring at Different Levels

M&E of project activities was carried out at different levels from community to project level as described below. In addition to the recommended minimum monitoring visits, ad hoc supervision/follow up visits were carried out by the NPD, Embassy of Finland and PSU. Reports of each scheme monitoring visit were submitted to RMPMC.

Table 4 Monitoring at different levels

Level of monitoring	Frequency of monitoring	Description
Central level	Minimum two field visits per year by central level authorities	There was provision to have a monitoring visit by high level officials from MoFAGA/DoLI/Embassy to monitor the project activities. There was an occasional visit from the Embassy of Finland and EU, but visits from Supervisory Board members and DoLI couldn't be carried out due to COVID restrictions in recent years.
Project level	At least twice a year coordination & monitoring visit. Regular monthly reporting	RVWRMP/PSU team members made regular monitoring visits to the RMs and schemes and facilitated coordination meetings and progress review meetings. Utilisation of the DWRDF / RMWRDF funds was monitored once to twice a year by PSU staff visiting project RMs. The team always provided recommendations to the RMPMC for further improvement of the Project. Findings of the visits were incorporated the progress reports.
Scheme level	At least 3 visits in water supply and irrigation during scheme cycle.	Schemes were closely monitored by the users and Ward Committees on regular basis as they are very close to their schemes. In addition, a Monitoring Team comprised of the TSU and Office of the RM monitored the schemes at the various critical stages as per the step-by-step manual. The project formulated a monitoring task force with the chairpersonship of RM vice chair (vice chair of the task force was the respective ward chairperson). The findings of each monitoring visit were validated by UC/users and SO staffs. TSU /RMPSU staff also participated in the public audits.

Scheme Level Monitoring

The Monitoring Task force formed at RM level had at least one RMPMC member and was responsible for scheme level monitoring. The scheme level monitoring aimed to be participatory. The monitoring team was as follows:

Table 5 Composition of Scheme Level Monitoring Team

Stakeholders	Recommended team members
RM/RMPMC	<ul style="list-style-type: none"> Monitoring task force chair At least one RMPMC member or any person assigned by RMPMC At least one technical staff (preferably officer level) from RME office Other members as per requirement
RM Ward	<ul style="list-style-type: none"> Ward Chairperson Ward members of respective ward
SO	<ul style="list-style-type: none"> SO staffs (as observer)
RVWRMP	<ul style="list-style-type: none"> WRA or WRO, or technical staff PSU representative, if needed

Annual Performance Evaluation (APE)

The Project applied an annual performance evaluation system at all levels: Project staff themselves, SOs, GWROs and RMs. The annual performance scoring indicators and related maximum scores were included in relevant documents - including the MoU between RM and DoLI (for RMs), SO selection and mobilisation manual (for SOs), GWROs selection and mobilisation manual (for GWROs) and the respective contracts of the Project staff. The system was considered as a part of the capacity building approach as the evaluators could give tailored advice and support as needed in each case. The ultimate aim of the APE was to identify the gaps and find the way for further improvement. For this reason, all the annual performance evaluations were carried out in a participatory way. In practice, the majority of the identified areas for improvement as identified and agreed by the evaluation team were improved by most participants in the following year.

The annual performance evaluation of the RM, GWRO and SO staff was carried out at the same time. The Project developed a manual and single software to carry out APE of RM, GWRO and SO to make the APE task efficient and uniform.

RM Annual Performance Evaluation

Project working core-program RMs, DoLIDAR and the Project mutually agreed to apply a performance-based evaluation system. The APE system was already presented in detail in MoU between DoLI and the RM. The APE was carried out by joint team nominated by RMPMC and the Project Management Team. A team collected all required information from PCO, PSU and Office of RME and scored the performance. APE team submitted the report to the RMPMC and the RMPMC meeting will approved the APE. A copy of the report was submitted to PCO/PSU. APE of the RM was carried out each year. These reports are available on the Project web-side www.rvwrmp.org.np.

Table 6 Annual Performance Evaluation Criteria for RMs

Sn	Parameter	Indicator	Score	Means of Verification
1	Planning Vs Achievements	Physical Progress	20	Analysis and verification of approved plan and report
		Financial Progress	10	Analysis of actual expenditure and approved budget of RM
2	Rural Municipality contribution and expenditure	Released RM contribution	15	Analysis of financial report of RM
		Expenditure RM contribution	5	Analysis of financial report of RM
3	Monitoring and Reporting	Monitoring of schemes as per SBS	10	Monitoring and Progress Reports
		Reporting from RM to PCO/PSU	5	PCO/PCO records
4	RMPMC Meetings and review meetings	Regularity of RMPMC meeting	5	RMPMC Meeting Minutes

Sn	Parameter	Indicator	Score	Means of Verification
5	Utilisation and Transparency of WRDF	Proper utilisation of WRDF and transparency maintained	10	Annual Progress Report,
		Suggestion of Monitoring team applied	5	Monitoring reports and RM records
6	Policy Formulation and Proper implementation of PIG and Project guidelines	Policy Formulation as per MoU	5	RM council meeting minutes
		Proper follow of project guidelines and PIG	5	Scheme and RM level monitoring reports
7	Collaboration of the Project Activities with other agencies	Sharing of financial resources with other section of RM and stakeholders	5	Annual Progress Report, RMPMC Minutes, proposals/contracts
	Total		100	

GWRO Annual Performance Evaluation

The performance review of the GWRO was carried out as a regular process and was based on performance throughout the year. The performance of the GWRO was assessed during each RMPMC and SO monthly meeting. The final performance evaluation was carried out annually, by the team assigned by RMPMC and PMT. APE indicators for GWRO were as follows:

Extension of the contract of GWROs was done by the Project based on their performance score.

SO Annual Performance Evaluation

The performance review of the SO was carried out together with the RM and the GWROs.

Annual contract renewal was recommended by the Project to the RM based on the score obtained by the SO in annual performance evaluation.

WRDF Monitoring

Municipality based Water Resources Development Funds (WRDF) were closely monitored by PCO/PSU to ensure that they followed the plans and tallied with the requested formats of the GoF and GoN. PSU conducted internal audits at least once per year. The use of the WRDF funds were audited annually by the Office of the Auditor General of Nepal (OAG) in line with GoN regulations. The OAG conducts audit of all RMs' use of public money including the WRDF transactions and provided an annual RM audit report about the transactions. The RMs were required to take actions and correct issues if there is any kind of unsettled issue.

4.6 Findings of the External Evaluations

The Phase III Mid-Term Evaluation was held in 2019. It noted the difficulties faced in the early years of implementation due to uncertainty and delays regarding the federalisation process and the funding by the EU; and considered the Project would be unlikely to reach its targets. However, it recognised the strong progress to adapt to the new institutional structure - the only major donor-assisted project in Sudurpaschim Province to do so. It recommended a one year no cost extension to August 2023 to give time to fully roll out all planned activities, and an increase in the technical assistance budget. The one-year extension was not approved, but the TA increase was, allowing better support to the RMs, in particular. The MTE team also recommended a stronger focus on integrated planning and value chains, CCA/DRR and an increased focus on Post Construction activities; and also recommended that the MHPs not proceed.

In early spring 2022 MFA commissioned a final evaluation of the 2008-2019 Rural Water Supply and Sanitation Project in Western Nepal (RWSSP-WN) and the 2006-22 Rural Village Water Resources Management Project (RVWRMP). The aim of the evaluation was to provide the Government of Finland and the Government of Nepal with an independent evaluation of the two projects to ultimately guide future cooperation. The findings of the evaluation were presented in early June 2022 just before the RVWRMP III came to an end.

Key findings concerning the implementation of RVWRMP were encouraging and correspond to the findings of the Project presented in the above chapters in the Completion Report. The recommendations from the Final Evaluation are directed to future project formulations as they are no longer possible to incorporate in the Phase III. *Table 7* below summarises the Evaluation Team's key findings and recommendations:

Table 7 Final Evaluation key findings and recommendations

Evaluation criteria	Findings	Recommendations
Relevance	The <i>relevance was good</i> and responded to the needs and GoN, GoF/EU policies The project design was <i>adequate</i> , but result frameworks could improve	Baseline data should be collected not only in project areas but also in areas where projects are not implemented to allow for assessment of the Projects contribution to e.g., health. More disaggregated data by gender, age, disadvantaged groups etc should be included in future result frameworks.
Good coherence	The Project was <i>well-aligned with local interventions</i> and policies, but not so at the national (provincial) level	Future projects should to a larger degree collaborate with relevant national-level institutions and attempt to influence national level policy making
Effectiveness	<i>Very effective</i> in achieving all targets in terms of outputs and outcomes.	Future projects should integrate livelihood more systematically in WASH programmes
Efficient	<i>Very efficient</i> with timely, high-quality interventions and cost-efficient implementation achieved through good hands-on monitoring.	Future projects should analyse in more detail climate change risks and develop interventions for climate change adaptation
Impact	<i>Very good impact</i> : improved health, reduction in discriminatory practices towards women and Dalits, increased self-esteem of women, reducing poverty (livelihood), institutional capacity development for WASH	Future projects should ensure high-quality outputs through frequent monitoring and hiring of high-quality staff. Future projects should replicate the model of working with municipalities as this will contribute to impact and sustainability
Sustainability	<i>Good sustainability</i> through the institutional development for the WASH management: UCs, RMs, Cooperatives	The Project's GESI approaches should be used also in future projects

4.7 Project tools

Phase III of the Project started on 16th March 2016 with the funding from Government of Nepal and Government of Finland. The Project Document included the option to receive EU funding.

RVWRMP updated different working guidelines based on the Project Document. The administrative restructuring implemented in mid-2017 and local level elections for the newly established municipalities took place in June 2017. The Project aligned its working approach according to the provisions made in the

Constitution of Nepal (2015) and the Local Government Operation Act 2074 and updated the working guidelines and manuals in line with the role and responsibilities of local governments. At the same time funding from the European Union was confirmed in November 2017 and the Project Document was amended accordingly.

A Draft Human Resources Strategy was also prepared and submitted to the SVB in November 2017, reflecting the changes in the institutional structure and proposing the new staff structure for the Project. It was never officially approved, therefore it isn't described here, although it provided guidance to the Project Team.

To achieve the intended objectives and the targets indicated in different phases of the Project and implement it aligning to the basic principles of the GoN, the Project also updated the different tools developed to guide implementation. These tools were being used from the first Phase of the Project but regularly updated incorporating the lessons learned and the changed working environment.

The following section presents a summary of the tools and their impact on the Project implementation.

1. Project Implementation Guidelines (PIG)	
Introduction	The Project Implementation Guidelines (PIG) unfolds the activities and principles mentioned in the Project Document and suggest the implementation process of different activities to achieve intended targets under the different result areas. It describes the working areas, brief description on process of implementing different technologies, planning process, contribution pattern for different project interventions, provides guidance on implementing activities under each result area, support organisation selection process, procurement process, mobilisation of the Water Resources Development Fund at RM level, details on flow of funds and monitoring and evaluation. Similarly, it describes procedures for the public audits and the OAG auditing of the WRDF.
Impact	It was mandatory for all the Project RMs to follow the PIG. It served as a clear orientation document for the Project staff, municipalities, support organisations and other stakeholders. Since the document was approved by the Supervisory Board, it served as evidence during auditing of WRDFs. All the municipalities followed the PIG thus maintained a uniform implementation of the working approach, contribution patterns, quality and standards in all Project working municipalities. Furthermore, it provided the basis to develop other sectoral working manuals for different sectors.
2. Step-by-Step Manual	
Introduction	The Step-by-Step manual was developed by the Lumbini project to guide the field staffs for implementation of the schemes. RVWRMP updated the manual and used it from the beginning of the first phase. The manual describes the steps to be followed during implementation of an individual scheme. It covers the steps from feasibility study to post construction seminar of the schemes. It provides guidance on the process of implementing each step, requirement to complete the step, sequential order of step implementation, and process of conducting capacity building activities. It provides template for agreement papers, UC statutes, Community action plan formats, different stages of public auditing and their process including reporting templates. Essentially the manual covers everything from the preparatory to the finalisation of the scheme implementation. All the Project and SO staffs/SPs were trained to implement the SBS. The SBS was applied for all DWS as well as MUS and home garden projects.
Impact	The SBS provided clear guidance to field staffs on how to implement schemes in the field involving the communities. It ensures participation of women and disadvantaged groups, maintaining transparency of the Project through public audits and proper implementation of capacity development activities. Due to the clear spelling out of the process of implementation, it also served to monitor the field activities. Ultimately it helped to implement all the schemes under the Project in a uniform manner that ensured participation, quality, transparency, capacity building and ultimately transferring the ownership to the users thus enhancing sustainability of the schemes.

3. Scheme Monitoring Manual

Introduction Monitoring in the field is crucial to ensure proper implementation of schemes in terms of process as well as quality and proper delivery of capacity development activities. Based on the SBS three official monitoring visits were incorporated. The first monitoring is carried out at the end of preparatory phase to ensure that the preparatory phase activities are properly carried out: the participation from users, survey and design work is adequate and that the design estimate corresponds to the field reality. Similarly, the second monitoring is carried out at the middle of the implementation phase to ensure proper public auditing, quality of materials and workmanship as well as the transparency of decisions and funds. Third monitoring is carried out after completion of the scheme to ensure the scheme is completed with good quality, transparency and also to learn about the impact of the scheme from the beneficiaries. The monitoring is carried out by the joint team of the Project and the municipality led by the municipality vice chair. The manual explains about the composition of the monitoring team, process, checklist and monitoring report.

Impact This tool helped to ensure proper implementation SBS manual in the field. Since none of the payments to UCs and the SOs would be made without the recommendation of the monitoring team, it helped to complete the activities and scheme constructions within the agreed time frame. It controlled utilisation of fund and ensured the participation of the community as spelled out in PIG and SBS manual. It capacitated the municipality officials and staffs to carry out monitoring of other development activities funded by the municipalities. It is the most appreciated working approach of the RVWRMP. Since quality of all external and local materials are checked, pipeline depth and quality of workmanship is verified during the visit, it helped to maintain the quality of the scheme construction. Since the monitoring report is made in the field and signed by all participants including SO staffs and UC members and beneficiaries, it capacitated municipality staff to promote transparency.

4. Home Garden Manual

Introduction The Home Garden concept was piloted by RVWRMP in its first phase to promote nutrition through vegetable production utilising wastewater from the schemes, such as via a tap or overflow water from reservoirs. The concept was developed further in Phase II. The home garden has four components 1) seasonal green vegetables 2) spices 3) fodders and 4) fruits. The manual was planned to support communities to grow these items to fulfil their daily needs. Most importantly to make them habitual on consumption of green vegetables. Description of seasonal vegetables and spices and their cropping calendar including cultivating process are described in the manual. The beneficiaries are organised in a home garden group. Leader farmers from each group receive intensive training and then pass it on to their members. They are trained, and the home garden groups are registered in municipality agriculture section.

Impact The manual served as a reference document for home garden groups to refer to while maintaining their home garden. The farmers began to grow vegetables and spices after the training. Families regularly consume the vegetables now, and their nutrition, health and good security is improved. The wastewater is utilised, rather than running in the village. This helped to keep the environment clean. Some of the home garden members also sold their products in the local market. Later, many of the leader home garden farmers became commercial vegetable producers and generated good incomes.

5. Cooperative Promotion and Development Guidelines

Introduction After developing four cooperatives in the first phase of RVWRMP, it was realised that the sustainability of the cooperatives largely depends on systematic capacity enhancement. It starts from the first consultation meeting and awareness raising and developments to PEARLS monitoring (financial business planning for cooperatives). In the first phase of the Project, the Project received technical support from the National Cooperative Federation of Nepal. Based on the experiences gained from development of the initial four cooperatives, the Project formulated cooperative promotion and development guidelines. The guideline describes different models of cooperative development and associated steps for it. It gives detailed guidance to implement 23 steps under three different phases of cooperatives development.

Impact	The manual provided guidance to trainers and the cooperative board members, including field staffs to organise the cooperative development related event in systematic way. As a result, the Project has been able to develop 62 cooperatives in its working rural municipalities (two are linked to the solar mini grids, while 60 are the standard model).
6. HRBA & GESI Strategy and Action Plan	
Introduction	The HRBA & GESI Strategy and Action Plan describes the need for the strategy in WASH projects. It also elaborates the principal issues of GESI and HRBA in Nepal and describes the need for these strategies in the development sector. It defines strategic approaches into mainstreaming and where necessary, targeting HRBA and GESI relevant principles. Each area is supported with detailed description of interventions and action items, with an action plan that walks through the various layers and steps. The action plan suggests methods to ensure the participation of women, DAGs and other marginalised groups in decision making, and their representation in different decision-making committees. The SBS is the key operational tool for translating GESI principles into practice at an individual scheme level, but there are also other layers and project guidelines that relate to sanitation and hygiene, participation in meetings, trainings and planning, overall decision making at different levels and monitoring. The Strategy provides a 'Yes-No' type of checklists for different phases to simply verify whether specific action items actually materialised. The guideline was developed together with RWSSP-WN and follows the local government planning process.
Impact	The actions suggested in the action plan were incorporated in different project manuals, including the Step-by-Step manual, and it contributed to ensuring participation of women and other excluded groups in decision making while implementing the Project. Through the participation in the decision-making processes of scheme implementation, ownership of all sections of community was enhanced, and ultimately this contributed to sustainability of all the activities.
7. Agri-Business Support Guidelines	
Introduction	After successful implementation of the home garden concept, the Project supported farmers to produce and market vegetables and other products commercially. The guidelines provide guidance for selection of agribusinesses, including proposal evaluation, process of business plan formulation, subsidy criteria, implementation support mechanism.
Impact	The guidelines guided RVWRMP staffs, RM agriculture section staffs and SO staffs to implement the agri-business program in the field. It provided clear steps to perform in a sequential order. With this guidance and associated training, the field staff were confident to carry out agri-business related tasks and the Project was able to establish agri-businesses in each RM, which contributed to the income generation and resilience of the farmers.
8. General Recruitment Principles	
Introduction	The paper provides guidance for recruiting national TA positions. It describes the process of recruitment including shortlisting, tests, final selection and embassy approval. It also describes the mechanism for complaints on the part of candidates regarding the recruitment process.
Impact	The paper (2017) guided project management and the recruitment committee members to conduct a transparent recruitment process. Since the document was accepted by the Embassy, it became easier to deal with and avoid the complaints and any kind of external influences in the recruitment process. It helped to recruit the staffs based on skill and knowledge rather than connections.
9. RM WASH Board Concept	
Introduction	To address sustainability issues and replicate the good practices of RVWRMP, the RVWRMP working municipalities decided to establish a WASH Board in each core RM. The Project supported them to develop the concept of the Board. The concept consists of the legal background, role and responsibilities of WASH board, RM level WASH MIS establishment and update, registration and renewal of the UCs, provision of UC network; role and responsibilities and operation process as well as the WASH Unit's role and responsibilities.

Impact	The RM Councils approved the Concept Paper as well as the WASH board directives resulting in the establishment of the RM WASH board, UC network and WASH Units in all 27 RMs. It is expected that the initiative will facilitate promotion of good governance in the WASH sector in the RMs, providing the RMs continue to work with this system. The Concept and modalities have been disseminated and adopted by other similar projects.
10. Communication and Visibility Guidelines and Plan	
Introduction	After obtaining EU funding for RVWRMP, the Project document committed the Project to maintain visibility according to the EU requirements. The guidelines were formulated to pay special attention to visibility of the Project, and to acknowledge Project financiers with appropriate logos in all produced materials, on infrastructure and so on. It also guides users to define the audiences and type of materials to produce in accordance with their interest. Methods of communication selected, and the messages shared should be compatible with prevailing social norms in the place where the communication activities are carried out. The guideline also suggests that in order to reach as many as possible the local language should be used as much as possible.
Impact	The guidelines and plan helped to maintain the visibility activities according to the standards of the EU and the Project interventions became visible to the respective audiences and general public. Awareness was raised among the local community regarding important behaviours for WASH and MHM/DMM, in particular, feeding into the results of the Project.
11. Community Procurement Manual	
Introduction	RVWRMP established community procurement from the beginning. Considering the level of education/awareness of UC members and beneficiaries, it was always challenging to maintain transparency in procurement processes and ensure the quality of procured materials. To ensure that the procurement process was as transparent as possible, the Project developed and applied the Community Procurement Manual based on principles of quality, transparency, participation, competitive and cost efficiency, and capacity building. The guidelines describe the step-by-step process to be followed, necessary templates for tendering and preparing comparative charts and capacity building events to be carried out during the process. The manual refers to the Public Procurement Act and regulations.
Impact	The manual helped to maintain transparency and ensured the quality of external construction materials. It helped to control corruption, and therefore contributed to the trust of beneficiaries and RMs in the Project and its staff. Due to this high level of trust, the RM and users contributed more than expected for Project implementation. The Project was therefore able to reach more beneficiaries than targeted.
12. SO selection and Mobilisation Manual	
Introduction	Due to the political affiliations of many NGOs, it can be very difficult to recruit NGOs in Nepal. To make the NGO selection transparent and unbiased, the Project developed the Support Organisation (SO) Selection and Mobilisation Manual for the use of RMs. The manual describes the criteria for shortlisting and process, including scoring criteria and selection of the team. Similarly, it describes technical and financial requirements and proposal submission, evaluation process, scoring and final selection. The manual also includes tender documents and other relevant templates. The manual was prepared based on the Procurement Act and Regulation of Nepal.
Impact	The manual provides a clear guidance to the RMs on how to select NGOs as SO for the Project. It helped to select SOs transparently and without any political or external influences. It enhanced Project's good will and created a conducive environment to implement the Project at RM level.
13. GWROs selection and Mobilisation Manual	
Introduction	Gaopalika Water Resources Officers were hired by the RMs, using RM-WRDF, and with a focus on the Project activities. The GWROs were in charge of implementation of Project activities at RM level. It was important that the candidates selected as GWRO had enough skills and knowledge, and above all

be honest. To support these criteria, the Project developed the Manual to guide RMs on merit-based selection of GWROs. The manual describes the shortlisting criteria and process, including scoring criteria and composition of the selection team. The Manual also recommends salary level and other facilities of GWRO.

Impact The Manual provided clear guidance to the RMs to select the GWRO for the Project. It helped to hire GWROs transparently and without any political or external influences. It enhanced Project's good will and created conducive environment to implement the Project at RM level. It also enhanced the capacity of the RM concerning recruitment of staff.

14. WASH unit staff selection and Mobilisation Manual

Introduction For most of the Project implementation, work was implemented with SOs or SPs. In FY06 the RMs decided to discontinue contracts with the SOs and establish WASH Units. The manual guided the RMs to carry out performance evaluation of existing SO staffs and select them for work with the WASH Unit based on performance. The Manual includes evaluation criteria, evaluation team, and salary and benefits of the staffs.

Impact The Manual helped for to achieve a smooth transition from SO modality to WASH unit with no disputes. It resulted in no disturbances to Project implementation and contributed to establish the WASH Unit at RM level.

15. CCA DRR concept paper

Introduction The paper describes the CCA-DRR Policy, context in Nepal and RVWRMP working area, climate trends and disaster risks. The paper outlines RVWRMP approach on CCA/DRR and suggests different CCA/DRR related activities to be carried out for WASH, livelihoods, renewable energy and capacity building. It also mapped the stakeholders' active in the Project working area.

Impact The paper helped to identify and incorporate CCA-DRR related activities in the work plan. It guided inclusion of different source protection and conservation related activities in the design of water supply and irrigation schemes. Ultimately the paper helped to internalise the CCA-DRR interventions in all the Project activities.

16. Water Use Master Plan Preparation Manual

Introduction RVWRMP is a pioneer of WUMP formulation in Nepal. It prepared 136 VDC WUMPs and 27 RM level WUMPs. The manual was prepared to guide the field teams and the municipalities on WUMP preparation. The manual includes a detailed description of each step, capacity building training contents and planning templates. The manual was applied while preparing the WUMP in RVWRMP working area.

Impact The Manual helped to prepare WUMPs in a homogeneous manner in all RMs. More importantly, the Manual was accepted as the National WUMP formulation guideline by MoFAGA and DWSSM. It can be considered as a significant contribution to the sector by RVWRMP.

17. Annual Performance Evaluation (APE) Manual (for SO, GWRO and RM)

Introduction In RVWRMP, all contracts were performance-based. An annual performance system was applied at all levels and as per the contracts, annual performance evaluations of SOs, GWROs and RMs were carried out every year at the end of the fiscal year. The manual contains the description of the process of APE. A software was developed to simplify the evaluation process.

Impact All the APEs were carried out in a participatory manner efficiently and in time. Based on the performance evaluations RMPMC and PMT took management decisions on 'reward' and 'punishment'. It established a system within the Project that made everybody aware of their job descriptions and to concentrate on their performance in view of those. It helped to complete the Project successfully as all levels of staff had no doubts about their role and responsibilities.

18. Security and Emergency Plan	
Introduction	The plan explains the different potential security risks that may arise during the Project implementation. It advises about emergency equipment and materials which need to be in the vehicles and with individuals while visiting the field. It explains the Basic Operating Guidelines and outlines the reporting channels and clarifies the insurance system applied in the Project.
Impact	The Plan made staff feel secure and prepared for any eventuality, which motivated and increased their efficiency, ultimately contributing to the success of the Project.
19. Post Construction Manual	
Introduction	A scheme has four phases; the post construction phase mainly focusses on the sustainability of the scheme. The manual describes the process of formulating and implementing the Water Safety Plan in detail, water tariff fixation and O&M fund collection and mobilisation, mobilisation of the female tap group and appointment and mobilisation of the VMW, as well as formulation of the O&M regulation of the schemes. The role and responsibilities of the UC in post construction stage are described. It also explains the process and benefits of affiliation with cooperatives. It includes the content of different capacity building activities and processes, including coordination meetings.
Impact	The manual guided the field team to implement the post construction phase in a proper manner. Implementation of the post construction phase in the schemes contributed to the sustainability of the schemes. It also enhanced the capacity of WASH Unit and RM on sustainability aspects.

5 Resource allocation and financial analysis

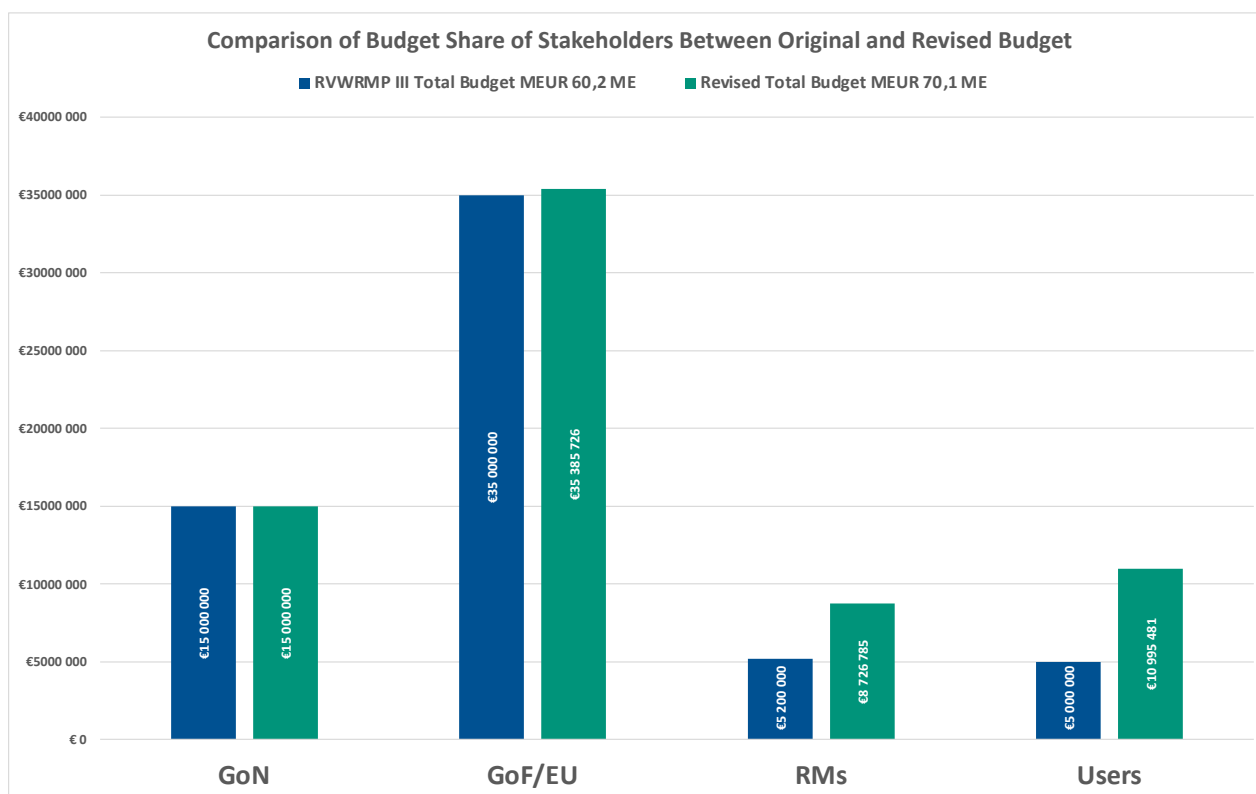
5.1 Financial Resources

This chapter presents the narrative description of the overall realised total expenditures, including funding by all stakeholders and in-kind contributions.

The Project is an “on-budget, off-treasury”-type of intervention. The investment budgets from FY01 to FY02 were channelled through the District Development Funds (DDFs) in each district. Thereafter, the Rural Municipality Water Resources Development Funds (RM-WRDF) were established in each RM for investments and recurrent costs. These were administered by the RM accountants themselves.

The total Project budget as presented in the Project Document was MEUR 60.2. However, in the FY06 the overall budget was revised in view of actual contributions and increased to MEUR 70.1 (*Figure 8 Overall planned budget Phase III (EUR)*) because of significant increase in the contribution from the local level and users. The actual contributions in EUR from the GoN remained the same. The contribution from GoF/EU were combined with a carry-over from Phase II of EUR 385,726.

Figure 8 Overall planned budget Phase III (EUR)



All overall budget and target revisions were revised in the PD Budget with a total budget for GoF/EU WRDF of EUR 22,497,636⁵. The approved budget for the final year of FY07 defined the contribution to WRDF by EU/GoF in accordance with the remaining funds.

We describe here the overall budget and expenditure for Phase III for the full period of implementation (FY01-07), and subsequently the FY07 budget and expenditure, as there is no separate APR FY07. It should be noted that a no-cost extension of the RVWRMP III was approved by the SVB until the end of October 2022 for the final closure of the Project using only remaining TA Contract funds from the GoF.

Therefore, the expenditures for the FY07 include the extension period until the end of October 2022.

5.1.1 Overall budget and expenditure

As mentioned above the total budget for Phase III was revised to MEUR 70,1. GoN provided MEUR 15, GoF/EU MEUR 35 with an additional transfer of EUR 385,726 from Phase II, the municipalities MEUR 8.7 and users MEUR 10.9. The GoN funds cover contribution to the WRDF (recurrent and investments); Capacity Building (PCO/DoLI) and GoN Administration costs. The GoF/EU funds cover contribution to the WRDF (recurrent and investments), technical assistance, capacity building through the technical assistance and associated costs.

By the end of FY07, the total expenditures exceeded the revised budget and amounted to EUR 72 MEUR. **The GoN has spent 97% of the GoN total budget (Annex 7)** for the Project⁶. However, GoN/Office of NPD DoLI has inscribed (Red Book) an additional budget for 2022/2023 (FY08) of NPR 3.9 million (EUR 28,618) to cover recurrent costs such salaries, vehicle costs and maintenance (ref **Annex 3**).

⁵ Please, refer to section 5.1.3 for details on the budget reallocations

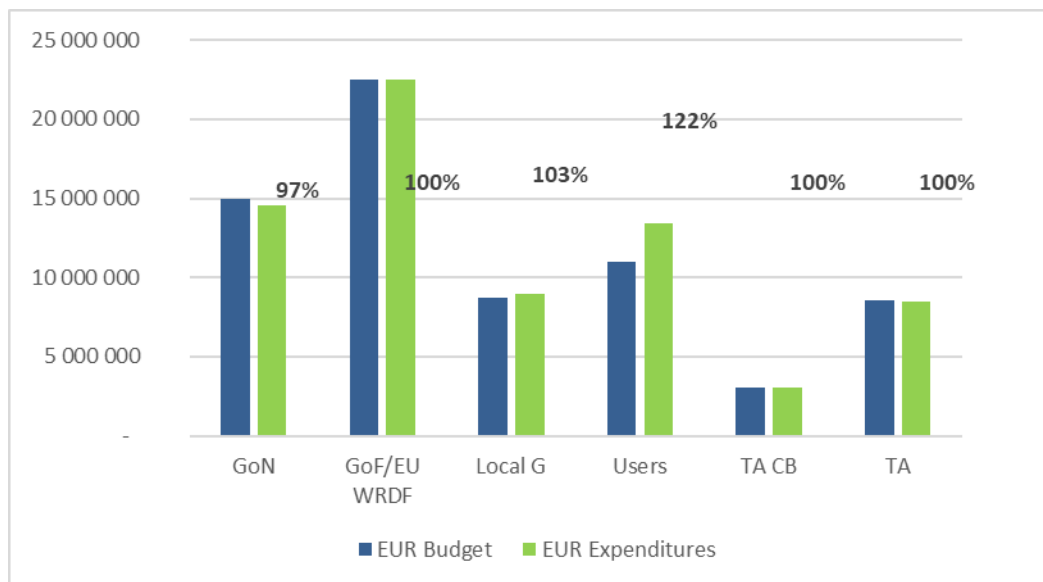
⁶ GoN available funds and expenditures are always calculated in NPR. Due to the shifting exchange rates NPR- EUR it appears as if the total GoN contribution amounts to only MEUR 14.5, however the total GoN contribution in NPR amounts to NPR 1,914,650,938.49 by the end of FY07.

By the end of FY07, the GoF/EU has spent 100% of the total budget for WRDF i.e. EUR 22,497,636.42.

Likewise, nearly all GoF/EU TA CB and TA funds have been used by the end of October 2022, with a remaining balance of only EUR 21,910.

Figure 9 provides a summarised view of all Phase III expenditures by the end of FY07 in view of the revised budget from all sources.

Figure 9 Phase III Overall Budget versus Expenditures by the end of the Project 10/2022



In this last year of the Project the users contributed far more than anticipated in the FY07 budget, thus bringing the total Project **contributions** from all sources to MEUR 72. (ref **Annex 7** RVWRMP III Budget vs Expenditures).

Table 8 provides details on the result wise distribution of funds by source.

The contributions to the different Result Areas have varied over the years but have to a large extent followed the original budget estimates. One major exception is the GoN contribution to Result Areas 2 Livelihoods (more than 100% increase) and Result Area 3 Renewable Energy and Climate Change (78% decrease). A reason for this is the decision to reallocate the funds for Micro-Hydro Power plants to mainly livelihood activities. But the GoN contribution to the Result Area 3 is still far below what was anticipated, even after the reallocation of the MHP budget lines.

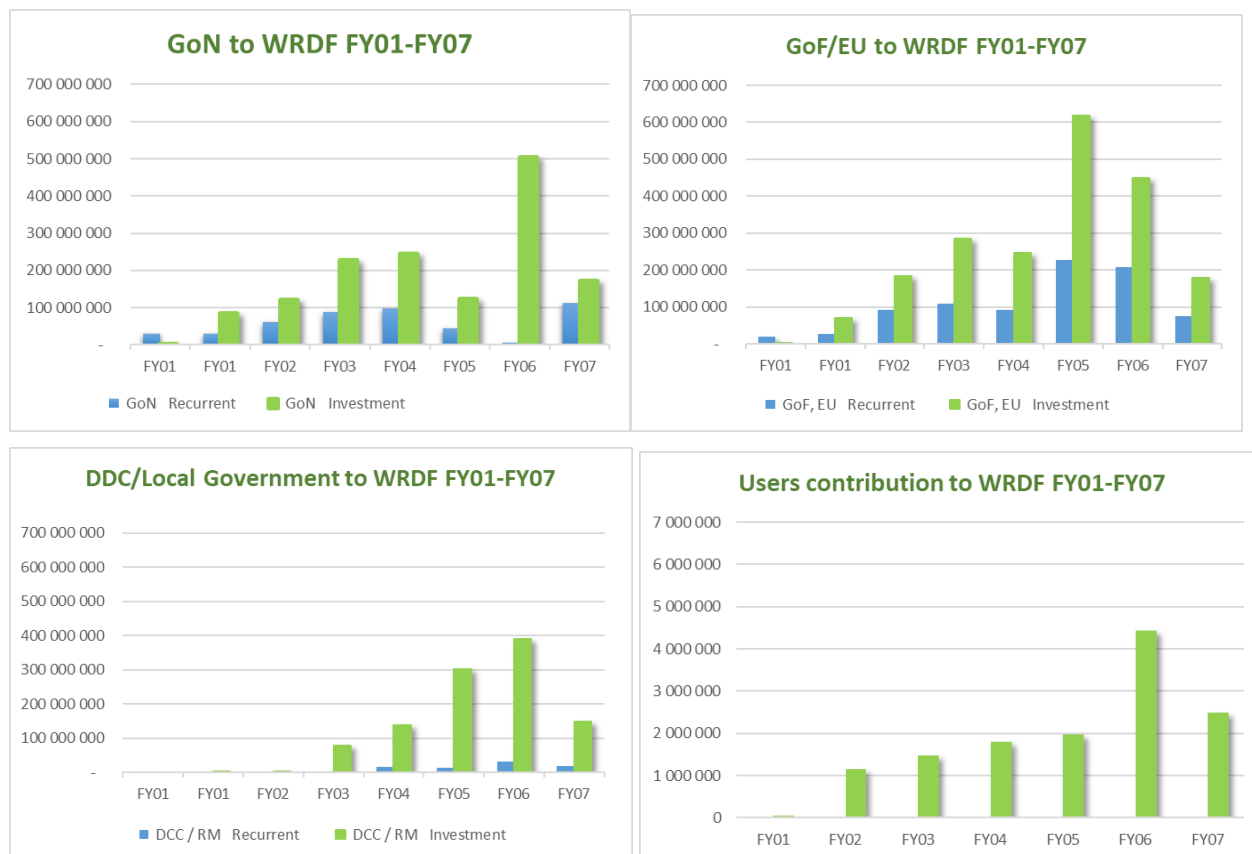
The local levels have, though, contributed more than anticipated reflecting the priority they assign to the matter.

Table 8 Result Area-wise contributions from all sources

		Phase III Budget	Cumulative	Budget vs
		EUR	Expenditures (EUR)	Expenditures %
R. 1 WASH	GoN	9 560 000	9 536 018	100%
	GoF/EU	13 936 857	14 261 306	102%
	RM	6 565 772	6 603 363	101%
	User	8 473 915	9 777 855	115%
	TA CB	720 000	759 407	105%
	GoN CB			
R.1 Total		39 256 544	40 937 949	104%
R.2 Livelihoods	GoN	1 440 000	3 077 218	214%
	GoF/EU	5 331 261	5 557 637	104%
	RM	1 676 162	1 873 399	112%
	User	1 967 400	2 940 368	149%
	TA CB	480 000	435 852	91%
	GoN CB		6 005	
R.2 Total		10 894 823	13 890 479	127%
R.3 RE/CC/DRM	GoN	2 300 000	502 617	22%
	GoF/EU	1 429 000	1 198 789	84%
	RM	353 942	330 396	93%
	User	554 166	668 484	121%
	TA CB			
	GoN CB			
R.3 Total		4 637 108	2 700 287	58%
R.4 Governance	GoN	600 000	1 047 183	175%
	GoF/EU	1 800 518	1 479 904	82%
	RM	130 910	163 057	125%
	User			
	TA CB	1 870 000	1 868 872	100%
	GoN CB	500 000	73 839	15%
R.4 Total		4 901 428	4 632 854	95%
Grand Total *)		59 689 903	62 161 569	104%
*) Excluding GoN Adm, MFA Adm, and TA				

The charts below present the actual contributions over the years by source of funding: GoN, GoF/EU, local governments and the users.

Figure 10 WRDF Contributions by source (NPR)



The first FY01 only covered a period from mid-March to mid-July 2006 thus expenditures are low from all sources. At local level, the first two years of implementation, funds were provided through the DDCs. Then the funds were channelled through the Rural Municipalities and the contributions increased gradually over the years, peaking in FY05 and FY06.

The local governments supported mainly investments, whereas the GoF/EU also contributed to the recurrent costs. This clearly shows a need for increased support to the institutional strengthening and development of the RMs.

FY07 was the closing year, thus only remaining funds of the overall budget could be spent. Furthermore, no new schemes were initiated in FY07, but work focussed on post-construction support. These were typically additional structures, extensions and repair of schemes damaged by landslides and flooding.

The gradual increase in the RM and Users contribution over the years indicates the gradual change of ownership to the investments made, thus making them much more sustainable as the RMs and users assume responsibilities for the schemes. The communities invest in the schemes as they are beneficial to them. There are several reasons for this:

- The Project supported water supply schemes are not stand-alone water supply schemes but have provided the communities with a fundamental base for increasing their agricultural production and income (**Annex 13** Income Generation Study). They now have more means for maintaining and investing. It seems that they earn more than it costs to maintain.
- By popular demand, many of the schemes have provided private taps, thus the water supply became part of their own household installation thus enhancing the sensation of owning the installation.
- Through the Project Capacity building efforts, communities have gained more control over the investments and are able to maintain them.

Annex 3 WRDF Financial Progress Report shows the detailed budget and actual expenditures for the entire Phase III with all contributions (recurrent and investment) as used in the GoN Red Book. The flow of funds mechanism for financing activities at local level is described above in Chapter 4.2.

Annex 7 Overall Budget vs Expenditures shows the detailed budget and actual expenditures for the entire Phase III in accordance with the PD Budget. The PD budget was adjusted to reflect the actual contributions as well as the transfer of EUR 625,000 from TA Capacity Building Funds to the WRDF for the year FY07⁷. A no-cost extension from mid-July to end of October 2022 of the TA was likewise approved to secure the smooth closure and the development of the present Completion Report.

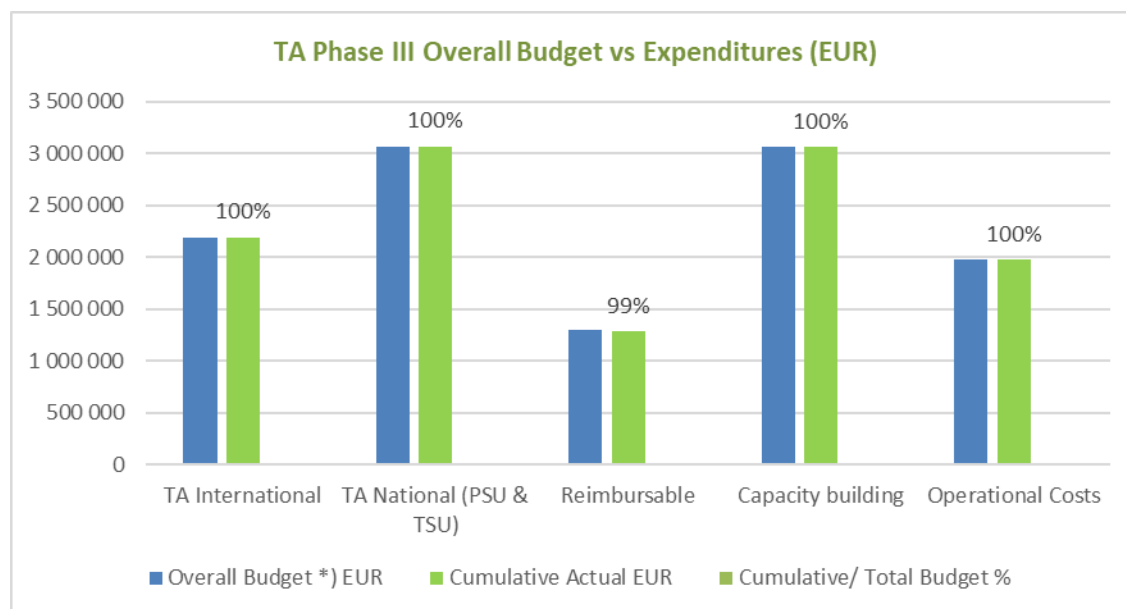
5.1.2 Overall budget and expenditure - TA contract

The TA budget (GoF/EU only) were divided in two components: a) the TA CB covered capacity building and governance expenditure related to each of the result areas; monitoring; plans and studies (for instance to cover the WUMP preparation); and b) the TA covered the fees associated with the international and national long-term experts and specialists; operational costs and TA related reimbursable costs such as travel, per diem, housing and relocation. Only the budget headings of International and National technical advisors carried overhead. The budget covered the cost of offices of PSU, TSUs and running costs of the PCO office. The running costs also covered the costs of support staff and drivers, costs related to utilities and vehicles including various costs related to PCO such as per diems and travel costs.

A complete list of all the Capacity Building activities provided by the Project is found in **Annex 5**.

The TA budget was channelled through the accounts of FCG Finnish Consulting Group Ltd. The Consultant's Home Office in Helsinki, Finland reported directly to MFA Finland monthly. These funds were audited in Finland annually.

Figure 11 Overall TA budget vs expenditures end October 2022



*) Overall budget revised as approved in AWP FY07

Overall, TA expenditures amount to EUR 11,575,254 (almost 100%) out of a budget of EUR 11,597,164⁸ by the end of the Project.

⁷ Approved by 12th SVB meeting September 2021. See also section 5.1.3 for details on budget reallocations.

⁸ The original TA Contract was amended to a total of EUR 12,091,090 in 2020 to partly cover to the cost of the Labour Law, prior to being decreased to 11 597 164 when funds were moved from capacity building to implementation.

5.1.3 PCO and office of National Project Director (NPD)/DoLI capacity building

The total budget of PCO / DoLI was EUR 500,000 for capacity building. Based on the experience of RVWRMP phase II, the role of PCO and NPD office in capacity building activities were found to be important. They needed to transfer the knowledge about Government of Nepal's policy, strategy and technology related to the Project's intervention areas at the local level. Despite the COVID – 19's disturbances, EUR 79,844 has been spent throughout the Project's period. Through the fund, PCO has provided Account management training to cooperatives, Training to Health Promoters, Training to GWROs, Training on NWASH and Training on Water Quality activities were being conducted. These trainings were among the key skills to deliver the Project's activities at the field level.

5.1.4 Short description on major budget reallocations

The final budget Phase III was confirmed in December 2017 (in line with the option proposed during tendering), incorporating the additional funds from the EU. At the same time the Project was extended by 18 months from 3.2016-2.2021 to 3.2016-8.2022.

Within Result Area 3, in 2020 the budget for the construction of Micro-Hydro Power was reallocated to the other result areas, including the incorporation of additional support to the development Value Chains.

The other major budget reallocation was made in FY06. Due to the pandemic the budget for TA CB was under-utilised by the end of FY06 as it was difficult to gather groups for training purposes. At the same time, it was possible to complete and financially clear most of the planned investment activities by the end of FY06 thus the available GoF/EU funds for WRDF FY07 were less than anticipated. It was therefore decided⁹ to reallocate a part of the TA CB (Consultant's contract) to the WRDF for the year FY07, to be able to support as many investment activities (mainly post-Construction) at local level as possible. A total of EUR 625,000 was transferred to the WRDF covered by the TA CB and the GoF/EU Project contingencies.

5.1.5 Budget – Expenditures WRDF FY07

The total FY07 budget considering all possible contributions was MEUR 9.4. Of this, total MEUR 4.4 were channelled through the RM's WRDFs. The total budget as stated in the GoN Red Book was NPR 600,200,000 to be released through RMs' WRDFs. This was assumed to equal to MEUR 4.4 with the EUR: NPR exchange rate 135. The actual rate for the EUR WRDF funds released during the first months' reporting period had the actual exchange rate of between 136-138 rather than 135 as assumed in the AWP FY07.

In the final year of the Project, it was no longer possible to carry unspent budgets over to the next year. Therefore, some adjustments were made between the different budget lines of the GoF/EU contribution to secure that all funds would be spent. For this reason, EUR 625,000 was transferred to the WRDF investment fund from the TA CB budget line and contingencies. Furthermore, the actual GoF/EU contribution to the RM-WRDF Red book was over-budgeted with about 15% in view of the total amount of EUR available from GoF/EU. All changes were approved by the SVB and were detailed in the AWP FY07. The total funds available were limited, and constant budget follow-up was carried out throughout the year.

Table 9 shows the budget with actual expenditure in EUR for FY07. Here the reference to GoN includes also DoLI/PCO and the related capacity building.

⁹ SVB meeting, September 2021, Annex 28 Summary of SVB meetings.

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Table 9 Total budget and actual expenditure FY07 + extension months result and source wise (EUR)

FY07 BUDGET (EUR@135)	GON	GOF+EU	RM	Users(cash+kind)	Total	Total in LMBIS
RESULT 1 WASH	967 948	1 044 936	955 681	933 926	3 902 492	
RM WRDF and Users	964 985	976 707	955 681	933 926	3 831 300	1 941 693
TA Plan & Capacity Dev.Fund	2 963	68 229			71 192	2 963
RESULT 2 Livelihoods	678 752	807 663	452 496	212 785	2 151 696	
RM WRDF and Users	672 604	679 100	452 496	212 785	2 016 986	1 351 704
TA Plan & Capacity Dev.Fund	6 148	128 563			134 711	6 148
RESULT 3 RenewableEnergy	275 039	405 819	147 852	8 415	837 124	680 858
RM WRDF and Users	275 039	405 819	147 852	8 415	837 124	
TA Plan & Capacity Dev.Fund						
RESULT 4 Governance	321 224	673 520	60 600		1 055 344	
RM WRDF and Users	311 816	159 856			471 672	471 672
TA Plan & Capacity Dev.Fund	9 407	513 664			523 072	9 407
TA Contract		1 423 938			1 423 938	
GON admin (PCO/DoLI)	84 444				84 444	84 444
Total FY07	2 327 407	4 355 875	1 616 630	1 155 126	9 455 038	
Total in LMBIS	2 224 444	2 221 481				4 445 926
FY07 ACTUAL (EUR@136,27)	GON	GOF+EU	RM	Users(cash+kind)	Total	Total of LMBIS %
RESULT 1 WASH	914 158	897 339	763 881	1 460 781	4 036 159	
RM WRDF and Users	914 158	784 476	763 881	1 460 781	3 923 296	87%
TA Plan & Capacity Dev.Fund		112 863			112 863	
RESULT 2 Livelihoods	631 294	708 446	350 308	950 286	2 640 333	
RM WRDF and Users	625 289	608 489	350 308	950 286	2 534 371	91%
TA Plan & Capacity Dev.Fund	6 005	99 957			105 962	
RESULT 3 Renewable Energy	251 807	358 202	69 204	115 682	794 895	
RM WRDF and Users	251 807	358 202	69 204	115 682	794 895	90%
TA Plan & Capacity Dev.Fund						
RESULT 4 Governance	283 254	615 987	45 027		944 268	
RM WRDF and Users	276 019	124 220	45 027		445 267	85%
TA Plan & Capacity Dev.Fund	7 235	491 767			499 002	
TA Contract *)		1 407 899			1 407 899	
GON admin (PCO/DoLI)	57 528				57 528	
Total Actual APR FY07	2 138 042	3 987 872	1 228 420	2 526 750	9 881 083	
Total expenditure from LMBIS	2 067 274	1 875 387			3 942 660	89%

*) Note: The TA contract budget includes the Annual budget for FY07 plus the Exit Plan budget for extra months.

An additional factor for the FY07 increased contribution from local level is that the schemes supported in FY07 were PoCo schemes where the contribution from the Project maximum of 30% of the costs.

Table 10 below shows the situation with regards to the total budget and actual expenditure by all contributions in NPR and EUR according to the main Red Book budget headings for WRDF FY07: investment, recurrent and total. The FY07 GoF/EU budget was overbudgeted with about 15% due to experience of RM expenditure levels in order to ensure that all GoF/EU funds would be spent within the available timeframe.

The budget was prepared in NPR and converted to EUR with a rate of 135 NPR/EUR. The actual expenditure is reported in NPR, except for TA, and converted to EUR with the average rate of 138.21 for the WRDF instalment contributed by the GoF/EU during the reporting period.

The total actual expenditure for the FY07 was 85% of the budget for FY07 and 96% of the corresponding released budget. As for the GoF/EU funds all released funds were spent 100%.

Table 10 Total WRDF budget and annual FY07 expenditure (NPR, EUR) excluding PCO/DoLI

Fundingsource	Recurrent	Investment	Total	Total	Percentages	
Budget	NPR	NPR	NPR	EUR	% of WRDF Total Budget	% of Annual Total Budget
GoN	121 800 000	178 500 000	300 300 000	2 224 444	37%	23%
GoF/EU	78 700 000	221 200 000	299 900 000	2 221 481	37%	30%
Local level (RM)	20 315 000	200 250 000	220 565 000	1 633 815	27%	23%
Users	-	155 942 010	155 942 010	1 155 126		24%
WRDFtotal(GoN+GoF/EU+RM)	220 815 000	599 950 000	820 765 000	6 079 741	100%	
GrandTotal(GoN+GoF/EU+RM+users)	220 815 000	755 892 010	976 707 010	7 234 867		100%
Released	NPR	NPR	NPR	EUR	% Released/Budget	
GoN	121 215 818	178 489 813	299 705 631	2 199 230	99%	
GoF/EU	75 685 000	179 887 913	255 572 913	1 875 385	84%	
Local level	21 382 139	159 830 131	181 212 270	1 329 730	81%	
WRDFtotal(GoN+GoF/EU+RM)	218 282 957	518 207 857	736 490 814	5 404 345	90%	
Total FY07 Expenditure	NPR	NPR	NPR	EUR	% Actual/Budget	% Actual/Released
GoN	111 188 101	170 534 839	281 722 940	2 067 274	94%	94%
GoF/EU	75 685 000	179 887 913	255 572 913	1 875 385	85%	100%
Local level	19 663 509	147 742 496	167 406 005	1 228 420	75%	92%
Users	-	344 083 663	344 083 663	2 526 750	219%	
WRDFtotal(GoN+GoF/EU+RM)	206 536 610	498 165 248	704 701 858	5 171 079	85%	96%
GrandTotal(GoN+GoF/EU+RM+users)	206 536 610	500 656 622	1 048 785 521	7 697 828	106%	

5.1.6 Budget and expenditure FY07 through Technical Assistance accounts

The total budget through TA accounts for FY07+the closure months was MEUR 2.1. The details of the TA budget are presented in *Table 11* below. In addition to the annual expenditures for FY07+closure months, the table shows the actual cumulative Phase III expenditure which was 100% of the TA total budget.

Table 11 Technical Assistance budget and actual expenditure FY01- FY07+extension months (EUR and %)

Phase III	Phase III	FY01 to FY07+		FY07+				Total TA Remaining RVWRMP III
Summary	Overall Budget *)	Cumulative Actual	Cumulative/ Total Budget	Budget FY07	Budget FY08	Actual	FY07 Actual / FY07 Budget	
	EUR	EUR	%	EUR	EUR	EUR	%	
TA International	2 190 500	2 190 500	100%	345 428	78 339	423 761	100%	0
TA National (PSU & TSU)	3 067 883	3 067 861	100%	355 269	16 821	372 068	100%	22
Reimbursable	1 292 707	1 280 835	99%	260 000	10 980	259 108	96%	11 873
Capacity building	3 070 000	3 064 130	100%	710 456		704 587	99%	5 870
Operational Costs	1 976 074	1 971 929	100%	329 000	28 107	352 962	99%	4 145
Total through TA	11 597 164	11 575 255	100%	2 000 153	134 247	2 112 486	99%	21 910

TA funded capacity building was funded by the GoF/EU, whereas PCO funded capacity building was 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. **Annex 5** shows the summary of TA operated Capacity Building Phase III.

Below *Table 12* shows the budget and expenditures of TA CB for FY07. TA Capacity building activities were again influenced by the COVID-19 restrictions and the RM elections (which prevented some activities during the electoral period). Some activities were therefore postponed; and others were cancelled. Some activities were more expensive than anticipated, as with the case of the N-WASH activities (although achieving an excellent result). However, the Project Team has adjusted the activities on a monthly basis to match with the overall budget and all funds will be spent in the remaining months of the Project.

The spending of the budget on Reimbursable (staff DSA-travel) is closely interlinked with the spending of the budget for Capacity Building, and therefore was also influenced by COVID-19 and, in particular, by the local government elections (which hindered the possibilities for planned monitoring visits to the Project RMs and sites as well as planned closure events).

In accordance with the AWP FY07 additional capacity building activities were able to be added or moved to the extension period July-October.

Table 12 TA operated Capacity Building budget and expenditures end FY07 (EUR)

Capacity Building and Governance	Budget FY07	Actual end FY07	Actual / Budget
	EUR	EUR	%
C1 Plans and Studies, N-WASH (budgetted under Result 4)	58 928	75 839	129%
C2 Result 1: WASH	68 229	112 863	165%
C3 Result 2: Livelihoods (excl. C3.03-04)	93 281	70 451	76%
C3.03 Result 2: GESI	18 504	14 116	76%
C3.04 Result 2: Communication and visibility	16 778	15 390	92%
C4 Result 4: Governance	454 736	415 927	91%
Total (TA funded capacity building only)	710 456	704 586	99%

All TA funded capacity building activities are budgeted under the result areas 1,2 and 4. 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 by the Government of Nepal are likewise budgeted under the result areas 1,2, and 4.

Table 13 The capacity building activities from the Project Coordination Office (PCO-DoLI)

Sn.	Name of Training Activity	FY07 Total Budget		FY 07 expenditures	
		NPR	EUR	NPR	EUR
Result 1	Water Quality Testing Training to RMs (through DoLI)	400 000	2 963		
Result 2	Cooperative capacity building training	830 000	6 148	830 000	6 005
Result 4	RM IT Officers training on RM MIS	440 000	3 259	1 000 000	7 235
Result 4	GWROs capacity building training	830 000	6 148		
	Total PCO	2 500 000	18 517	1 830 000	13 240

5.2 Human resources and assets

5.2.1 Assets, Equipment and other facilities

The Project rented an office building complex in Dadeladhura for the PSU and PCO. In addition, the Project rented an office for a Technical Support Unit (TSU) in Dhangadhi. The Technical Support Unit of Kailali and the Logistic Support Unit in Dhangadhi were merged to reduce operational costs. The guesthouse and office in Kathmandu and all staff costs there were borne by the Project after August 2019 due to the closure of Rural Water Supply and Sanitation Project in Western Nepal (previously sharing the cost). RVWRMP 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) in Dadeladhura. The accommodation within the office complex continued to be used by the other international staff or visitors. Technical Support Units were established 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 rented 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 during the COVID-19 restrictions, it was decided to move the Bajura TSU office (for the safety of the staff) renting a separate office until the quarantine situation settled. Clustering of TSUs

offices in strategic locations was applied as the field activities wore down. The Project followed an organic approach for the clustering. That meant there were no forced mergers, but it was considered in each case when office or staff situations changed. 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 8** for the list of assets and vehicles as well as their hand-over certificates.

Equipment owned by the Project included furnishings and office equipment, survey equipment and water quality testing equipment. An inventory list was maintained in the PSU, with a continuous updating of the store and fixed assets. Broken or outdated equipment was regularly auctioned.

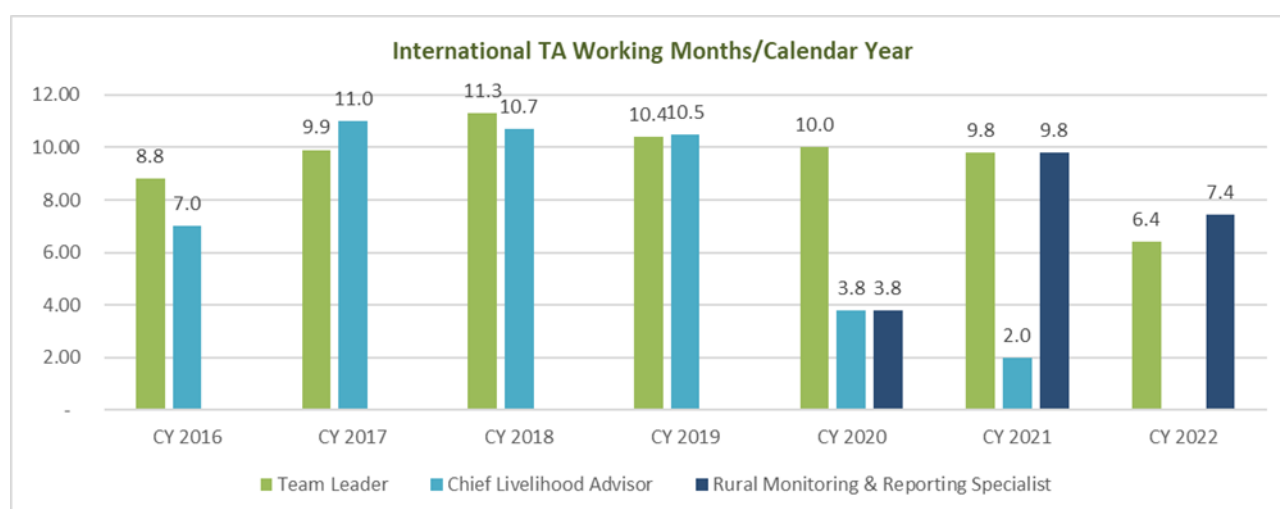
The Project owned nine vehicles – eight cars and one minibus. One car was under the management of the NPD from DoLI in Kathmandu (driver and maintenance costs borne by DoLI). The Project owned three motorbikes – one in PSU, one in Dhangadhi TSU and one in the Guesthouse & Liaison Office in Kathmandu.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

5.2.2 Phase III human resources – TA int TA Nat – through WDRF

The Project team included international and national technical experts, administrative and support staff working directly under RVWRMP. The Project had provision for four international long-term positions (but not throughout the full period): Chief Technical Advisor (CTA), Chief Livelihood Advisor, Rural Monitoring and Reporting Specialist and a Field Specialist. The Field Specialist position was a junior position and not included in the Technical Assistance International budget.

The staff in the international positions have over the years been changed as contracts expired, or staff resigned. It is noted that the Project area is a difficult location, and it is not realistic to expect international TA to stay in post for up to six years. The International TA months have stayed relatively stable throughout, other than a dip during 2020, when both the CTA and International Livelihoods Advisor left the country during the worst period of COVID-19. However, the planned inputs (i.e. total available man months) have been delivered according to the needs of the Project. *Figure 12* below illustrates the inputs provided until the end of the extension months July-October 2022.

Figure 12 International TA inputs

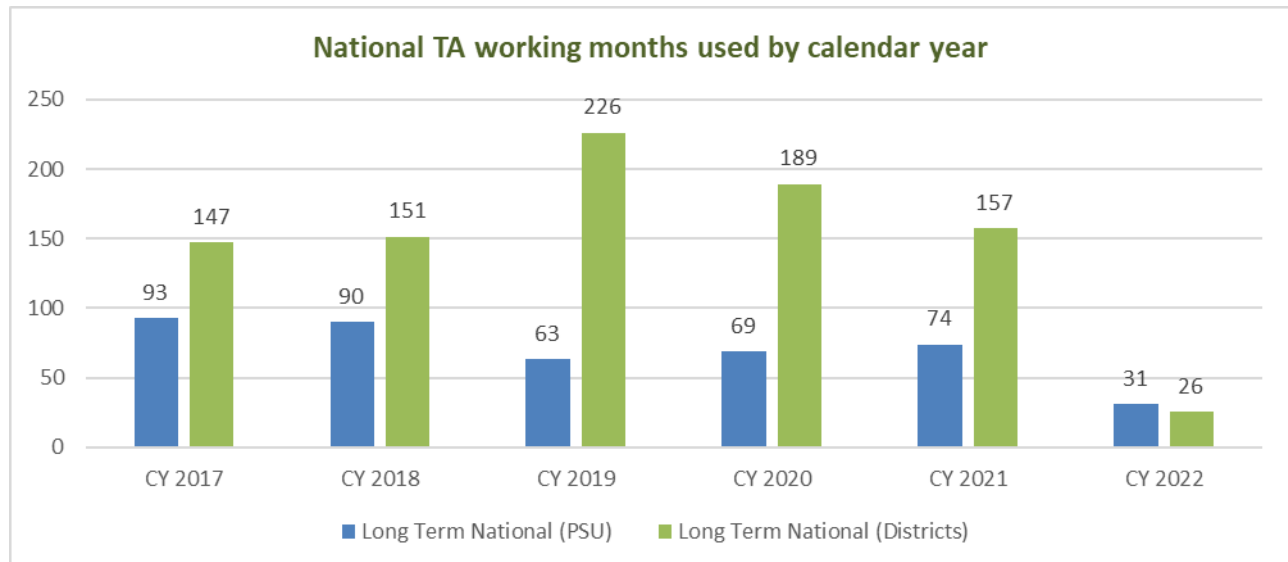


National Technical Assistance included the PSU staff based in Dadeldhura and TSU staff based at district level. PSU staff.

The national TA working months stayed relatively stable for the first three years of implementation (bearing in mind that Calendar year 2016 only began in March 2016). The original plan was that the PSU-based experts

would decrease after the initial three years, while the local level staff would increase. The Cooperatives and Microfinance Specialist ended his contract in mid-2018, and the Sanitation Specialist ended in late 2018. There was also a gap in the Renewable Energy Specialist role in 2019. When the funding of the EU was officially included in the Project, additional months were available for both PSU and especially TSU over the Project period, and staff were recruited for the Technical Support Units in the districts - specifically the Livelihood Officers. In addition, a Value Chain Specialist was recruited for PSU.

Figure 13 National TA inputs



National staff movements were impacted to some extent by the COVID-19 pandemic, however as most staff were vaccinated and were based close to their working areas in RMs, TSUs and PSU, they continued to carry out their work almost as normal (while applying COVID-related hygiene measures). The Kathmandu coordination office and guesthouse also continued to operate, with staff working from the office or home. The dedicated working spirit of the national staff was an important reason for the good progress of the Project, despite the pandemic.

Online communications became very important for maintaining smooth Project operations during the COVID period. The Zoom license 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 included use for meetings (both regular, such as the PSU Weekly, and ad hoc meetings), participation in workshops with other actors, trainings and recruitment interviews. It has also been used as a form of demonstration for RM officials, to demonstrate a new tool for them to use when communicating in the future.

The Ministry of Water Supply, through its Department of Water Supply and Sewerage Management (DWSSM) decided to establish a National WASH MIS. The Project found this to be a very useful tool for the RMs. However, this activity was not originally included in the PD and budgets, so it was made possible under the TA CB fund as it related to the capacity building at local level. During 2021-2022 the Project engaged 34 enumerators for the N-WASH registration employed on a short-term basis.

Annex 6 Human Resources presents a full list of all staff employed by the Project from Phase I – III.

RM level: As outlined in the Human Resources Strategy, to facilitate the Project work at RM level and enhance capacity of the RMs, the former Rural Municipality Support Units (RMSU) have been dismantled and merged with the novel RM WASH Units. Each of the units is headed by Gaunpalika Water Resources Officer (GWRO), and supported by a Technical Facilitator (TF), a Livelihood Facilitator (LF), along with several other staffers as per need. The GWROs are hired by the RMs in all 27 core RMs and paid from the WRDFs, while the rest of the team have been paid by the Capacity Building funds of the TA contract. The Project planned for, and lobbied the RMs, to continue GWROs or equivalent staff in the WASH Unit after the closing of the Project. Many of the RMs approved the approach (**Annex 26** Summary of RM Chair Workshop), however with the

change of RM elected officials, many have removed the earlier trained staff and replaced them with new, thus putting the sustainability of the WASH Unit in danger.

GoN-funded human resources: As described in Chapter 4.1 Organisation, RVWRMP III has support from the National Project Director (NPD) from DoLI in Kathmandu. For the first three fiscal years, DTO chief of Dadeldhura acted as National Program Coordinator (NPC), and later the Divisional Engineer of Infrastructure Development Division of Sudurpaschim Province in Dadeldhura was assigned part time for RVWRMP. In addition, the Project Coordination Office (PCO) received the services of a part-time accountant of the District Treasury Controller Office. The PCO office housed one engineer, a computer operator, and an office assistant. Despite his regular duties, the National Project Coordinator provided timely and good support for the Project.

5.2.3 Phase Out and Hand-Over

Exit Plan: The Project has followed its Handing Over Plan with the staffing and assets management, approved by the Supervisory Board in September 2021. Accordingly, the Project has by end of FY07 closed all TSUs and the Kathmandu Liaison Office and Guest House, as well as handed over the related assets including furniture to the approved institutions. The RVWRMP Kathmandu Liaison Office made available and established within the compound of DoLI was also closed and handed over by the end of the FY07 (in line with the information that DoLI would be dissolved by end FY07). A temporary office has been set up for the few staff remaining for the final closing phase July-October.

The competent authority (Ministry of Finance), together with the Embassy of Finland, decided that all the Project vehicles should be handed over to the newly started SuSWA project based in Surkhet. The SuSWA project is also implemented with financial support from the Ministry of Foreign Affairs Finland and EU. This avoided a lengthy and expensive transfer procedure for DoLI to take over the three vehicles which were less than 10 years old¹⁰.

A summary of the timing of the closing of the offices, handing over the main assets, and phasing out of human resources is found in below *Table 14*.

A full list of Handing over certificates of the RVWRMP assets handed over to the appropriate authorities as per the SVB and competent authorities' decisions are included in **Annex 8**.

¹⁰ The GoN does not allow Government institutions to take over vehicles which are more than 10 years old.

Table 14 Phase Out and Hand Over

HR and Asset Type	FY07																Final Closing							
	Nov-21	Nov-21	Dec-21	Dec-21	Jan-22	Jan-22	Feb-22	Feb-22	Mar-22	Mar-22	Apr-22	Apr-22	May-22	May-22	Jun-22	Jun-22	Jul-22	Jul-22	Aug-22	Aug-22	Sep-22	Sep-22	Oct-22	Oct-22
KTM accommodation																								
KTM RVWRMP office with DoLI																								
1 car with DoLI																								
8 cars																								
DDL PSU Office																								
DDL International House																								
Humla TSU																								
DHI Logistical Support Unit																								
TSU Offices (4)																								
KTM GH																								
TSU Offices (3)																								
HOC																								
Intl staffers (2+FS parttime)																								
Key Nat. staffers in KTM (5)																								
PSU Specialists																								
PSU Officers																								
PSU support staff																								
WRA Humla																								
TSU WRA																								
TSU WRE																								
TSU LO																								
RM GWROs																								
other RM staff																								

As all GoF/EU funds were spent at RM level, also the PSU RM-WRDF bank accounts were closed in line with the closing of the different offices.

5.3 Financial Analysis

5.3.1 Findings of Financial and Audit Results

Audits of the accounts of the transactions on the consultancy contract between the Ministry for Foreign Affairs of Finland and FCG Finnish Consulting Group Ltd for RVWRMP (covering the EU and Finnish funds to the TA contract) have been carried out each year in Finland. There has also been one performance audit carried out in Nepal in 2019, on behalf of Finland covering the period from July 2017-July 2019. The recommendations by the Audit have subsequently been addressed by the Project.

Auditing of the WRDF accounts is conducted in each RM as per the prevailing financial rules and regulations of the GoN. The prevailing practice did not provide timely and adequate assurance of the proper use and accounting of the WRDF. RVWRMP staff, therefore, carried out internal monitoring visits to the core RMs at least once per year to review the accounts. In this way it was possible to address identified risks and provide additional assurance of the proper use and accounting of the WRDF funds. **Annex 3** WRDF RM level report provide more detail on the matter.

5.3.2 Cost-Efficiency

Cost-Efficiency concerns the relation between the results and means - i.e. whether the process of transforming the means into results has been cost-effective. The earlier chapters were outlining the inputs and resources, including human resources, assets and equipment, costs and actual contributions. This chapter provides a brief assessment on how the resources were converted into activities in terms of quality,

quantity and time, and the quality of outputs achieved (Definitions from MFA, 2018). Can the costs of the intervention be justified by the results? Does the quantity and quality of the results of the Project justify the quantity and quality of the means used for achieving them?

The cost-effectiveness of converting means into results was excellent. RVWRMP exceeded all its initial targets in terms of completed water supply and sanitation schemes, capacity building activities, studies and other approach development activities, as well as in achieving its cross-cutting objectives in terms being able to mainstream both GESI, HRBA and climate change adaptation and disaster risk reduction (CCA/DRR) considerations into tangible works and actions (ref **Annex 2** Phase III Result Indicator Matrix).

The Project managed to achieve it all within the timeframe despite restrictions imposed by the pandemic and elections. Only no-cost extension has been from July-October 2022 to finalise all closure activities and get the final data for writing the present Completion Report. The Project has over the years mobilised significant local resources, both from the local governments and the users themselves, in terms of in kind and cash contributions as explained in 5.1.1. This reflects the high demand and satisfaction levels of the local governments and users with the Project – both the processes involved, and the end results of high-quality infrastructure.

The Technical Assistance (Internationals and Nationals) amounts to 15% of the overall contribution from GoF/EU, but only 8% of the overall budget for Phase III. They have all together with the staff at local level contributed to the achievements. Without the technical assistance from PSU to the local level staff working in each of the municipalities, it would not have been possible to reach the levels of quantity, quality and timeframe. The cost of the TA inputs in view of the Overall budget is justified as the results are evident.

At the same time, it has been possible for the Project to manage the enormous workload by changing the processes to fit the new, federal structure. It should also be noted that many other projects, and the GoN system itself, have faced several challenges in maintaining progress and expenditure during this period of restructuring.

Another perspective is to explore the actual costs of the different types of schemes against the number of beneficiaries. Per capita cost is the common way of exploring financial efficiency in water supply schemes. Schemes in remote, less accessible locations are usually more expensive per capita compared to other schemes.

Table 15 below shows the costs by technology type and attempts to also include the associated costs of technical assistance and capacity building of the various types of systems implemented by RVWRMP III. The calculation of costs is based on the actual costs as shown in **Annex 4** WRDF Schemes budget vs expenditures.

Definition of local contributions

In RVWRMP, UCs are in charge of managing capital, labour and materials required for the scheme implementation. All the local materials (except sand) and unskilled labour needed for the scheme implementation, are managed locally as the users' in-kind contribution. The unskilled labour is usually needed for digging the pipelines and for carrying local materials for construction sites.

Materials that are not found locally and skilled labour is managed and financed by the UCs through the UC account.

In extreme cases (very long pipelines or in very difficult terrain), the in-kind contribution could mean one-year work per one person from each household, usually in pipeline digging, where there is standard value in NPR for each length of pipe buried at the depth of 90 cm.

These are identified in the Agreement that the UC signs with the local government for the implementation of their water scheme. In other words, the in-kind contributions mean hard labour from the users' side. This can be interpreted as reflecting a high demand for these schemes. The users' actual contributions have exceeded the national standard, and it has been evident that where there is reluctance from the users' side to contribute, the scheme has not really been in demand. Some of these doubtful schemes have been dropped before any agreements have been signed. Therefore, scheme level monitoring and public meetings are a must for future sustainability. A scheme that is not genuinely in demand, is unlikely to remain sustainable. The Project utilized the norms by the Department of Water Supply and Sanitation for valuation of the local contributions.

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Table 15 Cost per capita by scheme technology (NPR)

Sector	Technology	Actual GOF/EU	Actual Municipality	User Contribution	Actual Cost / Others	Population Total	Cost per capita without oversights and capacity building cost	Estimated per capita oversights and CB cost	Per capita cost including technical and capacity building
Irrigation	Conventional Irrigation	90 512 036	51 732 423	90 203 452		28 859	8 055	644	8 699
	Hydraulic Lift	1 386 966	100 000	716 055		500	4 406	352	4 758
	Non-Conventional Irrigation	17 267 035	14 003 451	20 167 230		11 442	4 496	360	4 856
MUS	CI + IWM	70 977 997	35 701 983	61 648 637	-	19 232	8 753	700	9 453
	WS + CI	20 566 166	10 146 783	24 372 107		5 381	10 237	819	11 056
	WS + IWM	1 800 000	1 693 713	2 630 378		1 166	5 252	420	5 672
	WS + NCI	150 978 884	91 260 926	146 434 064	1 994 657	32 379	12 065	965	13 030
	Gravity	1 181 735 277	597 180 950	1 117 032 884	16 862 284	339 043	8 591	687	9 278
Water Supply	Gravity + Solar Lifting System	17 853 228	15 178 668	15 509 930	635 503	2 899	16 964	1 357	18 321
	Solar Lifting System	96 469 449	86 296 259	90 915 277	3 128 791	17 032	16 252	1 300	17 552
	Lift	4 288 958	5 684 581	3 769 490		951	14 451	1 156	15 607
	RWH	1 655 015	346 168	851 954	113 450	252	11 772	942	12 714
	Source Improvement	341 084	844 617	1 307 649		1 550	1 609	129	1 738

The above table shows that the costs per capita vary considerably and are influenced by many factors such as remoteness, topography, housing patterns, type of scheme, etc. Thus, it is not possible to provide an average figure for the cost of each technology. Each scheme has its own characteristics, however, as a whole, the benefits gained by each scheme justify the costs.

6 Achievement of objectives and results

6.1 Overall Project objective

While this Completion Report deals mainly with Phase III, it is pertinent to consider the overall achievement of the three phases of implementation. The Project has, throughout its history, been based on the policy guidance from GoN, Finland, and later the EU. It has also been aligned with GoN government system from the beginning.

In summary, the overall objective of the Project has been centred on improving the quality of life via developed social, economic, and environmental conditions and capacity to manage water resources. The results, lessons learnt, as well as experiences elaborated in this report convey that RVWRMP has been very successful in meeting the overall objective.

This main theme has remained while the exact formulation of overall objective of each phase has changed. In Phase I, the objective was “to improve the quality of life of the local people, improve environmental conditions and increase opportunities to rural livelihoods, through rational, equitable and sustainable practices of water resources planning and use” while the second phase focused more on institutions: “Institutionalised capacity at local and regional levels to sustain and continuously improve enhanced quality of life, better environmental conditions and increased opportunities in rural livelihoods in the Project area”. In the final phase, the formulation had been simplified to “improved health and reduced multidimensional poverty within the Project working area”.

Application of values such as equity, inclusion, and participation have been the central means of success throughout the Project history. The exact application has changed according to the changing result areas and project content over the phases, as well as according to the changing policy environment in Nepal, Finland, and internationally (e.g., MDGs, SDGs). Learnings from the field that were then adopted to the modalities have been another driver of change in the Project’s ways of working. In conclusion, the Project’s evolution has been an iterative, rather organic process, that has an internal proactive learning component, as well as a reactive component that has allowed adaptation to changing conditions.

6.2 Key results from Phases I-III

Table 16 below presents a set of comparable key indicators throughout the three phases. The table shows the total achievement of RVWRMP as well as the significant increase in achievement of the Project results during the different phases as the Project was scaled up with additional funds from the EU. The results of the third phase stand out, typically overachieving the overall results of the previous phases together due to the additional funding as well as exceeding the set target (see sections 6.4-6.7).

Table 16 Progress in key comparable indicators in Phase I-III

Major activity	Unit	Phase I	Phase II	Phase III	Total
Drinking Water supply schemes (including WSS MUS)	Scheme	224 ¹¹	446 ¹²	821	1 491
Drinking Water supply beneficiaries (including WSS MUS)	Population	98 961	137 978	398 283	635 222
Irrigation command area	Hectare	389	524	1 670 ¹³	2 583

¹¹ 212 – Gravity, 4 – Rainwater harvesting, 5 – MUS schemes and 3 – Source Improvement

¹² 446 – Gravity, 6 – Rainwater harvesting, 6 – Source Improvement, 3 – Solar Lifting and 25 – MUS schemes

¹³ 1,658.58 Hectares (32602 Ropani land) from Irrigation and MUS schemes along with 23.1 Hectares from Polyhouses (Micro irrigation)

Major activity	Unit	Phase I	Phase II	Phase III	Total
Irrigation beneficiaries	Population	9 329	15 571	97 931	122 831
Population benefitting from the services of Improved Water Mills	Population	NA	11 388	79 634	91 022
Population benefitting from Improved Cooking Stoves	Population	NA	66 696	169 727	236 423
Home Garden Management	Population	NA	170 425	326 887	497 312
Water Use Master Plans (pre govt. reform 2017)	VDC	47	62	31	140
Water Use Master Plans + Livelihood Improvement Plan (after govt. reform 2017)	RM	NA	NA	27	27
Electricity from Micro Hydro Schemes	Population	3 881	24 754	NA	28 635
Electricity from Solar Mini Grid Schemes	Population	NA	NA	990	990
Cooperatives capacitated	Cooperatives	NA	15	45	60

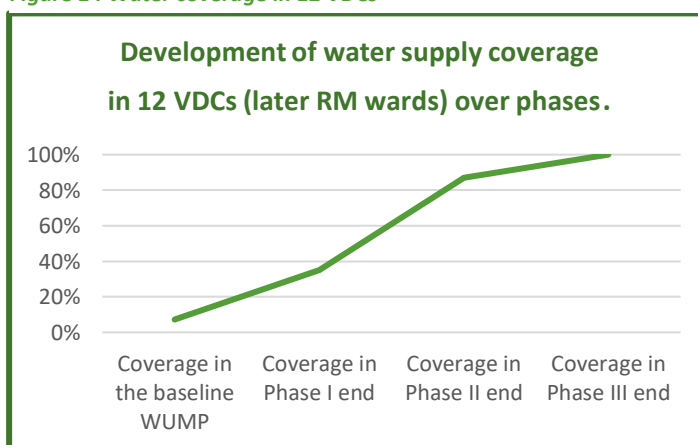
The overall achieved number of water supply schemes was 1 491, with 635,222 beneficiaries. In the sanitation sector, the whole Project area was declared Open Defaecation Free in 2018. The Project reached 122,831 irrigation beneficiaries, 91,022 IWM beneficiaries, 236,423 ICS beneficiaries, 497,312 home garden beneficiaries, 28,635 beneficiaries from MHP and 990 beneficiaries from Solar Mini Grid (SMG).

There are several other types of beneficiaries that either cannot be compared in a meaningful manner over the phases, or were relevant for some phases only, and are therefore not included in the above table. These indicators include income generation, agri-business support, value chains, and (total) sanitation beneficiaries; indirect beneficiaries of SMGs such as tourists to Man Sarovar and Kailash. Furthermore, some types of beneficiaries were not counted in some of the previous phases, including Improved Cooking Stove beneficiaries. The table anyhow gives a good overall view of some of the key achievements in the most typical areas of work. The figures also imply that although there are overlaps in the sense that often people benefitted from multiple types of Project interventions in the same area at once, the sum of all types of beneficiaries easily exceeds two million (while the population in the working area is around 1.75 million), not even including the ODF/TS support and RM level governance support that indirectly benefit the whole population in the core working areas.

WUMPs and Project MIS have captured some information on long-term development trajectories over the Project phases. To demonstrate the changes over time, the Project compiled water supply coverage data from the areas where WUMPs have been produced and updated in several phases, allowing comparison over time. Altogether, we had long-term data from 12 VDCs that were incorporated as wards in later RM based

WUMPs – Bhatakatiya; Malatikot; Koiralakot; Dangaji; Bhadrapur; Diwaldivyapur; Pagnath; Mehaltoli; Kedear Akhada; Gaguda; Rodikot; and Sarkideo. The results regarding water supply coverage are presented in the Figure 14 above, showing a clear improvement over the phases. The coverage was as low as 7% in the beginning of RVWRMP. By the end of Phase III, all the wards (ex-VDCs) had reached full coverage.

Figure 14 Water coverage in 12 VDCs



6.3 Achievement of Phase III objective and purpose

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

The RVWRMP Phase III overall objective related to the well-being of the local population. More specifically, it concerns measures of reducing poverty, improve health, especially through reduced excreta-related and water borne diseases and improve Human Development Index (HDI), a decrease in proportion of people falling under the poverty line and reduced prevalence of stunting in children under five years old corresponding to the SDGs. An analysis of the Project achievements in view of the SDGs is presented in **Annex 1**.

The Result Framework of RVWRMP III defines three impact level indicators as described in *Table 17*. Data for the objective-level impact indicators come from other sources than the Project itself, which often means that there is not always very recent or detailed spatial (Municipal/District/Province levels) data available. In those cases, the progress has been measured by other types of equivalent indicators.

The Project can rightfully conclude that it has met or exceeded all the targets and expected levels stated in the indicators, as elaborated in the table below.

Table 17 Objective-level impact indicators. External data source references are given below the table.

Indicators	Baselines	Targets	Status
1. Improvement in the Human Development Index (HDI) in the Project RMs;	<p>HDIs in 2011: A non-weighted average of Sudurpaschim Province was 0.401, and for working area Karnali 0.399 (PD).</p> <p>Baseline (PD): Achham 0.378; Baitadi 0.416; Bajhang 0.365; Bajura 0.364; Dadeldhura 0.436; Dailekh 0.422; Darchula 0.436; Doti; 0.407; Humla 0.376.</p>	HDI improvement by an average of 0.05 by 2021	2020 data for HDI in Sudurpaschim was 0.547 and Karnali 0.538 (UNDP & GoN, 2020). This represents an increase of 0.146 and 0.139 points, exceeding the target by almost thrice. More spatially detailed data not available. Data checked in August 2022; more recent data is not available.
2. Proportion of population living below national poverty line at RM/district or region/province level	<p>Baseline (PD): Achham 47.2%; Baitadi 45.7%; Bajhang: 56.8%; Bajura 64.1%; Dadeldhura 43.3%; Dailekh 35.8%; Darchula 53%; Doti 48.9%; Humla: 56%.</p> <p>Population below national poverty line was 32.5% in Sudurpaschim and 50.9% in Karnali in 2014 (GoN, 2021).</p> <p>Multidimensional Poverty Index in 2014 was 33.6 in Sudurpaschim, and 51.2 in Karnali (GoN, 2021).</p>	Not set in PD. Reduction expected.	<p>Population living under national poverty line was 25.3% in Sudurpaschim and 39.5% in Karnali in 2019, representing 7.1% and 11.4% reduction between 2014-2019 (GoN, 2021, p.31), meeting the expectations of this target.</p> <p>Multidimensional Poverty Index in 2019 was 22.7 in Sudurpaschim, and 35.6 in Karnali, representing respectively a 23% and 36% reduction in the working Provinces (GoN, 2021). Data checked in August 2022, more recent data not available.</p>

Indicators	Baselines	Targets	Status
3. Prevalence of stunting in children under 5 years old has reduced in the Project RM/districts	Baseline (PD): Far Western hill areas (Sudurpaschim) 57.5% (2011); Dailekh: Stunting >50% (2011); Humla: 60% (2011).	Reduction by 30%	Prevalence of stunting children was 36% in Sudurpaschim (GoN, 2016). This equals a 37% reduction in Sudurpaschim, exceeding the set target. National rate in 2019 was 31.5% (World Bank online data), implying exceeding the target. District level data not available. Data checked in August 2022; more recent data not available.
Data sources:	<p>Government of Nepal (GoN), 2021. <i>Multidimensional Poverty Index. Analysis Toward Action</i>. National Planning Commission. Available (17 January 2022): https://npc.gov.np/images/category/MPI_Report_2021_for_web.pdf.</p> <p>UNDP & GoN, 2020. <i>Human Development Report 2020. Beyond Graduation: Productive Transformation and Prosperity</i>. Available (17 January 2022): https://npc.gov.np/images/category/NHDR_2020.pdf.</p> <p>Government of Nepal, 2016 <i>Demographic and Health Survey</i>. Ministry of Health. Available (17 January 2022): https://www.dhsprogram.com/pubs/pdf/fr336/fr336.pdf.</p>		

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 purpose of the Project was related to improvement of WASH, livelihoods, and governance (Table 18). The respective indicators address water supply coverage, sanitation improvements, Municipal planning, renewable energy, and cooperatives. These indicators indirectly reflect the result areas of the Project. Data for the purpose-level indicators often come from other sources than the Project itself, which means that there is not always very recent or detailed spatial (Municipal/District/Province levels) data available. In those cases, the progress has been measured by other types of equivalent indicators.

The Project can rightfully conclude that it has met or exceeded all the targets and expected levels stated in the indicators, as elaborated in the table below.

Table 18 Purpose-level indicators. External data source references are given below the table.

Indicator	Baseline and target	Status
Percentage of population using safely managed drinking water services (SDG 6.1)	<p>1) <i>Basic water service</i> level including improved water source and (potential for) safely managed water service as defined for SDGs is in line with the PD (p.67). Baseline < 82%; target 90%.</p> <p>2) <i>Improved, safely managed drinking water service</i> as defined by SDG 6 is “drinking water from an improved source which is located on premises, available when needed and free of faecal and priority contamination”. There is a 25% coverage in Nepal (NPC, 2019). While no target was set on this indicator, the Project aims to</p>	<p>1) According to NPC & UNICEF, 2020, the basic water supply coverage in Sudurpaschim in 2019 was 93.4%, while the national average was 95.4%. 88% in 2019 (GoN, 2020). 91,5% in 2021 (GoN, 2021 p.189), all indicators exceeding the target. Spatially more detailed data not available.</p> <p>2) In January 2022, there were 263 Private tap schemes out of 821 WSS schemes constructed (Project MIS Data), giving 32.0% of the total – exceeding the aimed level.</p>

Indicator	Baseline and target	Status
exceed the national level.		
Project area declared Open defecation free (ODF) and follow the post-ODF strategy as per total sanitation guidelines	Project area declared Open Defecation Free Baseline 5 Districts, target 7 Districts (PD).	All the Districts in the Project area were declared ODF in 2018, meeting the target. The GoN Post-ODF strategy provides indicators for Total Sanitation (TS). The local government level follows the national TS strategy. This indicator has been incorporated in the Project's Indicator Matrix.
Increased household income measured by the proxy indicator of vegetable production in Project areas (Districts).	Baseline (PD): 93,740 metric tons in 2014; Target: Increase by 20%.	No external data available on the exact subject. Monitoring by the Project suggests that the previous levels of production and income generation from agriculture have multiplied during phase III. The Project has conducted several studies on the impact of its livelihoods interventions that support the view that the target has clearly been exceeded in Project working areas (See Annexes 9 and 14) They state that the Project has changed the farming habits, improved local diets, and led to significant increase of annual income locally. In Aalital, the cultivated land area for vegetables increased by two thirds. Both production of fresh vegetables and sales to local markets more than doubled, and the number of farmers selling vegetables increased by more than 50%. Project-supported irrigation schemes increased the number of crops per annum typically from 2 to 3, and production and productivity increased around 50%. MUS business plan increased the proportion of farmers involved in commercial farming activities.
Water Use Master Plans (WUMPs) prepared.	Baseline: 0 WUMPs; target 27 RM-level WUMPs.	WUMPs prepared for all 27 Core-RMs in 2019, meeting the target.
Renewable energy produced from Project interventions.	No baseline or set target. Positive development expected.	The installed ICS benefit 169,727 people, and IWMS benefit 79,634 people (128% of the target). Respective CO2 reductions are 352,167 mtCO2e (140% of the target). Two Solar Panel Grids of total 150kW serve 166 households, 12+ hotels, 3 police posts, and 2 health posts (166% of the target). The Project can rightfully state that this target has been exceeded.
Percentages of developed cooperatives achieve an operational self-sufficiency of 110%.	No stated baseline (probably 0%); Target 54 out of 60 (90%).	55 out of 60 cooperatives supported by the Project achieved 110% Operational Self Sufficiency (OSS), exceeding the target.
Data sources:	Government of Nepal, 2020. <i>National Review of Sustainable Development Goals</i> . National Planning Commission, Nepal, Government of Nepal, Kathmandu, June 2020. Available (17 January 2022): https://sustainabledevelopment.un.org/content/documents/26541VNR_2020_Nepal_Report.pdf Government of Nepal, 2021. <i>Economic Survey 2020/2021</i> . Ministry of Finance. Available	

Indicator	Baseline and target	Status
	(17 January 2022): https://www.mof.gov.np/uploads/document/file/1633341980_Economic%20Survey%20(English)%202020-21.pdf . National Planning Commission (NPC) and UNICEF. 2020. Monitoring the situation of children and women. Nepal Multiple Indicator Cluster Survey 2019 - Key Indicators. Available: https://www.unicef.org/nepal/media/9076/file/NMICS_2019_-_Key_findings.pdf	

6.4 Result Area 1: Water, Sanitation and Hygiene

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

This Result Area has several institutional layers: 1) local governments as duty bearers; 2) UCs; and 3) individual households as rights-holders. Initially, the Project focused on supporting WUMP preparation (first at VDC, and then at RM level) to identify potential scheme areas based on criteria such as hardship, remoteness and need of support (and these were prioritised within the community). Then efforts were put into scheme construction and support to achieve the end targets. After FY03, the Project began to support private tap water supply schemes, as they respond more closely to SDG targets (public tap users corresponding only to the ‘Basic Service’ category) and were proven to make a strong contribution to sanitation and hygiene in the communities.

RVWRMP provided significant support to achieve Open Defecation Free (ODF) status in Sudurpaschim Province, as well as Humla and Dailekh. Sudurpaschim was the second Province of Nepal to achieve 100% ODF status in 2018, being second only to the much richer and less remote Province 4 around Pokhara (area supported by the other large-scale Finnish-funded bilateral water project). The emphasis of the support has been in the remotest districts with the most difficult sanitation situation. The (ODF) status is considered to be a basic indicator for living conditions and dignity of life. The basic condition is that all people have access to sanitation facilities, and that they really use them regularly. *Table 19* shows the ODF status and RVWRMP support in the working Districts of the Project.

Table 19 RVWRMP support in achieving ODF

District	ODF declared	RVWRMP supported VDCs	Total VDC number	Support %
Achham	4/25/2013	9	65	14%
Dadeldhura	6/24/2014	7	24	29%
Bajura	11/28/2014	6	26	23%
Dailekh	6/22/2015	8	52	15%
Bajhang	12/31/2015	11	42	26%
Baitadi	7/12/2016	12	69	17%
Doti	7/12/2017	8	53	15%
Humla	12/14/2017	19	27	70%
Darchula	5/8/2018	15	36	42%
Kailali	5/13/2018	12	35	34%
Far West: Province 7	5/13/2018	80	350	23%
Working area total	5/13/2018	107	429	25%

As ODF was achieved, the Project began to work towards national Total Sanitation standards, with result indicators added in FY05 to monitor progress. After the structural reform of the government, the responsibility for local ODF maintenance and TS achievement shifted from VDCs to RMs.

By the end of the Project, the focus moved to post-construction support and upgrading the service level of schemes (RV I-III). RVWRMP supported the establishment of the RM WASH MIS systems, that are linked to the National WASH MIS. Sanitation and hygiene behaviour change was supported through Total Sanitation and School WASH infrastructure. A Water Safety Plan with CCA/DRM training was planned in all water supply schemes to ensure water quality and quantity, reliable services, short- and long-term Operation and Management, water tariff collection and address natural and human-made risks. Waste and excess water was utilised efficiently in MUS schemes and livelihoods interventions.

6.4.1 WASH achievements toward Result Indicators

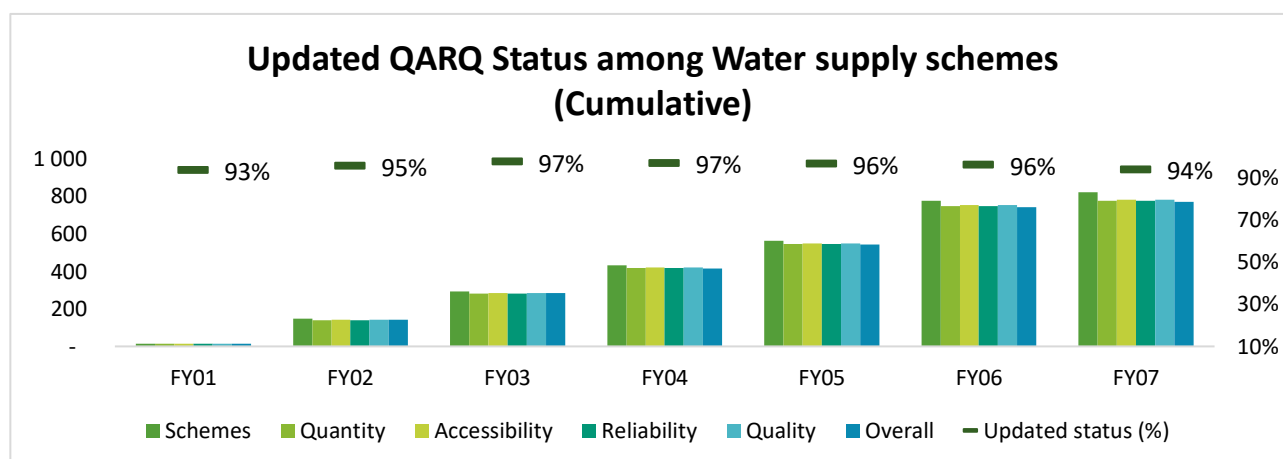
Result indicator 1.1 Number of water supply schemes supported by the Project fund in Phase III provide improved water supply services defined as improved and functional fulfils the QARQ criteria.

QARQ criteria refers to national standards for quality of service provided by the schemes and stands for Quality, Access, Reliability and Quantity. The QARQ indicators are:

- 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)

At the end of FY07, 94% of water supply schemes (821) fulfil QARQ criteria, thus close to the end target of 97%. QARQ indicators are subject to change at any time. For example, the severity of the yearly monsoon rains can create fluctuations in the indicators.

Figure 15 Compliance with QARQ (cumulative)

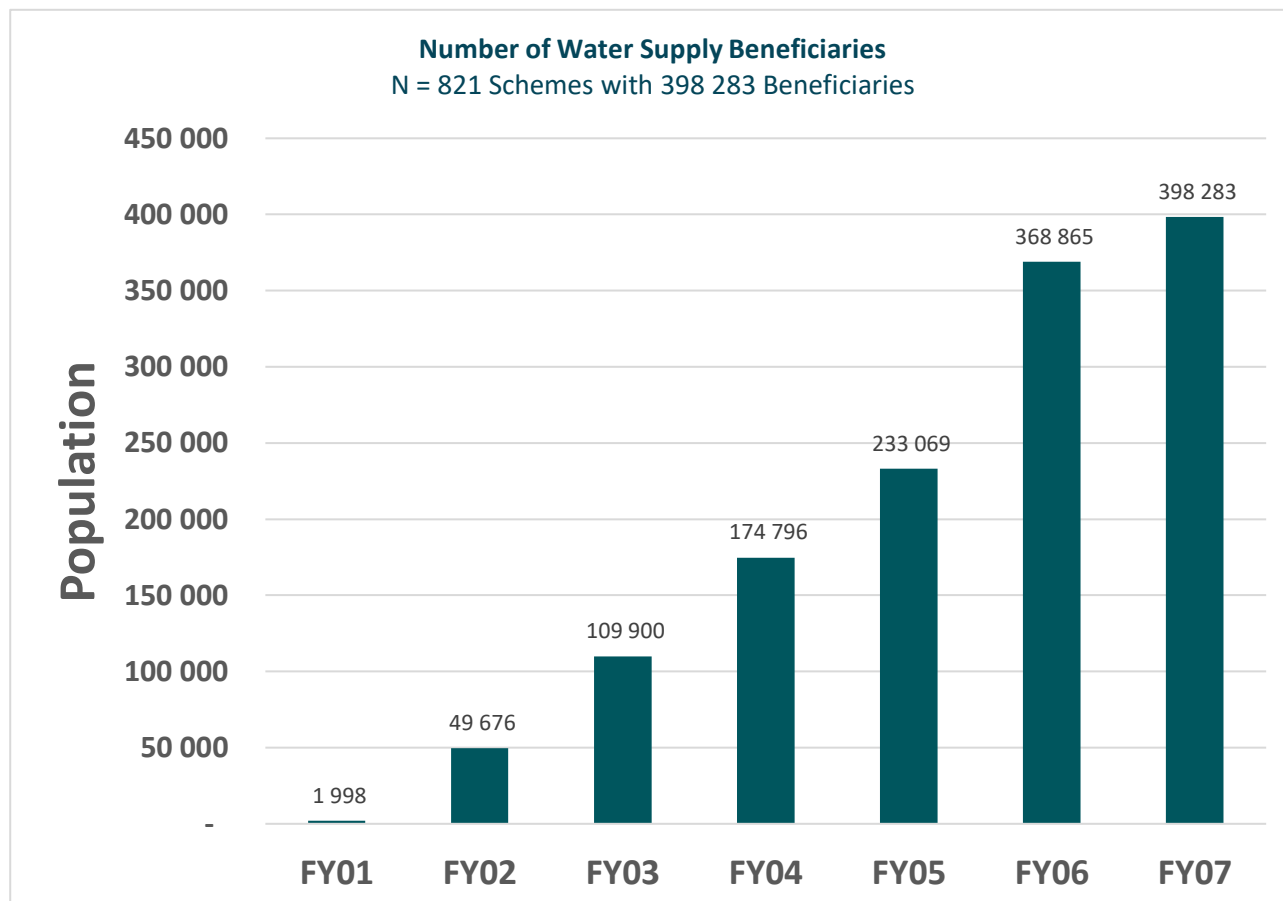


Result indicator 1.2 Number of water supply (WS) beneficiaries

The Project achieved 398,283 water supply beneficiaries, exceeding the end target of 357,500. In addition to regular household beneficiaries, several schools have benefited (see indicator 1.2.2). School beneficiaries are not included in the figure below.

The beneficiaries are mostly from previously unserved and remote locations with poor service level and high hardship as identified by the WUMP.

Figure 16 Water supply beneficiaries (cumulative)



Result indicator 1.2.1 Number of water supply schemes

The aim of Indicator 1.2.1 is to concretise the work needed to achieve the target number of beneficiaries (indicator 1.2). The indicator was added in FY05.

At the end of the Project, the cumulative number of water supply schemes is 821 against the end target of 910.

The reason for not achieving the end target of 910 schemes is due to a change in the way of counting schemes and their size. The number of beneficiaries is counted per scheme (one scheme = one UC); however, one scheme now includes two to four smaller service schemes.

Asujee Kopche DWSS in Naumule RM, Dailekh (figure below) is an example of a scheme having sub-schemes. In this case there are four sub schemes, but it is registered as one scheme.

Figure 17 Asujee Kopche DWSS, Naumule RM, Dailekh

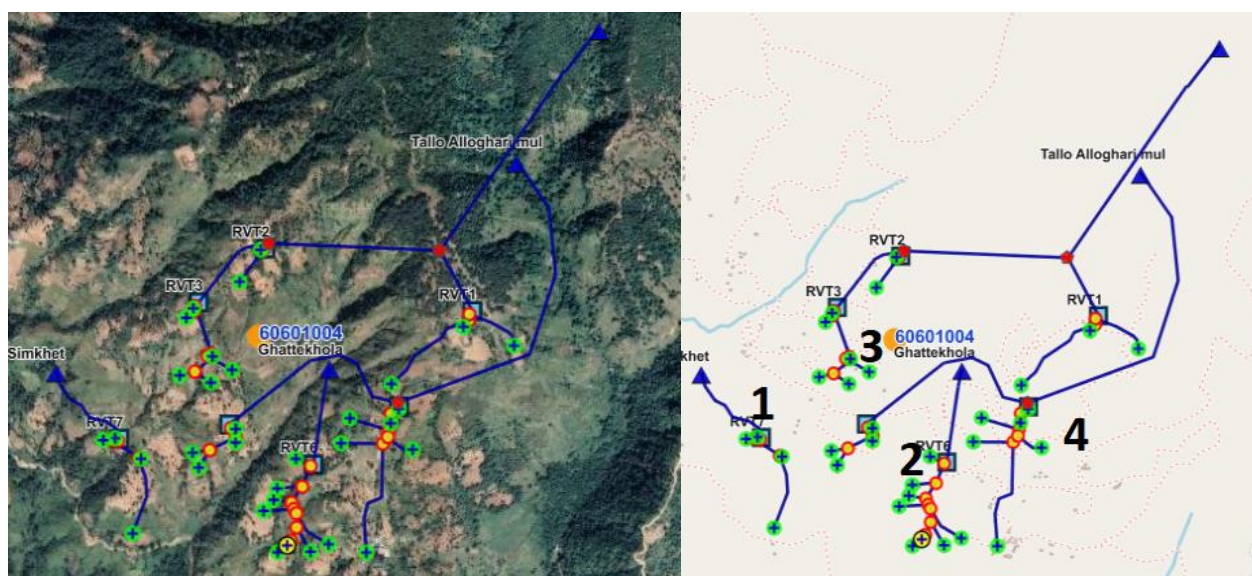


Table 20 Composition of WASH schemes and their beneficiaries

SECTOR	TECHNOLOGY	SCHEMES	BENEFICIARIES
MUS	WS + CI	14	5 212
	WS + NCI	69	30 999
	WS + IWM	1	583
	CI + IWM	1	193
MUS Total		85	36 987
WATER SUPPLY	GRAVITY	692	338 612
	SOLAR LIFT	32	16 981
	GRAVITY + SOLAR LIFT	8	3 901
	RAINWATER HARVESTING	2	252
	SOURCE IMPROVEMENT	2	1 550
WATER SUPPLY Total		736	361 296
GRAND TOTAL		821	398 283

Table 20 illustrates the composition of all WASH schemes throughout the Project working period.

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

The cumulative number of 1) school/institutional sanitation beneficiaries was 57,917, 2) school/institutional water supply beneficiaries was 107,053, and 3) institutions/schools supported by water supply schemes was 494. The indicator was added in FY05, and it did not have an end target.

Figure 18 Students benefitting from school sanitation (year-wise)

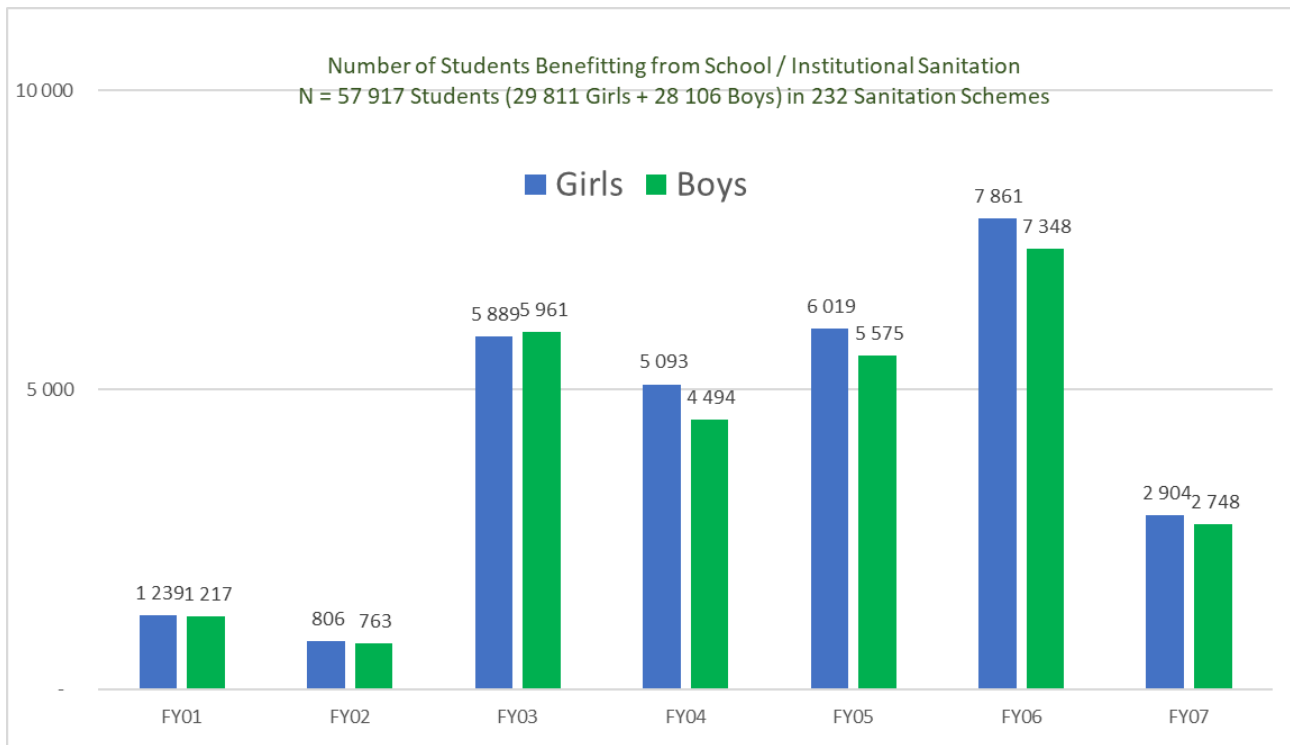
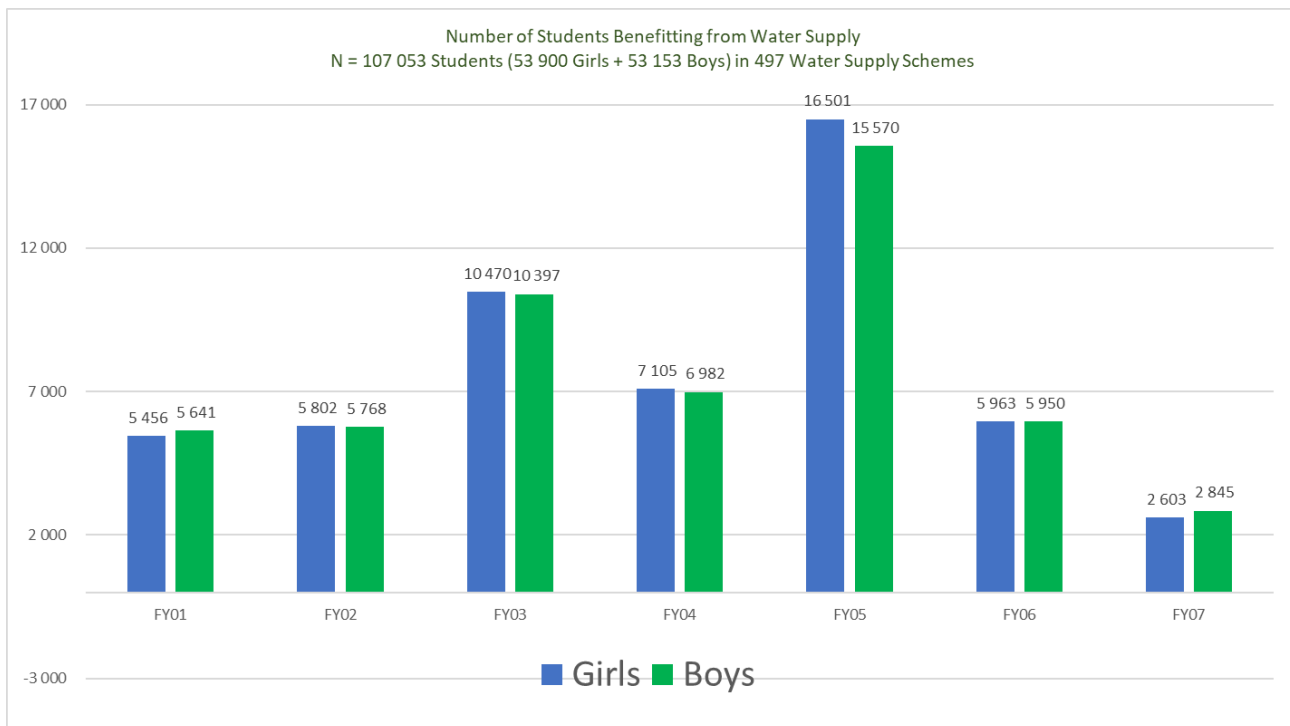


Figure 19 Students benefitting from water supply (year-wise)



Result Indicator 1.3 Number of water supply schemes supported by the Project fund in Phase III apply a Water Safety Plan with CCA/DRM component.

Climate resilient designs and adaptation measures must be considered from the beginning, not as a later add-on. Every Project water supply scheme includes Climate Change Adaptation and Disaster Risk Management (CCA/DRM) components. These were considered during scheme design and survey, with particular attention to the water sources and pipeline alignment. In earlier documents and guidelines, the reference was made to Disaster Risk Reduction (DRR). This was broadened conceptually to “Disaster Risk Management” (DRM) that entails more than what the word “reduction” indicates.

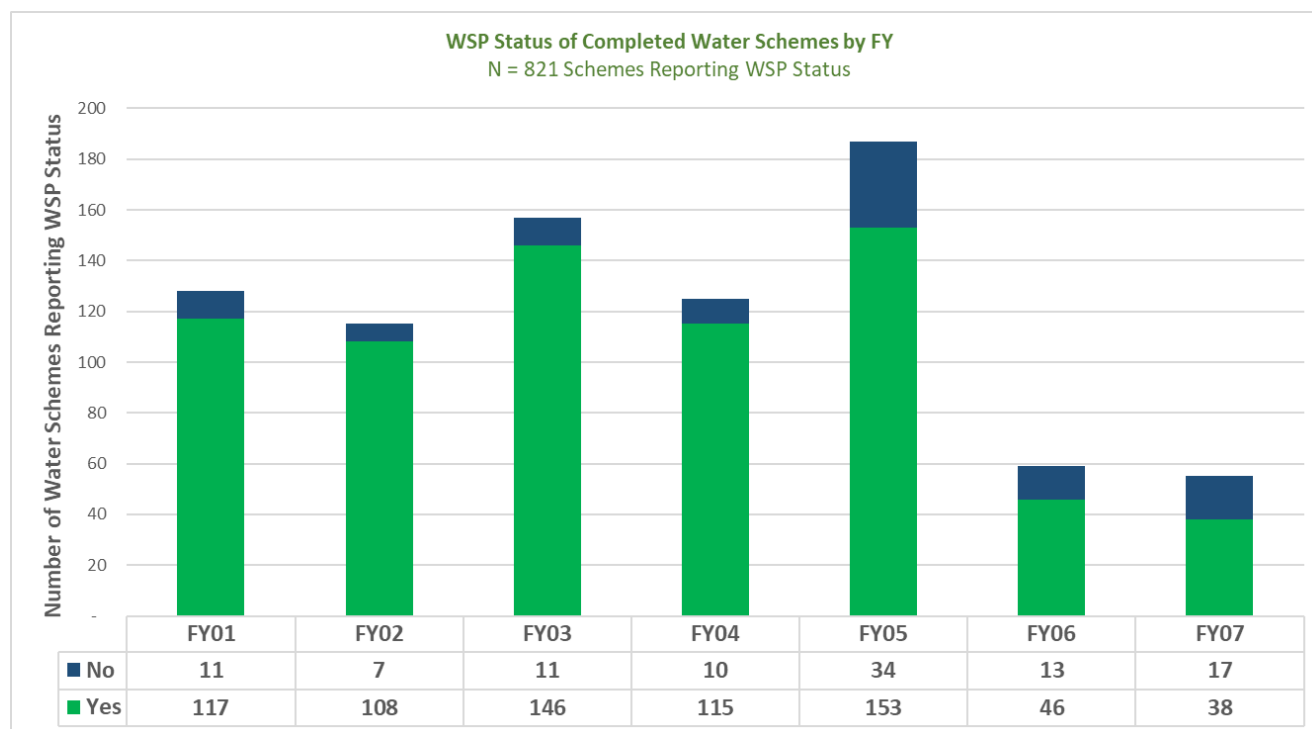
Preparing a Water Safety Plan (WSP), considering drinking water safety from source to mouth, is a compulsory activity for all water supply schemes. Once schemes are completed, UCs receive training, in which the WSP is formulated. The WSP supports DRM both in terms of preparedness and reduction, and through strengthening UC capacity to deal with unexpected structure damage, caused by natural or man-made disasters (landslides are almost inevitable at some point). WSP activities include the construction of recharge ponds or erosion management through planting of vegetation and construction of gabion walls.

88% of water supply schemes apply a WSP with a CCA/DRM component against an end target of 90%. The end target was not reached due to severe monsoon damage in FY07 causing efforts to go to rehabilitation instead of WSP. In addition, newly constructed schemes are only now finalising WSP preparation.

UCs implement the WSP in themselves in accordance with the prepared plan (water tariff collection, VMW mobilization, system (intake, RVT, TAP) cleaning, pipe and fitting joining, leakage maintenance, small scale recharge interventions such as plantation, pit and pond construction, hold regular UC meetings, AGM, and Bookkeeping).

For major works and big emergency repair maintenance works, the UC will ask the needed external support, from the municipality submitting their own detail work plan and needed financial support from the municipality through WASH Unit. The municipality either support from their own budget and/or may coordinate/collaborate with other agencies depending on the level of technical and financial support.

Figure 20 Water Safety Plan implementation status.



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.

This cumulative indicator covers all water schemes in Core-RMs and reflects the UCs' annual status as updated in the MIS. The MIS data used for this purpose involves 1) Functionality status, 2) SMW/VMW appointed and mobilised, 3) Implementation of O&M regulation 4) Implementation of WSP, 5) Existence of O&M fund and regulation, and 6) UC regular meetings. All these sections must be in place to fulfil the indicator.

89% of UCs are active and able to maintain service level, exceeding the end target of 85%.

Table 21 Operational status of UCs

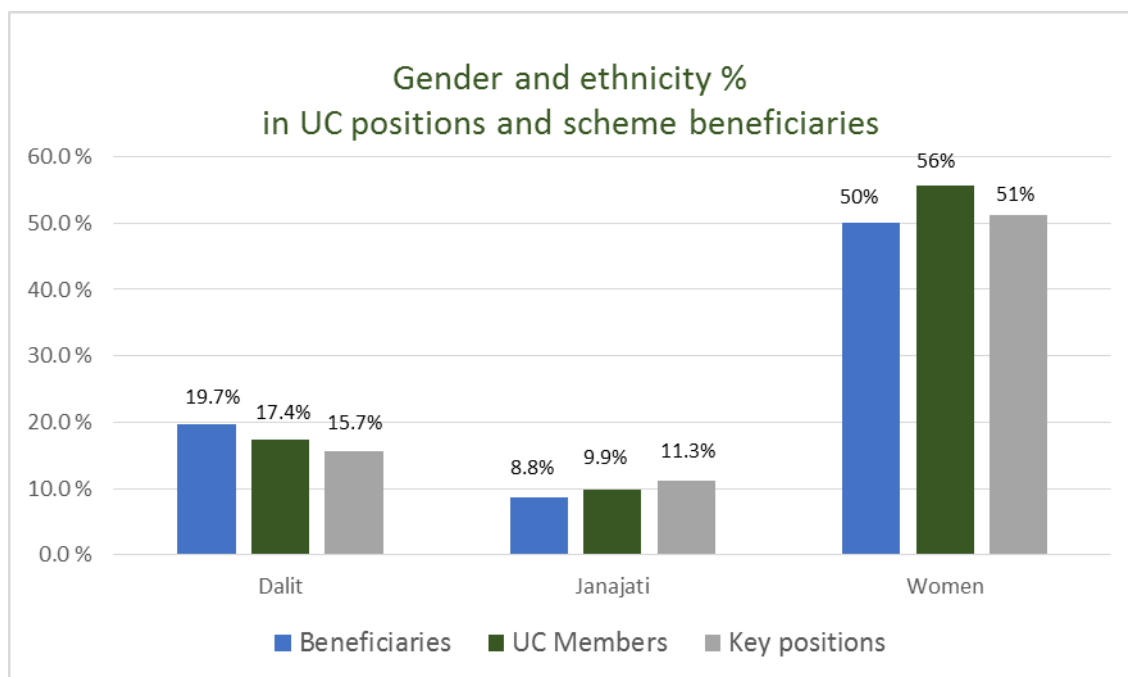
Theme	All	%	Fully	Fully Operational	Partially	Partially Operational
Registration & Renewal	545	94%	514	88%	31	5%
Regular Meetings	416	72%	399	69%	17	3%
Has all Members	549	94%	515	89%	34	6%
Annual General Assembly held and Reported to RM	380	65%	365	63%	15	3%
Book-keeping "Good" or "Moderate"	524	90%	495	85%	29	5%
VMW appointed	499	86%	473	81%	26	4%
Manage spareparts	503	87%	477	82%	26	4%
Implement O&M Regulation	510	88%	484	83%	26	4%
Implement WSP	497	86%	470	81%	27	5%

Table 21 is based on 581 Schemes (Environmental Protection Schemes excluded), of which 514 are fully functional, and 31 partially functional. 36 schemes' data has been expired and not updated.

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

The Project is guided by a GESI strategy that aims for proportional representation in all activities by gender and ethnicity. Proportional representation is especially important in UC key positions (chair, vice-chair, secretary and treasurer) to achieve equality in community level decision-making. At the end of the Project, in core RM UCs, women hold 51% (1,184 posts out of 2,315) of key positions exceeding the target of 50%. Dalits hold 15.7% (364 posts) and Janajatis 11.2% (260 posts) key positions, which adds up to 26.3%, thus exceeding the end target of 24%.

The percentage of Dalit and Janajati representation is in line with the beneficiary populations at large. Among all beneficiaries of these schemes, 17% are Dalit and 9% Janajati (though naturally the population make-up varies between communities). The shares of key positions, membership and beneficiaries by gender and ethnicity is detailed in the figure below.

Figure 21 Gender and ethnicity composition of UC and scheme beneficiaries.

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

At the end of the Project, the cumulative total of disabled and gender friendly toilets in institutions, schools and public places was 241, exceeding the end target of 180. The original PD target of 200 school and 20 public disabled and gender friendly school toilets was changed due to many schools merging, thanks to new school guidelines. However, the achievement was largely due to the shift in focus towards the new 3-star School WASH criteria (see the added Indicator 1.6.1) introduced by the Government of Nepal where all schools should aim to achieve the 3-star status.

Result Indicator 1.6.1 Number of schools that comply with three-stars Total Sanitation criteria

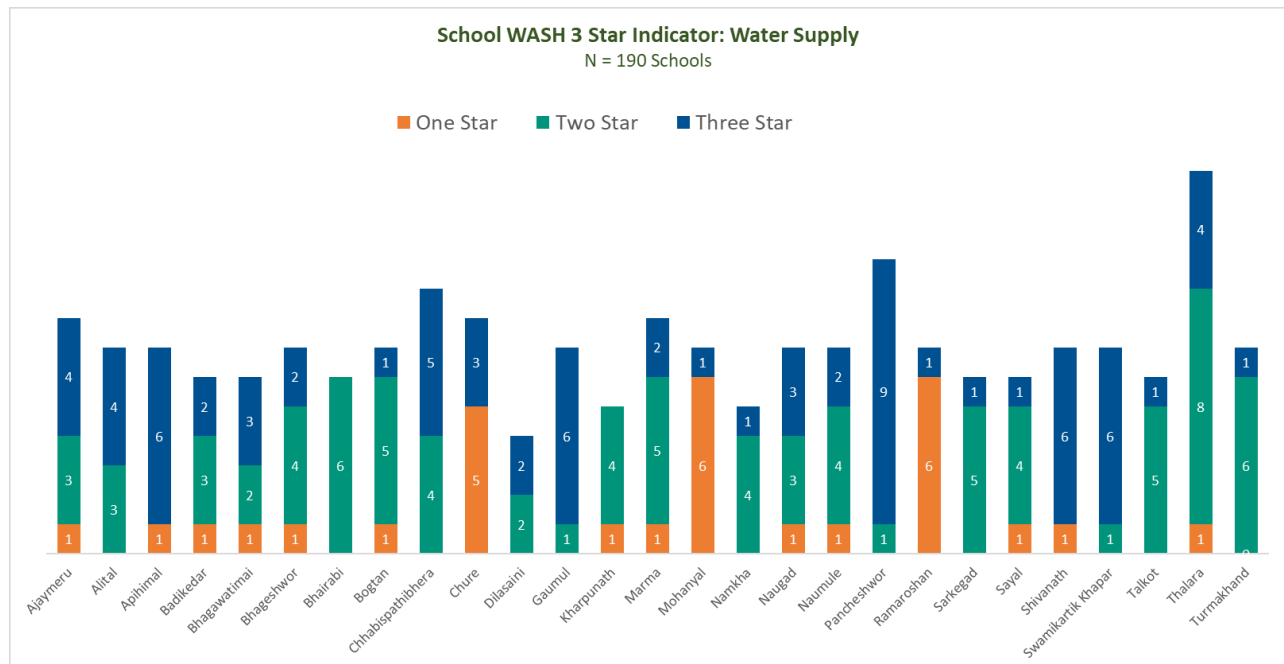
The Government of Nepal follows a three-star model for School WASH. The model consists of 10 sub-indicators, with each having three different levels called stars. The aim is to improve each sub-indicator to move from “no stars” to “three stars”. After all sub-indicators are achieved, the school can be declared a three-star school.

At the end of the Project, cumulatively 190 schools have reached at least one-star status, with 30 one-star schools, 83 two-star schools and 77 three-star schools. The end target was 180 schools complying with the three-star criteria.

The target was added in FY05 by the SVB, in order to follow School WASH progress more efficiently. At the time, 180 three-star schools were estimated to be achievable. However, due to the schools being largely

closed and used as COVID-19 isolation centres during 2020 and part of 2021¹⁴, work could not proceed as planned. RMs are committed to continue upgrading schools to comply with three-star criteria.

Figure 22 School WASH star status



Result Indicator 1.7. Drinking water supply schemes in existing core RMs (formerly VDCs) have affiliation with cooperative to proliferate their capital

RVWRMP encouraged UCs to affiliate with cooperatives to manage their O&M fund, receive a better interest rate than the bank, have funds available for community members to invest in income generating activities, and have access to finances for maintenance activities. Out of 551 schemes completed in Phase III in Core-RMs, a total of 226 were affiliated with cooperatives (41%), exceeding the end target of 40%. During FY07, UCs working with RVWRMP deposited NPR 18,441,642 (EUR 147,533) to the Cooperatives.

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

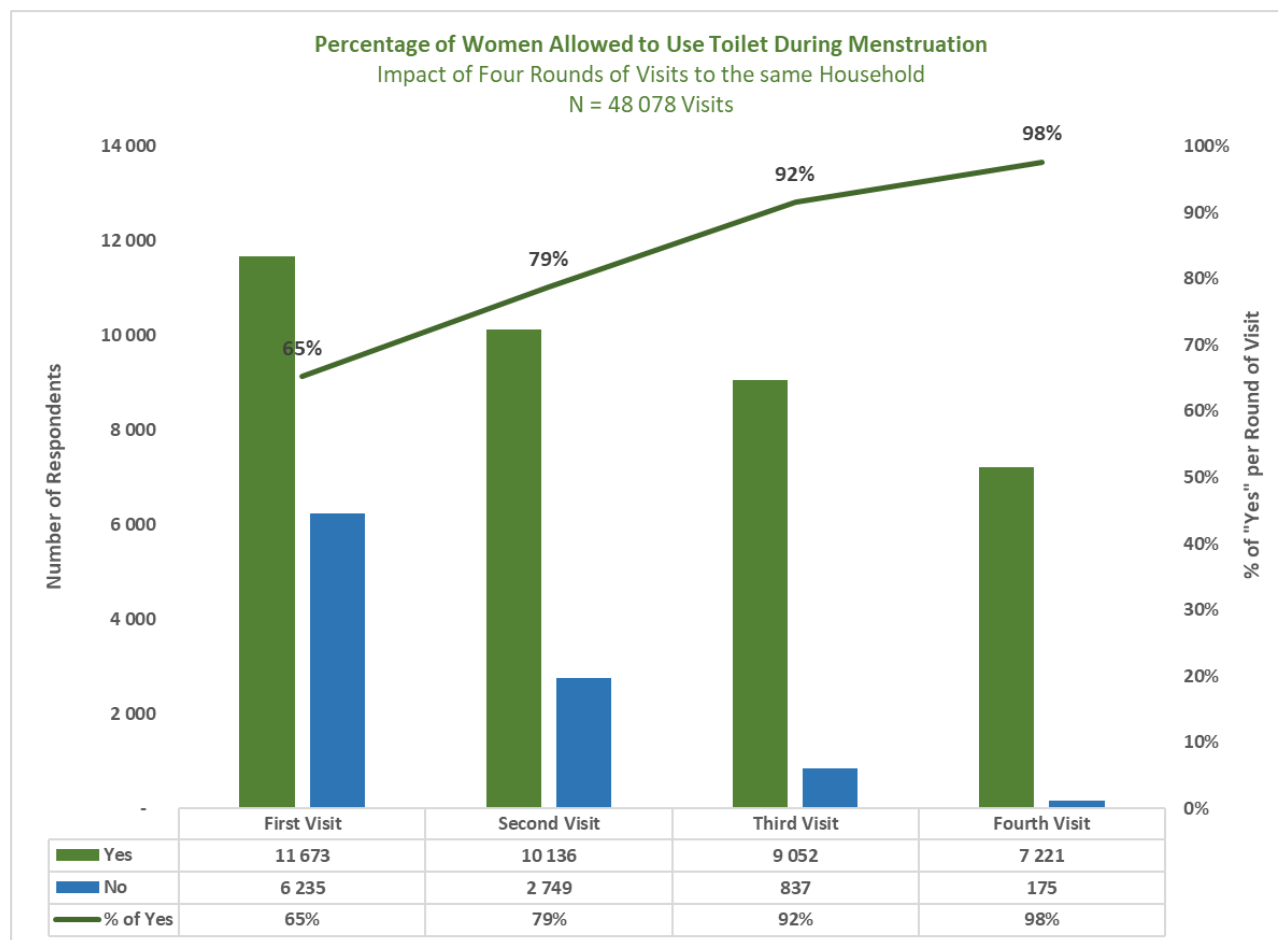
Menstruation Hygiene Management (MHM) is an important issue in the Project working area. The indicator is monitored through household visits that track individual progress. Each household is visited four times. Currently, the average results of visits show that in 81% of the households, menstruating women can use the toilet, exceeding the end target of 80%. The figure accounts for the latest home visit (after the first visit that occurs prior to the intervention).

This indicator is challenging to monitor due to cultural menstrual taboos and practices as well as the possibility of household and community pressure. Various methods have been trialled to monitor toilet usage during Phase II and III, and the household visits by the Sanitation and Hygiene Promoters (SHPs) appear the most effective. The data is collected by SHPs through individual interactions with household heads, cross-

¹⁴ Between Feb 16, 2020 and Oct 2021 schools were closed fully 35 weeks and partially for 47 weeks. Source: UNESCO

checking with other members to try to get an overview of the situation. If selected households are found not to be allowing toilet use during menstruation, the Promoter discusses menstrual health and other relevant themes to improve the situation. Still, it is important to consider that the results might not indicate the full reality of the situation.

Figure 23 Women's access to toilets during menstruation



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

ODF status and basic sanitation level was achieved in the Project area (and Nepal) in 2018. Focus was then shifted to institutionalise the Total Sanitation movement through local governments.

This indicator is based on the Total Sanitation Guideline (2073).

A total of 253 Water Supply Schemes were selected for Total Sanitation activities during FY06 and FY07. The end target was 40% of schemes in core RMs declared Total Sanitised. At the end of the Project, 144 schemes out of 581 (25%) have been formally declared as Total Sanitised, falling short of the end target. However, out of the 15,333 households, 13,417 (88%) meet the Total Sanitation criteria, indicating that progress has been good. Exceeding the targeted population in water supply and sanitation beneficiaries (indicator 1.2.) has made the achievement of this indicator more difficult as the number of total beneficiary population exceeded the targets.

In many schemes, there are often few households not meeting the TS criteria for various reasons, resulting in the whole area not to be declared. Furthermore, as with indicator 1.6.1, the COVID-19 pandemic disrupted work (particularly home visits) and TS declarations in the whole Project area.

6.4.2 Result Area 1: Analysis of successes and constraints

Capacity building and participatory approaches are crucial for the sustainability of schemes. The impact of constructing the schemes is small if beneficiaries are not able to operate and maintain them themselves. A lot of Human Resources are needed for sustainable impact and change in all areas. Evidence of this can be found from the success of household visits for achieving behaviour change (Indicator 1.8). In addition, while RVWRMP needed to contribute more staff, budget and time to carry out the NWASH MIS activities, it has been praised by stakeholders as being of very high quality.

In earlier phases, RVWRMP implemented schemes only through the WUMP in Project working VDCs. In Phase III, proposal-based work in non-core RMs allowed the Project to reach more beneficiaries in a larger geographical area. Through this modality, more RMs appreciated the good quality of RVWRMP infrastructure and the success of the working modality. Some communities facing serious hardships, such as the “Malas” community in the non-core Parashuram RM were able to be reached via a solar lift scheme.

The proposal-based scheme modality was successful and helped increase the impact of the Project in Sudurpaschim and Karnali. However, there were some drawbacks, as there were insufficient staff in the non-core RMs to ensure community mobilisation, quality of construction and monitoring. In addition, other components were lacking, such as home gardens, which have been shown to be an important element in the RVWRMP package. A separate strategy should be developed based on the lessons learned.

The Total Sanitation and 3-Star School WASH campaign are successful concepts as they strongly contribute to hygiene behaviour change. ODF is sustained thanks to the new Total Sanitation and School WASH indicators. Household visits (RV modality) and TS self-monitoring forms have been successful for behaviour change. The impact could be seen during COVID-19 also, as important behaviour change work on handwashing was very useful to stop the spread of the virus. However, regular follow-up is needed by the RM staff even after Total Sanitation and 3-star declarations.

Private tap schemes are useful for sanitation and hygiene behaviour change especially related to MHM and DMM. They also contributed to home garden implementation as there was more efficient use of the water. However, a policy level decision to only do private tap schemes would have been useful as now district staff made decisions themselves, which led to varied application of the modality. The motivation of communities is evident, particularly in the POCO and private tap activities, where they were prepared to pay higher community contributions. The Cost-Benefit Analysis of Water Supply Systems Study (see **Annex 12**) supported the view that MUS and private taps convey more benefits than public taps do, while the overall costs are typically not much higher in these schemes, though the location, remoteness and other aspects influence the assessment of costs.

RVWRMP encourages UCs to affiliate with a local cooperative. The UCs are voluntary organisations, often lacking sufficient capacity to operate and manage the schemes, although they have good ownership. Many UCs could benefit from professional book-keeping and accounts management, supply chain management for spare parts, and professional VMWs that could be shared with multiple UCs. Some cooperatives have started to offer some of these services, and they all already offer an O&M fund.

The Project initiated UC networks in all core RMs. It seems that the UC network will play a crucial role in information exchange from the UCs to the RM, and as a discussion forum that brings together the WASH sector users, implementing partners and the RM officials. The network also encourages the UCs to remember the annual registration and be active in communication among the UCs and to the RM.

6.5 Result Area 2: Livelihoods and Cooperatives

RVWRMP supports livelihoods in different ways, from basic level to advanced value chains. Water is a central element in the livelihoods result area, as most of the rural livelihoods supported by the Project are based on gardening, irrigated agriculture, and water-intensive processing of agricultural products. The Project worked together with RMs to uplift rural livelihoods. Livelihood Implementation Plans (LIP), prepared together with WUMPs in cooperation with RMs, were formal documents approved by the Municipality Councils. The plans supported the identification of livelihood opportunities within the RM, including the identification of pocket areas and potential crops for markets. Another level of cooperation occurs with cooperatives that the Project is supporting.

At the most basic level, the Project has supported nutrition and food-security related activities since Phase I. The most crucial of the basic activities is the support for home gardening. Home gardens must meet certain criteria, including cultivation of vegetables, fruits, spices, and fodder. The purpose is to improve families' food-security, enable healthy diets, as well as to produce firewood and animal fodder on the side. The Home Garden Management Manual is available on www.rvwrmp.org.np. In principle, all the Project's WSS and MUS beneficiaries also develop home gardens in their house yards. The water supply system enables reliable and continuous access to an adequate amount of water for gardening purposes. The related activities involve forming groups, providing skills and knowledge on nutrition, provision of start-up supplies, support for polyhouses, provision of low-cost micro-irrigation technologies, and support to commercial production and marketing of off-seasonal vegetables. Furthermore, the Project trains livelihoods technicians and local support persons, RM agriculture section technical staff, and leader farmers who are to distribute skills and information to the local communities.

At the more advanced level, the Project supports income generation activities and polyhouses for off-seasonal farming. The Project also supports to establish local services that are relevant for the farmers, such as agro-vets, multi-purpose nurseries, collection centres, and farmers' income generation groups, and other types of agribusiness support. The aim is to benefit monetarily from irrigation and water supply and to increase the wealth of the farmers, to improve access to the markets, and to provide support networks and access to services. At the agri-business level, the Project has supported selected value-crops that have been considered suitable for income generation in the locality. These crops include, for example, banana, dragon fruit, and kiwi. At the most advanced level, the Project supports five value-chains: vegetable, citrus, chiuri, large cardamom, and ginger.

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.

6.5.1 Livelihoods achievements toward result indicators

2.1. Number of home garden beneficiaries

An added benefit of domestic water supply is the opportunity to use excess or grey water for agriculture production. A basic aspect of this component is the integrated home garden. The Project has worked with RMs to support the development of home gardens in households working with the water supply schemes. This directly supports household nutrition and food security. Support includes group formation, training in home garden skills and nutrition, provision of start-up supplies, support for demo plastic houses (polyhouse) and drip irrigation sets. Technician training is also provided for agrovets and livelihoods promoters.

A total of 326,887 beneficiaries received home garden support, exceeding the end target of 281,500. Of these, 50% are women. The membership by caste and ethnicity overall was 20% Dalit and 8% Janajati, though naturally there is variation by community depending on the presence of these groups in the scheme area.

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

In addition to home garden training and training of trainers, Lead Farmer training is given to democratically chosen individuals (typically at least one man and one woman) from home garden groups to enable more advanced support.

There were 49,335 women out of 58,274 total beneficiaries in home garden management training (85% women), not including the refresher trainings in this case to avoid duplication of beneficiaries. The large percentage (85%) of female training 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.

There were 4,576 Leader Farmer training beneficiaries, of which 2,288 (50%) were women. The system is that the Project trains one-man and one-woman Leader Farmer for each community. Of trainer of trainers, that is LRPs, 56 women were trained out of 101 training recipients (55%). As with indicator 2.1, 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.

2.3. Percentage of Dalit and other socially excluded groups in home garden and lead farmer trainings

The percentage of Dalit and Janajati beneficiaries in home garden trainings is 28%, exceeding the end target of 24%, which reflects proportional representation of disadvantaged groups in the Project area. though naturally this varies considerably from village to village.

Some communities in the Project area are predominantly Janajati, such as the Magar/Lama villages in Kailali, Dadeldhura and Dailekh; and Lama villages in Humla. Reaching Dalits with agricultural activities is still challenging, as they possess little land for agriculture or home gardens.

2.4. Number of people receiving Rural Advisory Services

Rural Advisory Services (RAS) provide farmers with a wide range of skills, knowledge and access to information. These services are defined as agricultural or livelihoods extension services that may include advocacy, technical advice, entrepreneurship training, financial services, networking and market management support.

This indicator measured the number of beneficiaries that have received agriculture or livelihoods focused advisory services through Project interventions, including partners. At the end of the Project, a total of 539,656 beneficiaries have received RAS, exceeding the target of 500,000.

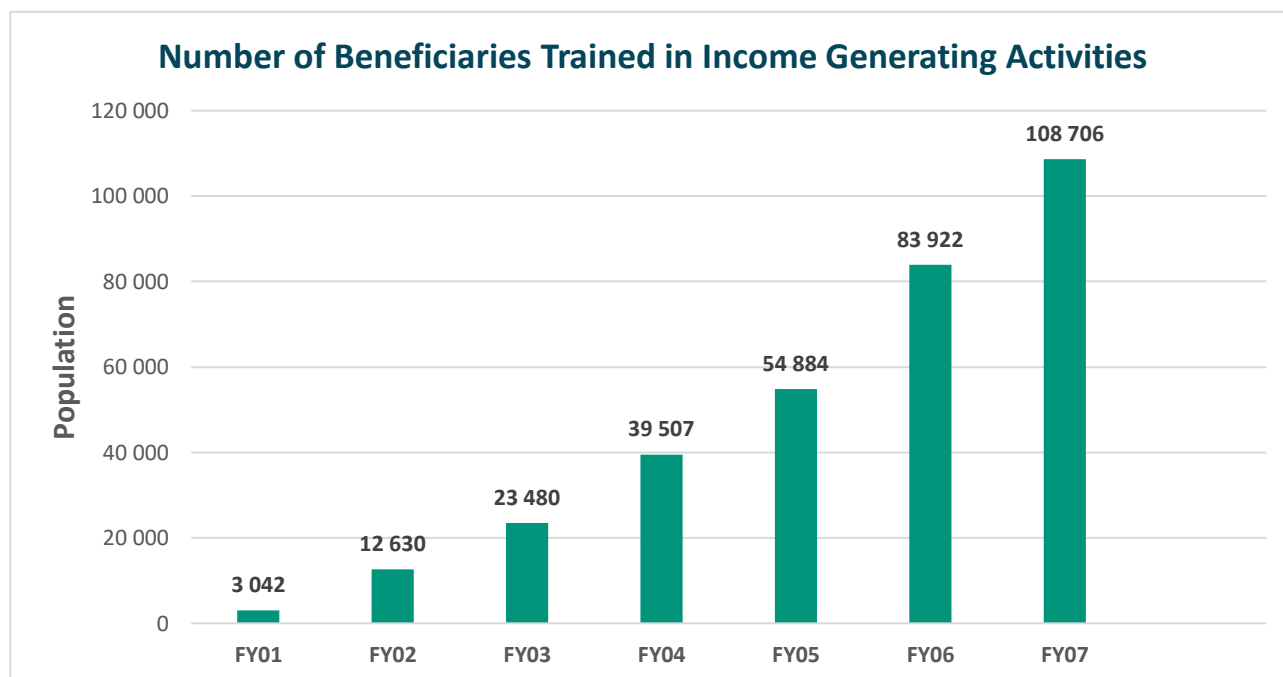
2.5. Families trained in income generating activities

Income generating activities include commercial vegetable farming, agribusinesses, agrovets and private service providers such as ICS promoters and VMWs. Training was provided in various topics, such as

polyhouses, agribusinesses, MUS/Irrigation business planning as well as vegetable and fruit production. There are more than 3,854 polyhouses supported for income generation of local farmers, serving 21,314 beneficiaries.

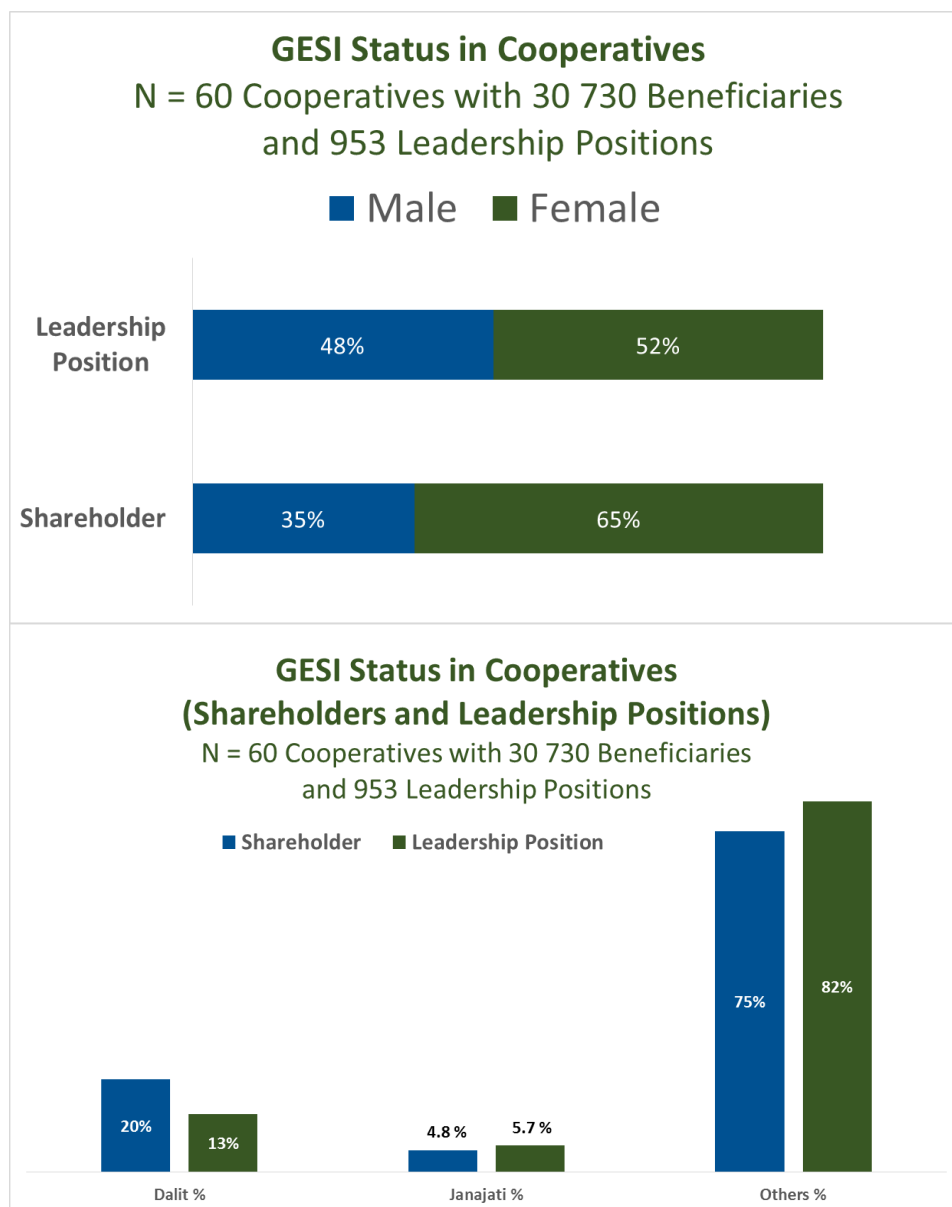
A total of 20,905 families (108,706 beneficiaries) have benefitted from income generating activities exceeding the end target of 60,000 beneficiaries. Training was provided to 20,905 individuals one member of each household.

Figure 24 Income generation beneficiaries (cumulative).



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

The percentage of women holding leadership posts in Cooperatives was 52%, exceeding the end target of 50%. In cooperatives, leadership positions were counted as including Board of Director members, account committee members and working staffs.

Figure 25 Gender and ethnicity status of cooperatives.

2.7. Percentage of Multiple Use Systems among all water schemes (WSS, irrigation and MUS)

Multiple Use Systems enable efficient use of water for various purposes, such as drinking water, irrigation and Improved Water Mills. Systems can also include watering troughs, and storage tanks for run-off water. In essence, all water supply schemes have a MUS component when excess tap water is used for irrigation.

By the end of Project, 13% of RVWRMP supported schemes are MUS exceeding the end target of 10%. Within the 138 MUS schemes, 36% combine conventional irrigation and IWMs; 12% water supply and conventional irrigation; 1% water supply and IWMs; and 51% water supply and non-conventional irrigation. The last includes activities such as irrigation reservoirs collecting over-flow from the water supply scheme reservoir, feeding drip irrigation in polyhouses near the tank.

Figure 26 Types of MUS built over the years.

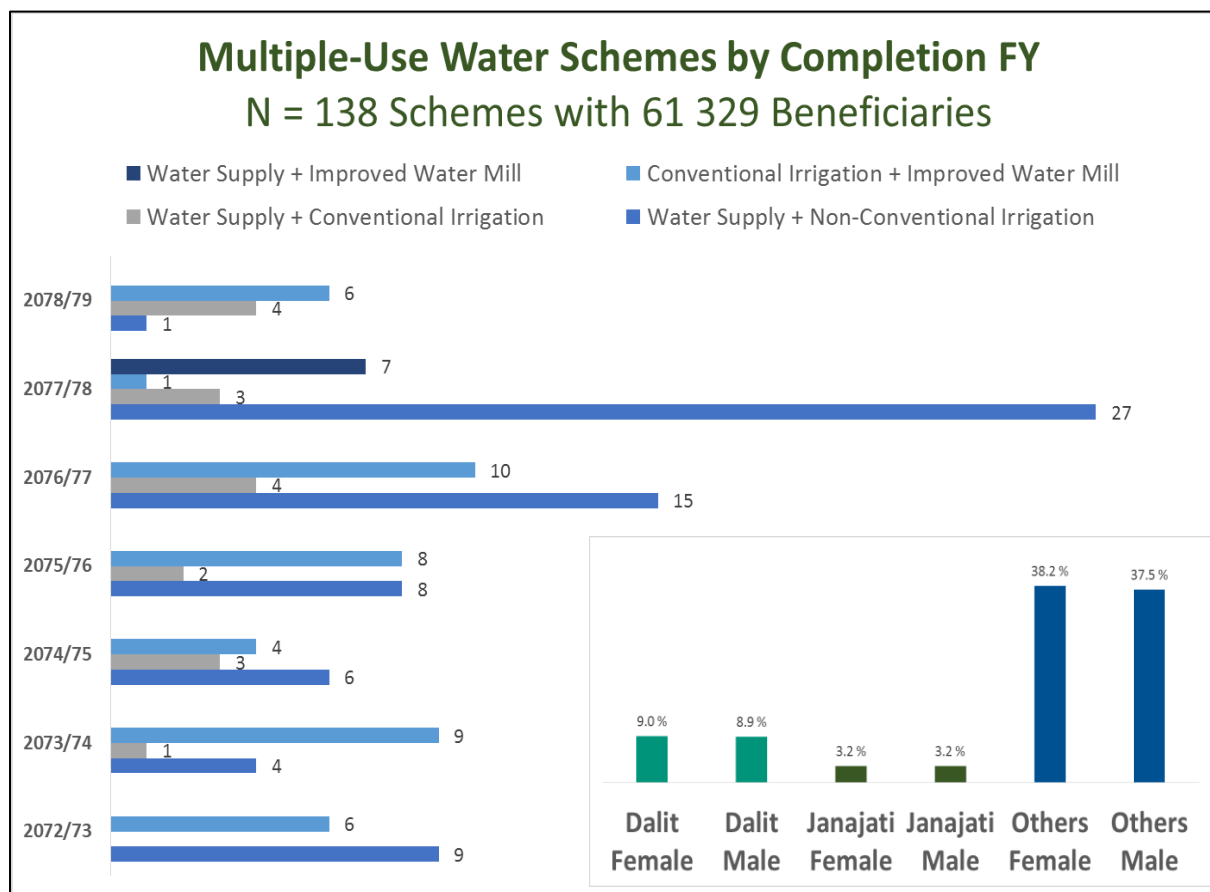


Figure above shows the total number of schemes and their combinations by fiscal year, and the ethnic division of the beneficiaries out of the total cumulative number of beneficiaries (61,329): 17.9% Dalit, 6.4% Janajati and 75.7% Others.

2.8.1 Irrigation scheme beneficiaries

Irrigation scheme beneficiaries include conventional and non-conventional irrigation as well as MUS. Additionally, RVWRMP has supported the rehabilitation or construction of surface irrigation canals to supply water to larger areas (as part of MUS).

The Project achieved 97,931 irrigation scheme beneficiaries, exceeding the end target of 69,677. Of the beneficiaries 76,617 are from Irrigation and MUS schemes and 21,314 from micro-irrigation (3,854 polyhouses). The end target was increased to 54,000 in FY05, and again to 69,677 in FY06, as funds were reallocated from the unspent micro-hydro power (MHP) budget.

2.9.1. Number of agri-businesses supported via the Micro-Enterprise support

RVWRMP supported 63 agribusinesses exceeding the end target of 20. Agri-business support includes cold storage, polyhouses, sea buckthorn processing, herbal tea production, dairy business support and market linkage development and citrus nursery establishment. Additionally, 74 businesses have been supported

through MUS business plans (45) and value chain sub-businesses (29).

2.9.2. Number of value chains supported households and number of benefitting households

The Project supported five value chains: chiuri, citrus, fresh vegetable, ginger and large cardamom. value chain interventions began with improving production, capacity building and local level market linkages. Once the value chains were set up, focus was moved towards building regional and national linkages through, for example collective workshops with cooperatives and traders.

The end target was to establish five value chains, which was achieved. In total, value chain interventions reached 4,890 households, of which 664 were with chiuri, 1,015 with citrus, 1,030 with ginger, 1,817 with vegetable and 364 with large cardamom.

Key achievements, activities and information for each value chain are presented below. More information is available in **Annex 19** on value chains.

Chiuri, Marma RM (Darchula): The Cooperative is producing chiuri ghee and soap with processing plants supported by the Project and RM. Capacity building focused on product promotion, quality improvement and market linkages. The Project has supported the construction of one processing house, two processing machines and one soap-making machine. 664 households were supported by chiuri value chain activities.

Citrus, Chure RM (Kailali): Citrus products are widely recognised in the market area thanks to Project support. Capacity building activities focused on orchard management, disease control and product promotion. The Project supported the construction of one high-tech nursery and six collection centres. 1,015 households were supported by citrus value chain activities.

Ginger, Badikedar RM (Doti): Project support on product diversification has led to tentative agreements with national exporters. Capacity building focused on post-harvest handling, product promotion and market linkages. The Project supported the construction of seed storage pits, one collection centre and 2 storage houses. 1,030 households were supported by ginger value chain activities.

Fresh Vegetables, Alital RM (Dadeldhura): Farming area expansion has led to increased production volumes and easier access to markets. Capacity building efforts focused on product promotion, quality control, polyhouse trainings and product diversification. The Project has supported the construction of one collection centre and one multipurpose nursery. 1,817 households are supported by vegetable value chain activities.

Large Cardamom, Naumule RM (Dailekh): Widespread local sales have been achieved after initial difficulties. Capacity building activities focused on orchard management and protection, business planning and market linkages. The Project has supported the construction of one nursery, one storage house and two dryers. 364 households are supported by large cardamom value chain activities.

2.9.3. Irrigation and MUS schemes with business plan support

Irrigation and MUS business plans aim to support farmers with their related livelihood activities. The Project supported 28 MUS and Irrigation schemes, exceeding the end target of 20.

2.10.1. Shareholders of cooperatives

RVWRMP supported 60 cooperatives in core and non-core RMs (plus an additional two very-recent cooperatives in Humla managing the solar mini-grids). The Project achieved 32,026 shareholders in supported cooperatives, exceeding the end target of 30,000. Out of all cooperative shareholders, 65% (20,753) were women, 20% (6,498) were Dalits and 4.8% (1,534) were Janajati.

Table 22 Disaggregation of cooperative shareholders by gender and ethnicity.

District	No of Coops	Dalit	Janajati	Others	Female	Male	Total
Achham	5	814	56	2 545	2 611	804	3 415
Baitadi	9	1 220	-	2 736	2 521	1 435	3 956
Bajhang	10	927	1	3 521	3 660	789	4 449
Bajura	6	1 213	-	3 109	2 184	2 138	4 322
Dadeldhura	7	672	395	3 307	2 782	1 592	4 374
Dailekh	6	408	579	1 331	1 271	1 047	2 318
Darchula	7	380	5	4 473	2 810	2 048	4 858
Doti	5	734	80	1 886	1 987	713	2 700
Humla	3	95	270	348	317	396	713
Kailali	2	35	148	738	610	311	921
Total	60	6 498	1 534	23 994	20 753	11 273	32 026
	Total %	20%	5%	75%	65%	35%	100%

2.10.2. Cooperatives achieving 110% Operational Self-Sufficiency (OSS)

In Phase III, RVWRMP supported 60 cooperatives in 43 RMs (25 in core RMs and 18 in non-core RMs). The figure included cooperatives that have received support since Phase I and II.

A total of 55 (92%) Project-supported cooperatives reached Operational Self-Sufficiency (OSS)¹⁵ of more than 110%, exceeding the end target of 90% (54). Achieving OSS strengthens cooperative capacity to provide support to water schemes and handle agri-businesses development in their service area and contributes to sustainability.

Table 23 Profitability and OSS of supported cooperatives by District (NPR).

District	No of Coops	Total Income	Total Expenditure	Net Profit	OSS > 110%
Achham	5	6 383 853	4 426 949	1 956 904	4
Baitadi	9	7 290 114	5 303 849	1 986 265	7
Bajhang	10	3 857 429	2 448 566	1 408 863	10
Bajura	6	7 182 859	6 236 504	946 355	5
Dadeldhura	7	17 056 018	11 022 619	6 033 399	8
Dailekh	6	17 753 584	12 079 159	5 674 425	4
Darchula	7	10 491 635	7 876 469	2 615 166	7
Doti	5	4 624 280	3 335 695	1 288 585	5
Humla	3	415 080	294 071	121 009	3
Kailali	2	1 338 305	1 198 629	139 676	2
Total	60	76 393 157	54 222 510	22 170 647	55
Operational self-sufficiency more than 110%					92%

¹⁵ 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) to cover its total costs -financial costs, operational costs and loan loss provisions.

6.5.2 Result Area 2: Analysis of successes and constraints

The combination of water and livelihoods in RVWRMP has been successful and should be replicated in future projects. There is considerable evidence for this. There has been good progress in all the indicators, and feedback from beneficiaries is very positive. The ability to access water to use in farming activities, permits householders to generate greater incomes, and this has positive feedback to allow them to pay their water tariffs. The Income Generation Impact Study (**Annex 13**) showed the benefit of livelihoods and connection to water supply, finding significant socio-economic impacts.

Private connections support Home Gardens, as access to water is easier and more equitable. Water meters support the efficient use of water. The cost of MUS and private tap schemes is somewhat higher, but benefits are a lot higher¹⁶. The livelihoods benefits included the improved opportunities for home gardening and the related significant dietary benefits, income generation, reduced need to buy vegetables, and less work in water fetching and animal watering.

The Income Generation Impact Study (see **Annex 13**) demonstrated that the nutrition and food security status of rural people has increased partly due to the Project activities, leading to an increase in frequency, quantity and quality of nutrition. Farmers are generating greater incomes, and they have more work at home, reducing the need to migrate to India for seasonal work. This income generated has also contributed to the schooling of the children and other household expenses.

There was an increase in women taking a leading role in livelihoods, cooperatives and handling money, contributing to strengthened confidence. Women are motivated to earn money in their homestead, becoming involved in vegetable production, and developing the capacities to run this as a business.

In this result area there has been a strong contribution to climate resilient farming systems in agriculture. These have included focusing on organic home gardens, use of drip irrigation, polyhouses, multi-purpose nurseries, mulching, farmyard manure management, soil cement ponds, bio-pesticides (Jholmal), and other climate smart agriculture practices.

An innovation has been the introduction of not only cow's urine, but also human urine, as fertilizer. Commercial fertilizers are virtually unobtainable in the Project area, and urine is a valuable source of nitrogen, phosphorus and trace minerals.

The pocket area approach is more successful than scattered support because it makes it easier to support a single product development cycle with needed technical assistance (such as LRPs) and inputs. Furthermore, the Irrigation and Business Plan Impact study (**Annex 14**) found that the development of MUS business plans increased the proportion of farmers involved in commercial farming activities compared to areas without a plan. They also earned more and were more familiar with market trends thus they could produce market-oriented commodities.

The support from cooperatives to improve businesses was important, however the value chain analysis and choice of cooperatives in the initial phase was not systematic. MUS business plans and cost-benefit analysis should be done from beginning. A lot of trust building is needed between all actors with the Project working as a mediator, and this takes time to develop. Bottlenecks need to be discovered and supported.

The RMs should be key actors for livelihoods as well, but a support system is lacking at the moment, and there has been considerable turnover of staff. The RM's Agriculture Section should take responsibility in the future, supported by the province.

¹⁶ Ref Table 17 Cost per capita by scheme technology (NPR)

6.6 Result Area 3: Increased Resilience to Disasters and Climate Change

The Project area is prone to climate change (see the Project CCA/DRR Concept Paper). The effects of climate change are evident already - more intense and irregular rains or drought, resulting in heavy (flash) floods, landslides and source depletion. The Project area also suffers from human-induced changes, like erosion from poorly planned road construction, which exacerbate the damage to water sources. Consequently, CCA and DRM activities are critical for sustainability of Project results.

In the original Project document updated during the Inception Period, there were only three result areas, and renewable energy activities were included in Result 2: Livelihoods. As noted earlier, when the EU joined there was a need to merge their own internal Project document with that of RVWRMP. As a consequence, the new Result Area 3 emerged in the final Project Document approved in November 2017, focusing on Climate Change Adaptation and Disaster Risk Management (CCA/DRM). An important part of this result was planned to be the continuation of the renewable energy activities of Phase II, especially Micro-hydropower (MHP) schemes, carrying a significant budget.

The targets regarding MHP included 30,000 persons accessing energy via MHPs with a total capacity of 700 kW by the end of the Project. However, there were difficulties in defining the interest in RMs/VDCs and uncertainty regarding the modality for implementation and financing. Pre-feasibility studies identified 12 schemes with a total potential of 817 kW. Detailed Feasibility Studies were then undertaken on four schemes in Bajhang, one in Dailekh, one in Baitadi, three in Humla, and three in Bajura. The plan was to utilise the modality of cooperatives for management of the MHPs, with associated strengthening. Finally, five MHPs were planned to receive support in FY05.

Unfortunately, after a long preparation process, and feasibility study, MHP plans were later cancelled. There were difficulties to locate potential sites and implement challenging schemes, the rapidly extending national power grid making MHPs non-viable, difficulties to find suitable contractors, and finally the global pandemic in early 2020 meant there was insufficient time to implement. The indicators were changed, and funds were re-channelled to a range of activities, including other renewable energy technologies: increased support to Improved Cooking Stoves (ICS) and Improved Water Mills (IWM); and the development of two solar mini-grid schemes in Humla.

CCA/DRM are cross cutting objectives in all interventions (see Section 10.2 for more detail outside of indicators). Key CCA/DRM-focused activities are listed below:

- Water Safety Plan and O&M Plan formulation support to UCs. CCA/DRM thinking integrated to WASH infrastructure from planning to PoCo.
- CCA/DRM capacity building events to communities and schools, and at RM level.
- Activities to reduce erosion, improve soil moisture retention and mitigate source depletion. For example, recharge ponds, catchment plantations and simple structures such as trenches.
- Support for sustainable energy services, such as solar mini grids, Improved Water Mills and Improved Cooking Stoves with related capacity building.

6.6.1 CCA / DRM achievements toward result indicators

3.1 Number of households receiving energy via Solar Mini Grid

When the 2 Solar Mini Grids in Humla are finalised, they will serve 66 HH in Yari and 100 HH in Hilsa. The total power installed is 50 kW in Yari and 100 kW in Hilsa. The inauguration of the schemes will be in mid-September 2022.

The end target was 100 households (50 kW), revised in FY05 when the original MHP indicator was replaced.

3.2 Number of households provided with access to sustainable energy services

Indicators 3.2 and 3.4 are directly linked to each other: the reduction of greenhouse gas emissions is based on the number of IWMs and ICSs. The number of beneficiaries with access to sustainable energy services was 249,361 (80,356 IWM beneficiaries; 169,005 ICS beneficiaries) surpassing the end target of 195,000. The end target was raised in FY04 and FY06. These services were mainly based on ICS and IWM development. More details available in Annex 1.

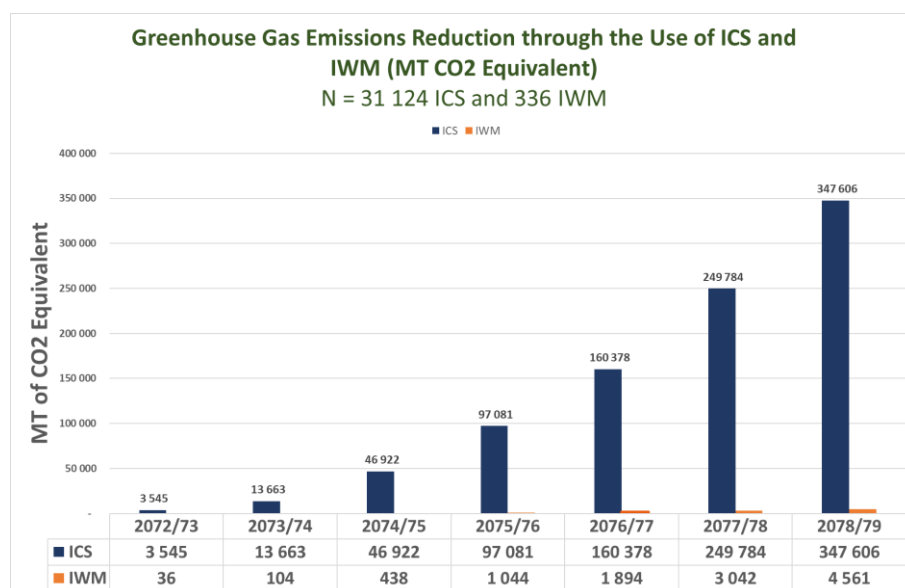
3.3 UCs of Solar grid schemes are active and able to maintain service

Cooperative model was used for the two solar mini grids in Humla. Both cooperatives have been capacitated by the project for O&M, and they are currently actively steering and participating in scheme construction and establishment of the systems.

3.4 Greenhouse gas emissions mitigated by the use of sustainable technologies, e.g., cooking stoves, improved water mills (mtCO₂e).

The reduction of greenhouse gas emissions is based on the number of Improved Water Mills (IWM) and Improved Cooking Stoves (ICS). The average annual reduction of greenhouse gas emissions for ICS is estimated at 3,143 MT CO₂ while for IWM it is 4.52 MT CO₂. The cumulative reduction¹⁷ of greenhouse gas emissions was 352,167 MT CO₂ exceeding the end target 250,000 MT CO₂.

Figure 27 Number of ICS and IWM, and their CO₂ emission reduction (cumulative).



¹⁷ The CO₂ reduction is calculated annually counting the old and new ones together multiplied by number of years and the multipliers

3.5 Number of trained beneficiaries on CCA/DRM

The Project supported CCA/DRM training for 5,978 beneficiaries, exceeding the end target of 2,500. UC members could be added (10,516 persons) as beneficiaries to this indicator as they receive CCA/DRM training as per the Step-by-Step guidelines.

3.6 Project investments meet DRM standards and criteria.

The Project CCA/DRM standards and modalities in all result areas are described in the CCA/DRM Concept Paper (available online at rvwrmp.org.np). The Project used the standards and criteria defined in the Recharge, Retain and Reuse (3R) approach, including spring shed protection and water use efficiency. 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. This confirmed qualitative feedback from community members of a trend of reduced water flows over the last 15 years. This data encouraged RMs and staff to pay serious attention to source protection. Throughout the Project, the percentage of investments meeting DRM standards and criteria has been 100%, achieving the end target of 100%.

6.6.2 Result Area 3: Analysis of successes and constraints

The updated Project logical framework was developed in haste, trying to combine different financiers' needs. As a consequence, while the renewable energy efforts were clear, the activities and indicators for other CCA/DRM activities would have benefitted from further definition. For instance, some new areas of work and indicators could have been useful, for example related to source protection and springshed management. As it is, there are many areas of work undertaken by the Project that are not clearly reported.

The ICS and IWM construction activities have been very successful in providing energy sources for households in remote communities, based on the Project MIS and feedback from community members (see the ICS Impact Study and the IWM Impact Study reports, 2019, on the RVWRMP website). The ICS study found that ICS are effective in reducing firewood consumption compared with traditional stoves (the average reduction in firewood consumption was approximately 33-40%, based on user estimations - with associated decreases in CO₂ emissions), with metal or mud ICS being preferred. They also result in decreased smoke in the kitchen and resultant improved health and cleanliness (particularly of women and children). There is less time spent on firewood collection and cooking, also benefitting mainly women.

The IWM Impact Study (**Annex 16**) found that IWMs have a very significant impact on time saving - particularly through reduced walking times to the mill, reducing up to more than an hour of one-way walking (usually of women, carrying a sack of grain). The other time-saving mechanism is the faster grinding provided by the IWM technology that commonly saves around an hour per a sack of grains. The main reported health impacts were related to reduced time and hard manual grinding work (typically done by women), whereas the main production impacts involved improved quality of the flour, and reduced wastage of grains.

As noted, the originally planned MHPs were cancelled after a long process. The most significant reason was timing. While it was anticipated that the EU would join the Project from the beginning from the third phase, and would bring support to MHPs, in practice the process was much delayed. By the time work could begin in earnest, beginning with MHP Feasibility Studies, it was already 2018. The expansion of the national electricity grid was much more rapid than anticipated, so by the time the EU 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 of Humla, 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. There should be enough time to identify, plan, and implement technically demanding schemes, meaning more than five years in the case of MHP.

Two solar mini grids have been developed in Humla (Yari and Hilsa villages of Namkha RM) as an alternative energy source in very remote areas. However, there were still problems with the late start and with the procurement process. Following the detailed design report and the approval of the SVB, these were put to tender. The original tender was unsuccessful, and they were split into two schemes and re-tendered, with two companies selected. There is a very small window for work in Humla, due to the difficult weather, and being so late in the Project implementation period it has been difficult to complete on time. As of August 2022, Yari is now complete and Hilsa should be completed in September. A learning from this process has been the need to make very precise contracts including the fixed timeframes where the contractor would be obliged to fulfil his part of the deal within this timeframe or face penalties. The RMs need more assistance to be better in developing such contracts. In this particular case the contractor for the Hilsa SMG waited too long before starting to transport the materials, and thus was very delayed due to the weather conditions.

It was anticipated RVWRMP would collaborate with the Finnish-Nepalese Project for Improved capability of the Government of Nepal to respond to the increased risks related to the weather-related natural disasters caused by climate change (FNEP-III, implemented by the Finnish Meteorological Institute), with piloting activities regarding Disaster Risk Management workshops in Alital RM, Dadeldhura. However, the progress of FNEP-III was delayed, and RVWRMP needed to proceed with its own DRM workshops with RMs. In February 2021, RVWRMP organised a session for the FNEP as a part of the Project's technical ICM where they could collect information relevant to them. In July 2021, there was a two-day workshop held together with RVWRMP Project staff, facilitated also by the Finnish Meteorological Institute, Nepal Red Cross, and Department of Hydrology and Meteorology, that focused on preparation disaster risks, and use of long-term climate information and short-term meteorological information. The workshop did not produce significant results relevant for the Project, and it did not lead to further cooperation that would have benefitted the local beneficiaries particularly as it was so late in the Project implementation. The main benefit was to become more familiar with the extreme weather event related data and systems used in Nepal.

WSP formulation workshops ensured that the Project delivered an exit package to UCs, adequate to enable sustainable management of the schemes. However, WSPs would benefit from a deeper focus on preparedness and rescue actions for disasters. Water source conflict remains a serious problem throughout Nepal, including in the Project area. This includes competitive increases in water demand and depletion of sources. Thus, much more efforts are required for springshed protection and maintenance.

6.7 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 objective of the Project was to leave functional structures for sustainable water supply services in the communities, with a strengthened institutional system at local level. In this regard, the Project focused on strengthening GoN institutional capacity in water resources management and planning, with a focus on municipalities.

It was difficult to set SMART indicators for this topic that described the full activities of the Project. In

addition, when the Project document was updated in late 2017, the federal system was in its infancy, and it was still unclear how the implementation would develop. For instance, some bodies such as the District Agricultural Development Office (DADO) and the Cottage and Small Industry Development Board (CSIDB) were active partners earlier in the Phase but ceased to exist at RM level after restructuring. Consequently, the indicator became obsolete. On the other hand, new areas of work arose late in the Project period, such as the support to the NWASH MIS. This did not have an associated indicator.

The Project's collaborative activities with RMs include managerial and administrative processes as well as implementation related processes. Among many innovations, these include development of WASH Board and Unit concepts with the Municipalities, designed from the start as municipality structures approved by the RM Councils. The other best practices include production of WUMP-LIPs for all core RMs, Project Management Committees; fund flow mechanism through the country's budget, channelled via municipal budgets; Users' Committee networks that link the community level WASH with the RMs; development of online geospatial information based RM WASH Management Information System (MIS) that is directly linked with online National WASH Management Information System; water quality testing and management; RM policy development in WASH, livelihoods, Gender Equality and Social Inclusion (GESI), and Climate Change Adaptation and Disaster Risk Management (CCA/DRM) among other themes; as well as the plethora of capacity development activities the Project has conducted at RM level including workshops on Women as Decision Makers and Gender and Disability Responsive Planning and Budgeting; CCA/DRR; WASH Management Policy; School WASH and Total Sanitation; and RM WASH MIS (more details in RM cooperation study: Best practices, experiences and lessons learnt in **Annex 9**). Furthermore, many of the Project's implementation modalities have been eventually adopted and used by RMs as their own modalities, including the Step-by-Step Approach and the procurement guideline, as well as construction related manuals.

6.7.1 Institutional capacity achievements toward result indicators

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

Provincial structures and related policies in Sudurpaschim and Karnali are still a work-in progress after state restructuring. During Phase III, RVWRMP did not have a direct working relationship nor formal mandate with provincial authorities (there are no MoUs nor description of mandate in the Project Document). In addition, it proved difficult to try to coordinate with two different provinces simultaneously (an issue worth considering in any future project). Therefore, the Project focused on supporting sectoral roadmaps and policies at RM level in the first years of implementation, aiming for universal coverage of services across the entire RM. In FY04, the Project held a WASH conference at RM level to lead to conceptualizing a vision for development at Provincial level. Furthermore, the Project supported several livelihoods-related policies at RM level (see result indicator 4.1.1.).

RVWRMP has supported this roadmap process with continuous involvement of province-level stakeholders. The Sudurpaschim Provincial Ministry of Land Management, Agriculture and Cooperatives, together with KISAN (USAID supported Project) has prepared a final draft of a 15-year roadmap for poverty reduction, titled the Provincial Agriculture Development Strategy. Sudurpaschim Province also has a five-year Agriculture Development Plan. The key aim is to cooperate with local governments (RMs) to make the province self-dependent, with focus on agriculture system improvement, nutrition, institutions and good governance.

During 2019 - 2022, RVWRMP staff met with provincial authorities, KISAN and EU representatives several times to discuss regional policy production. The outcome of the meetings was that the provincial roadmap process was already in motion. RVWRMP supported the process by sharing project modalities and learnings with the stakeholders. Earlier work carried out by RVWRMP supported the process, in the form of a market

linkage study of Attariya vegetable market centre (2019). At municipality level, the Project facilitated the development of LIPs, strengthening local livelihood planning and supporting regional cohesion.

In 2022, RVWRMP hosted a provincial learning and sharing workshop, with one of the main objectives to demonstrate Project contributions designed for poverty reductions in the working provinces. The secretary of Sudurpaschim Provincial Ministry of Land Management, Agriculture and Cooperatives was present and shared the status of the provincial roadmap. The focus points of the roadmap are in line with RVWRMP work. All RVWRMP modalities and working methods have been shared with the provinces. The final draft of the strategy and plan is finished and once approved will be published. With the new provincial roadmap, supported by RVWRMP, being published soon, this indicator is accomplished.

4.1.1. RMs have formulated policies related to WASH and Livelihood, CCA-DRM.

The position of local governments is laid out in Schedule 8 of the Constitution of Nepal (2015), and further elaborated in the "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 had ample opportunity to capacitate 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.

The Project has supported core RMs to formulate relevant policies for the implementation of WASH and livelihoods activities. In total, the Project supported 147 new RM policies, exceeding the end target of 70 (see the list below in *Table 24*).

Table 24 RM Policies and Legal Instruments Developed

#	Name of the policy	RM policies formulated by end of FY07	RM policies formulated during FY07	Formulated FY
1	Water Sanitation and Hygiene Management Directive	27		FY05=27
2	Dignified Menstruation Management Directive	24		FY04=10, FY05=14
3	RM Level Water Supply and Sanitation Scheme Repair Fund Operation Procedure	15	2	FY06=13, FY7= 2
4	Water Resources Act	15	3	FY04=3, FY05=7, FY06=2, FY07=3
5	Water Resources Regulation	27		FY04=13, FY05=14
6	Total Sanitation Promotion Procedure	3		FY06=1
7	Water Resources Management Procedure	3		FY04=1, FY05=2
8	Water Supply and Sanitation Regulation	2	1	FY05=1, FY07=1
9	Water, Sanitation and Hygiene Management Procedure	4		FY04=1, FY05=3
10	Water, Sanitation and Hygiene Strategic Plan	2		FY05=1
11	Users Committee Formation and Mobilisation Procedure	6		FY04=1, FY05=5

#	Name of the policy	RM policies formulated by end of FY07	RM policies formulated during FY07	Formulated FY
12	User Committee Formation Procedure	3	1	FY04=1, FY05=1, FY07=1
13	Agricultural Enterprises Promotion Act	8	1	FY04=1, FY05=6, FY07=1
14	Agricultural and Livestock Programme Operation Procedure	2	1	FY06=1, FY07=1
15	Cooperative Act	15	2	FY05=13, FY07=2
16	Support Person and WASH Unit Operation Procedure	2	1	FY06=1, FY07=1
17	Cooperative Regulation	3	2	FY05=1, FY07=2
Total Policies Formulated		161	14	FY04 = 58, FY05 = 69, FY06 = 20, FY07 = 14

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

The Project worked together with provincial authorities for policy development on poverty reduction. In FY05, the Project participated in two provincial meetings – one on cooperatives and one on DMM. In FY06, the Project was appointed to co-lead for Surdurpaschim Province first wave of COVID-19. The Project also attended the provincial webinar on a Total Sanitation hosted by the MSD of Surdurpaschim Province. RVWRMP was co-host and provided papers on a) Sanitation journey: experience and learning, b) DMM and c) RVWRMP intervention in Sudurpaschim and Karnali provinces. In FY07, the Project held a DMM workshop in Dhangadhi, as well as an exit workshop in the spring 2022. These actions meet the target of 6 inputs/activities in phase III.

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

RVWRMP has organised (or attended with substantial involvement) in two international, and several provincial and national events as described below. Furthermore, the Project has published six project manuals (ISBN) and twelve research studies (see section 11) that spread the lessons and experiences of the project. The end target of six national events and six documents has been clearly exceeded.

In FY03, the Project participated in the International SOPHEN Conference, and Waste Free Province-7 Dhangadhi Declaration event. In FY04, the Project took part in MenstruAction Consultative Workshop on Menstruation Health Management: “No time to rest: Ensuring every girl can thrive on her period”; First assembly of the National Association of Rural Municipalities in Nepal (NARMIN) in Far-west province; A National Sharing workshop on MUS resilience building; and Social Development Ministry Event of Sudurpaschim province. The working approach of the Project was shared and then draft version of the “Chhaupadi Eradication Policy” of the province was discussed.

In FY05, the Project facilitated frequent information sharing to Surdurpaschim WASH Cluster and National WASH cluster; held one event on Cooperatives with Provincial representation, and one event on DMM with Provincial representation. In FY06, the Project hosted National WASH Cluster Meetings; shared the Project’s

DMM policy concept in MHM-PA Meeting; attended a webinar on Raising Awareness on Menstruation Issues, and a webinar on Community led Multiple Use Water Systems. The Project also organised a disability-related training with JURI-Nepal and NFDN; and participated in a panel discussion in a Europe Day event organised by the EU Delegation to Nepal.

In FY07, the project organised National and Provincial sharing and learning exit workshops. Furthermore, representatives from the project have attended many minor events and special annual celebrations, including Women's Day, International Human Rights Day, and International Menstruation Day.

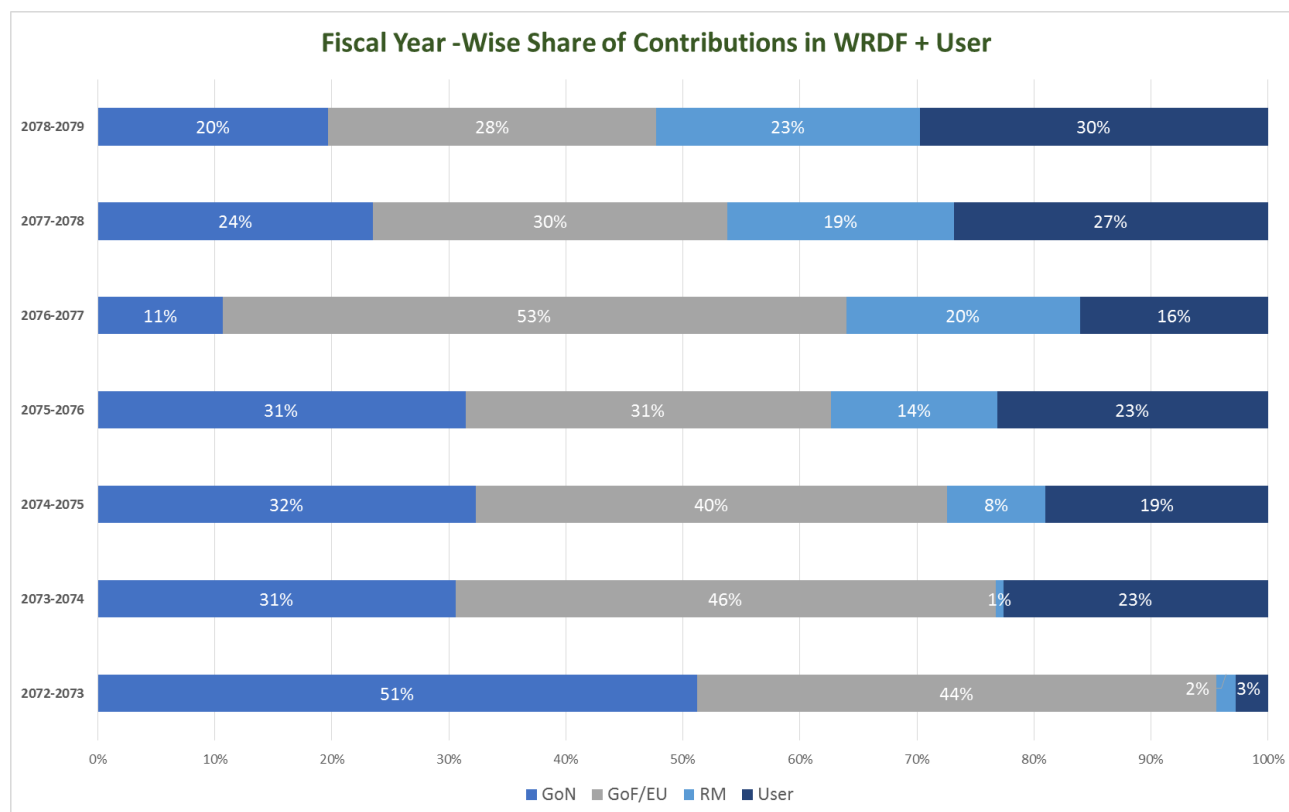
4.3. RM ownership demonstrated by RM contribution to the RM-WRDF

Contributions from local governments have exceeded expectations after governmental restructuring. The total contribution was 23%, exceeding the end target of over 7%. In practice, the end target was exceeded every year since the establishment of the RMs.

The figures were collected from the Project MIS that records actual contributions once schemes were completed and financially cleared - i.e., it has had the final monitoring with the public audit as per the Step-by-Step approach, the municipality's accounts have cleared the final payments to UCs, and UCs have cleared their final payments to the suppliers and skilled labour.

The increase in RM (and community) contribution reflects the strong reputation of the Project in the field and at RM level, as well as increasing local ownership.

Figure 28 Year-wise total share of contribution in WRDF + Users



The figure above demonstrates the increased contributions from the users' side.

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

Local governments are the permanent institutions to look after the sustainability of interventions. RVWRMP has worked together with core RMs to develop WASH Management Boards, which promote effective access to irrigation and WASH services as well as support access to energy and markets. WASH Management Boards bring together relevant stakeholders for integrated management of water resources, and they have both mandate and means to plan, implement, monitor and report, and support sustainability of schemes.

At the end of the Project, all 27 core RMs had implemented WASH Management Boards and approved the related directives achieving the target of 27 trained local bodies. In addition, one non-core working Khaptadchhanna RM, Bajhang, replicated the concept and established a WASH Unit and allocated budget for its operation. The Project considers WASH Management Boards and WASH Units as crucial for strategic and policy planning as well as capacity development.

Unfortunately, the local government elections coincided with the end of implementation in the field. The WASH Boards and Units are still in place for now, as they have been legally constituted, however, some of the trained staff have lost their jobs. As of August 2022, *Table 25* shows the current status in the core RMs.

Table 25 WASH Unit and continuation of Staffs in RVWRMP Core RMs

S.N	District	RM	Remarks
1	Accham	Turmakhand	WASH Unit and GWRO/staff continued
2		Ramaroshan	WASH Unit and GWRO/staff continued
3	Baitadi	Shivnath	WASH Unit and GWRO/staff continued
4		Pancheshwor	WASH Unit and GWRO/staff continued
5		Dilasaini	WASH Unit and GWRO/staff continued
6	Bajura	Swamikartik	WASH Unit only
7		Gaumul	WASH Unit only
8	Bajhang	Chhabispathivera	WASH Unit and GWRO/staff continued
9		Talkot	WASH Unit only
10		Thalara	WASH Unit only
11	Dadeldhura	Ajaymeru	WASH Unit and GWRO/staff continued
12		Aalital	WASH Unit only
13		Bhageshwor	WASH Unit only
14	Darchula	Naugad	WASH Unit and GWRO/staff continued
15		Marma	WASH Unit and GWRO/staff continued
16		Apihimal	WASH Unit only
17	Doti	Badikedar	WASH Unit only
18		Bogtan	WASH Unit only
19		Sayal	WASH Unit only
20	Kailali	Chure	WASH Unit and GWRO/staff continued
21		Mohanyal	WASH Unit only
22	Dailekh	Bhairabi	WASH Unit and GWRO/staff continued
23		Bhagwatimai	WASH Unit only
24		Naumule	WASH Unit only
25	Humla	Namkha	WASH Unit and GWRO/staff continued
26		Sarkegad	WASH Unit only
27		Kharpunath	WASH Unit only

Key activities regarding RM capacity to promote effective access to energy, markets, irrigation and WASH services were:

1. Establishment and operation of 27 RM WASH Management Boards and RM WASH Units
2. Gender and disability responsive plan review workshop in the RMs
3. Refresher training on School WASH and Total Sanitation to RM WASH Unit staff
4. District level School WASH workshops with SMC, teachers and child club representatives
5. Design software training to RM engineers and sub-engineers
6. PEARLS monitoring and proposal report writing training (23 cooperatives)
7. Workshop on cooperative in WASH (34 cooperatives)
8. Account software training to cooperative manager (20 cooperatives)
9. Account and local management training (13 cooperatives)
10. Account software support (9 cooperatives)
11. Cooperative and account management training to solar grid cooperative (Namkha RM, Humla)
12. Workshop on scheme sustainability and affiliation with cooperative (4 RMs)
13. Proposal writing training to ginger value chain cooperative (Badikedar RM, Doti)
14. Business plan preparation training (9 cooperatives)
15. ToT on WASH supply chain to SHPs
16. Orientation on WASH and livelihoods to FCs and GWROs
17. Water quality test training to RM focal person
18. Total Sanitation and WSP training to female VMWs
19. HRBA/GESI training to RM officials

4.5. Mobilisation of RM resources under Agriculture and Cottage and Small industries section for joint activities in the core-program RMs

This indicator was deemed obsolete as Agriculture and Cottage and Small industries sections were not established at RM-level, and their previous budgets were merged with RM agriculture budgets.

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

WRDF budgets were expended as per the budget headings of annual work plans and as entered in the GoN federal system. WRDF monitoring visits kept track of expenditures with actual expenditures reported through the RMs' own systems at the end of the fiscal year.

RM fund expenditure against annual budgets was 89%, exceeding the target of 85%.

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

Coordination was ensured with Project support towards regular RMPMC meetings with the end target of 10 RM PMC meetings per RM per year. The number of RMPMC meetings was verified through RM Annual

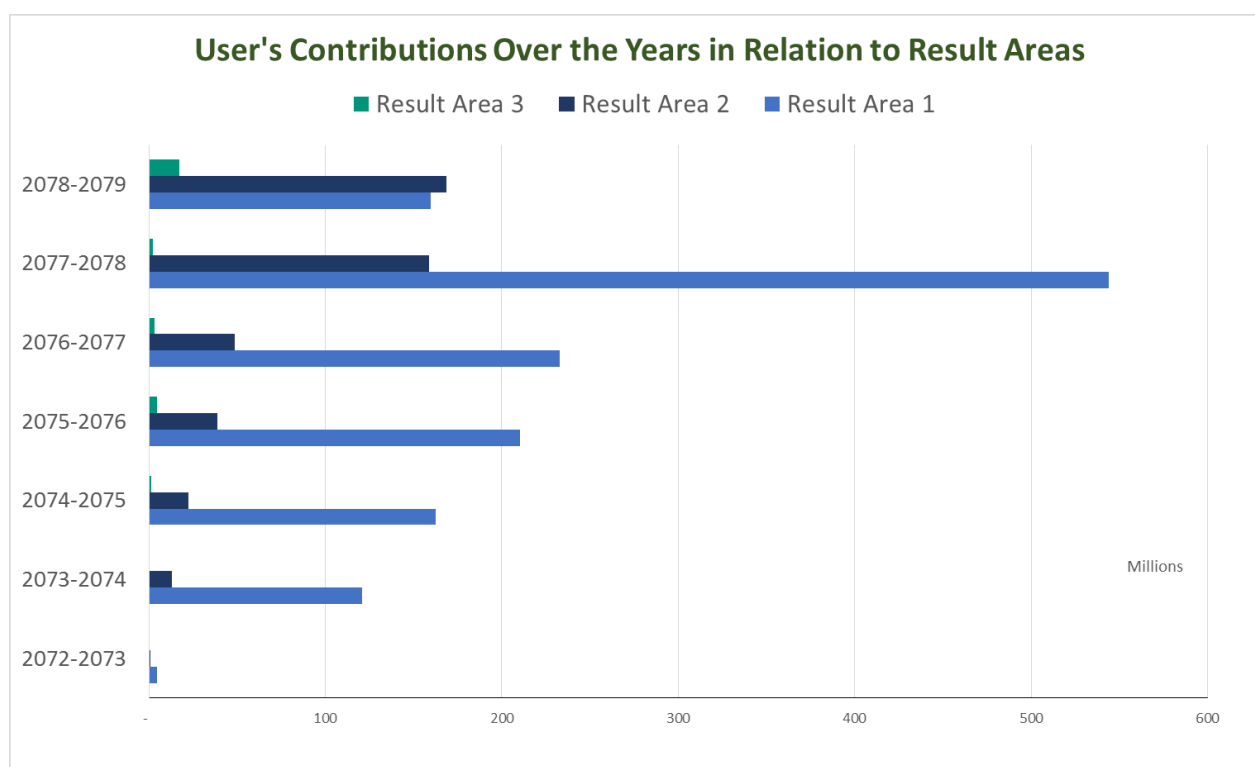
Performance Evaluations until FY07. During FY07, the number was received through the RM Completion Reports.

The average number of annual RMPMC meetings per RM was 10, achieving the end target.

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

The percentage of community contribution (cash and kind) towards construction works was 29%, surpassing the end target of 20% (if the community contributions within the livelihood component are included, the percentage is 40%). The percentage of community contribution surpassed the end target during each fiscal year. This reflects a high demand for the schemes and the enthusiasm of communities to work with the Project. This was demonstrated in Chapter 5.1.1.

Figure 29 Development of users' contribution patterns over fiscal years (NPR).



6.7.2 Result Area 4: Analysis of successes and constraints

As with Result Area 3, indicators for Result Area 4 lack adequate definition, reporting on only a narrow area of the Project work, and some have become obsolete.

During Phase III, RVWRMP did not have a direct working relationship nor formal mandate with provincial authorities (there are no MoUs nor description of mandate in the Project Document) - its mandate was clearly the municipalities. In addition, it proved difficult to try to coordinate with two different provinces simultaneously.

Provincial cooperation with municipalities also proves difficult/lacking (see **Annex 9** with the study on RVWRMP cooperation with RMs: Best Practices, experiences and lessons learnt). Both RM and project staff reported that the main challenge in the RM is the lack of human resources and capacity of the RM staff. The Project has contributed significantly to alleviate both these issues through the 'best practices' but at larger scale this can be only improved by putting much more effort to quality education in the country. Project staff furthermore saw political influence as a major challenge. Collaboration with the provincial level was also

alarmingly poor: the provinces do not involve the RMs in the activities they implement in the municipality, and there is a lack of coordination and communication between the government levels. A much better coordination, communication, mutual planning, and implementation as per RM priorities are needed to overcome the problems.

On the positive side, the RM Cooperation study found that RMs have also adopted several project modalities, including the Step-by-Step guideline for water supply scheme implementation, procurement guideline, and public auditing. These modalities have provided the RMs with the means to manage WASH schemes in practical terms and several of the RMs have expressed that they also apply these guidelines to other development activities of the RM than the WASH sector.

There are some difficulties in the cooperation with RMs that alleviated over time, but still lingered to some extent till Project end. The RMs did not have all staff, and there were frequent transfers of RM officials.

At the start of 2020, it was agreed that establishing WASH Management Boards in each RM was the most appropriate institutional way forward, given that the RMs should be acting as duty bearers for water supply in the future. In addition, a WUSC Network was rolled out, avoiding a loss of community participation and providing a clear method for community members to liaise with the RM WASH Management Board. Until now, independent user committees are responsible for their post-construction operation and maintenance and water safety management. However, at times it may not be possible – for instance, in the case of a serious landslide, the repairs will be beyond the scope of the UC. RM WASH Management Boards are affiliated with the cooperatives and the WUSC Network. They have received capacity building and the hope is that they will take ownership, plan new schemes, and ensure funding and support to operation and maintenance, and future sustainability. The concept has now been introduced and discussed widely and has been legalised in the RMs.

The RM WASH Management Board was supported in evidence-based decision making, via access to data collected in the RM WASH MIS. The RM WASH MIS is synchronised with the Ministry of Water Supply in Kathmandu. Field data was collected and verified on all water schemes within the RM jurisdiction, and all Core-RMs have access to the N WASH MIS. This is an important tool, both for the RM and nationally.

WASH Boards and Units are very important concepts to ensure the sustainability of water schemes however, there was not enough time to establish and capacitate the municipalities. Unfortunately, elections and RVWRMP III exit happened at the same time. There was only limited time to brief the incoming elected officials. Only seven core RM Chairs (two in Baitadi, and one each in Bajura, Dadeldhura, Darchula, Doti and Humla) and two Vice-Chairs (in Baitadi and Bajura) were re-elected, leading to a drain of institutional memory.

As of August 2022, there were only 11 of the original GWROs in their posts still, and the future of the WASH Units were unclear. In future, timing should be considered, if possible, to ensure that the project implementation period continues beyond the next elections for at least a year. Ultimately, local governments have the final say in staff, which makes development of a cadre of knowledgeable staff difficult.

7 Sustainability

The Project has attempted to ensure the institutional sustainability of WASH by coordinated actions between three key actors: the Water User Committee (UC), the cooperative, and the Rural Municipality (RM). RMs are responsible for serving the citizens with safe water supply, formulation of local policies, and monitoring the functionality of the systems. UCs are responsible for scheme operation and maintenance. Cooperatives support sustainable management by providing saving and credit as well as possibly other services to the UCs. These three institutions create an institutional environment where, while it can't be guaranteed, achievement of long-term sustainability in WASH service delivery is more possible and likely than ever before in rural Nepal. We can say that sustainable WASH is a shared responsibility of the RM, UC, and cooperatives.

Besides all the work done with UCs, RMs, and cooperatives, the Project has ensured sustainable capacity development and knowledge transfer to local levels via extensive number of trainings and capacity development activities. These activities and occupational trainings ensure that the working areas are better acknowledged and capable for sustainable scheme maintenance and WASH sector development in the future. Furthermore, the Project employed a significant number of staff in the peak years of implementation, approaching 500 staff in 2019-2021. These personnel continue working in the sector and are well capacitated and more experienced than before their experience with RVWRMP. The Project's "RV University" (**Annex 11**) study report elaborates the Project as a developer of local capacities, but it is worth mentioning some figures that are relevant for the sustainability and local capacity transfer as examples:

1. UC members trained in SBS: 15,150 (including water supply and MUS)
2. VMWs: 1,343
3. Leader Farmers: 591
4. Agro-vets: 60
5. Local Resource Persons: 146
6. Improved Cooking Stove Promoters / Masons: 4,984
7. Field Coordinators: 168
8. Water Resources Technicians: 172
9. Livelihoods Promoters: 217
10. Health Promoters: 168

The subsections below elaborate the sustainability-oriented modalities and governance arrangements applied by RVWRMP on the three actors (RMs; UCs and cooperatives).

7.1 Sustainable institutions and governance at Rural Municipality level

RMs are responsible for serving the citizens with safe water supply, formulation of local policies, and monitoring the functionality of the systems. The Project supported in drafting of WASH Management policies, and establishment of RM WASH Management Boards that take care of annual planning, implementation, monitoring, and follow up of the sector. Project also supported regulations for school WASH, hygiene behaviour, gender equity and social inclusion, menstrual hygiene management/dignified menstruation management, waste management, and environmental protection. The Project produced official Water Use Master Plans and Livelihoods Implementation Plans with the RMs, including sectoral development objectives with water scheme prioritisation and investment plans.

Key aspects of sustainable governance at RM level implemented by RVWRMP are elaborated briefly in the subsections below. Many of the modalities are further described in study "RVWRMP cooperation with RMs – best practices, experiences and lessons learnt" (**Annex 9**).

7.1.1 Water Use Master Plan (WUMP) including Livelihoods Implementation Plan (LIP)

The Water Use Master Plan is a participatory planning tool that analyses needs and demands of the community and plan the activities in participatory and transparent way to address real need of the community. The product of the WUMP was an integrated plan for the uses of water in a rational, equitable and sustainable way for various social and economic purposes. The most important product for the Project was the priority list of water schemes implementation the Project and RM then followed. In addition, the plans were developed to include water use strategies and livelihood implementation plans (LIPs) at RM level.

Transparent and participatory WUMPs reduce the problems with allocation of funds and selection of projects. The plan was prepared following a participatory and inclusive planning process. The Project supported 27 core RMs (as well as earlier VDCs) to formulate the WUMP and Livelihood Implementation Plan (LIP) and supported the implementation of different water and livelihood activities in accordance with their priorities. While completing the WUMP preparation process, community and municipality officials were trained on needs-based participatory planning. It established a transparent planning system at municipal level.

The key contents of WUMP/LIP include:

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

There are a few guiding principles in the WUMP preparation process:

- Equitable water use between different stakeholder groups
- Sustainable utilisation of water resources
- Inclusive and participatory planning process, empowering the marginalized groups.

In practice, the WUMP development process was led by the local level that adopted the WUMP after its completion. The WUMP was used as the main tool for the Local Government Councils, and as the framework for annual planning and resources mobilisation.

7.1.2 Policy Formulation

To regulate the implementation of WASH and livelihoods activities and assure sustainable services, the RMs were encouraged to formulate relevant policies and local directives. They were provided with the necessary support from the Project to formulate the policies related to WASH, livelihoods, DMM and CCA-DRM. In total, 161 policies, laws and directives were supported by the Project. This list (Table 22) was provided in the section regarding Result Area 4.

7.1.3 WASH Management Board and Unit

To institutionalize WASH in governance, the Project developed the Water, Sanitation and Hygiene Management Board concept together with Rural Municipalities (RMs). The major objective of the concept was to ensure sustainable management of the WASH services. The concept was shaped as the way forward for sustainable management of WASH services. The concept also resulted in the formulation of the Water,

Sanitation and Hygiene Management Directive 2077 for all 27 core RMs. The Directive is based on the Local Government Operation Act, 2074. As provisioned in the directive, WASH Management Boards were established as a formal entity in all 27 core RMs. The structure of the Board is mentioned in the directive. In most of the RMs, RM Chairpersons were chairing the Board.

The main responsibility of the WASH Management Board is to promote WASH governance at the local level. The main duties of the Board are presented below:

- Prepare periodic plans on WASH with a clear vision.
- Prepare annual planning with budgeting of WASH sector.
- Support the Rural Municipal Executive (RME) for policy formulation regarding the WASH sector.
- Establish and operationalize the RM-WASH Management Information System (MIS).
- Establish and operationalize the RM level WASH repair and maintenance fund.
- Ensure functionality and sustainability of water supply systems.
- Prepare and fund relevant Total Sanitation and hygiene related activities, aiming to achieve total sanitised status of the RM.
- Prepare and fund relevant sanitation programmes for the public.
- Manage institutional and school sanitation in the RM.
- Prepare targeted programmes for Dignified Menstruation Management, aiming for full coverage in RM.

The Unit works under the supervision of the WASH Board as the operative body and the secretariat. The role of the WASH Unit is to:

- Implement and coordinate sanitation, hygiene and dignified menstruation management related programmes, identified in the annual work plans.
- Monitor, facilitate and supervise assigned individuals, volunteers, schools, youth clubs, mothers' groups, and community-based organisations in WASH management.
- Establish and update the RM-level WASH MIS and provide accurate figures for the Board for evidence-based decision making.
- Compile Water Use and Sanitation Committees (UCs) functionality status reports with data and proposals submitted by the ward offices. Update these to the MIS and submit summary report to the Board with proposed action plans. Follow up with wards if the reports are not received.
- Facilitate to form or reshuffle UCs and support them to register/renew in the RM.
- Support UCs for operation and maintenance management of the schemes and monitor performance.
- Identify the best managed schemes and recommend UCs to the Board for an annual reward. Provide targeted support to passive UCs including UC reshuffling, UC management training, and other actions that can trigger a passive UC to be more active.
- Establish periodic monitoring and evaluation system of existing water supply schemes.
- Prepare Annual Report on WASH and submit to the Board.
- Recommend UCs for funding of emergency and major repairs to the Board.
- Perform any other activities as decided by the Board for sustainable WASH services for all citizens.
- Carry out administrative work for the Board (minutes, invitations, reports, UC registration, etc.)

7.1.4 RM repair and maintenance funds

A RM repair and maintenance fund were established in each RM to support the UCs in sustainable scheme maintenance. Based on an assessment, the WASH Management Board recommended any of the schemes to RM Executive body for repair and maintenance after ensuring the following pre-conditions:

- UC had an O&M Plan and Water Safety Plan, and related O&M regulation was approved and applied at the time of registration and renewal.
- UC is registered at the RM and registration is renewed annually.

- UC had the O&M fund and collects regular water tariff (considering exceptions only for the poor and other who are in a disadvantaged situation).
- UC managed tools and spare parts.
- UC had appointed a water system maintenance worker.
- UC conducted Annual General Meeting and public audit.
- UC maintained book-keeping and store records.

7.1.5 UC networks and UC reporting to the RM

The Project supported the establishment of UC Networks in the RMs. The chairperson of the network was nominated as a member of the WASH Management Board. UC Networks worked as a bridge between UCs, the WASH Management Board and other donor institutions. They identified the issues and problems related to the O&M of water supply systems, and they sought solutions. In particular, the network had an advocacy and supporting role for institutional capacity enhancement of UCs and functionality and sustainability management of water supply and sanitation schemes. All the schemes were entitled to be affiliated with the UC Network. UCs were encouraged to affiliate with viable local cooperatives to accumulate O&M fund and to receive other WASH management support services.

UCs submitted the scheme status report during the first quarter of each fiscal year to the ward office. This report updated any scheme-specific information regarding functionality of the scheme, institutional arrangement of UCs, total sanitation status, menstruation management practices (access to toilet and tap during the period) and home garden management. Any proposals for emergency repairs, service level improvements or other support needed from the WASH Unit would be submitted together with the status report. The Ward Office forwarded these to the WASH Unit. A copy was submitted to the UC Network and affiliated cooperative. The report may include special attention need to be taken by the Board or UC network to regulate the implementation of WASH and livelihoods activities.

7.1.6 RM WASH MIS and National WASH MIS

The Project supported and completed the NWASH survey in 25 out of the 27 Core RMs. The N WASH survey was already conducted in two of the core RMs by other agencies supported by UNICEF. The survey included extensive household level field data collection in 25 RMs, data validation workshops, and scheme prioritisation workshops.

N WASH MIS is a geoinformation system-based national platform for managing, presenting, and storing WASH system information. The Project supported the RMs in surveying the WASH status and entering the related information to the system. N WASH MIS serves RM WASH planning and decision-making at RM level. The WASH Unit was responsible for establishing and updating the RM WASH Management Information System (MIS). The Unit was to provide accurate figures for the Board for evidence-based decision making.

The N WASH MIS is a project of the Ministry of Water Supply, through its Department of Water Supply and Sewerage Management (DWSSM). Originally, the Project document of RVWRMP did not have a plan to conduct the NWASH survey, but it considered the idea of an RM WASH MIS. As these two became naturally linked, it became rational to support the N WASH MIS. The Project expects that the NWASH portal will remain actively developed under the line ministry and that it would provide a foundation for nation-wide municipal WASH data in the future. The Project believed the investment in data collection and the NWASH portal development has been worthwhile as it is currently the most feasible candidate for a long-term national WASH MIS system in the country. National level NWASH staff have been very positive about the high-quality work done by RVWRMP.

7.1.7 Water quality management at RMs

Each RM needs to establish a water quality lab at RM level to test water quality of each WASH system (aligning with the SDGs), charging a minimum fee to users. The Project has promoted water quality laboratories in the

RMs. They operate under the RM Health Section. The idea is to enable simple water quality testing in RMs. Ideally, water testing would be conducted twice a year in all schemes. In total, the Project established 27 labs, one in each core working RM. The established labs receive water safety and quality measurement trainings.

7.1.8 Gender Responsive Planning of the RM:

The concept of the workshop emerged to enhance gender activities with the new local governments. The workshops were conducted in 26 Rural Municipalities with 916 female participants in total (elected female members of local level, female teachers, Female Community Health Volunteers (FCHVs), cooperative representative, and health post representatives, UC representatives, home garden management group representatives and other social leaders). The workshops formulated the Gender Responsive Plan of the particular RM with defined activities and estimated budget for five years. As a follow-up of the workshop on 'Women as Decision Makers' the Gender

Gender Responsive Plans were formulated based on 5 themes

1. *Women at home*
2. *Women as leaders*
3. *Women and money*
4. *Women in agriculture*
5. *Women and service provision*

Responsive plan formulated by the workshop was reviewed annually in each core RM, where the workshop on 'Women as Decision Makers' had been conducted. Based on the disability survey, disability issues were added with gender and responsive planning. In this regard, Gender and Disability responsive planning and budgeting were formulated in the RMs. RM needed further study to support people with disability considering the nature of disability. In many of the RMs, Gender and Disability planning was tied up with the Seven step planning process of local level.

7.1.9 Extensive capacity development activities at RM level

RVWRMP has supported many capacity development activities at RM level, with the aim of developing the knowledge, skills and attitudes of government and community members and thus supporting sustainability. The activities are described in detail in training manuals and their impacts are reflected in Progress Reports of the Project. In addition, the Research Study "RVWRMP cooperation with RMs – Best Practices, Experiences and Lessons Learnt" ((Annex 9) describes in more detail many of the capacity building activities conducted.

7.1.10 Selected modalities supporting sustainable project implementation at RM level

RMPMC: The Rural Municipality Project Management Committee (RMPMC) was established to manage and coordinate the implementation works and the Annual Work Plan (AWP) budget in the RM. RMPMCs made implementation-related decisions of the Project at RM level, based on the AWP. They were responsible for planning, administration and management of all the Project activities. The RMPMC met at least once a month to review the progress of Project activities in the RM and discuss other relevant matters. The quorum of RMPMC consisted of the RM Chairperson, Vice Chairperson, Chief Administrative Officer and WRA. The Infrastructure Development Section of the RM oversaw the technical matters of the RM and was responsible for the monitoring of technical matters in investment schemes and providing support to communities.

In practice, RMPMCs have been able to ensure fluent implementation of the Project activities and infrastructure construction, as well as management of recruitments and human resources, and supported the development of RM related policies. RM Chairs were incorporated in the committees, which made the implementation of the decisions in the RM Council easy. Overall, the committees have successfully supported project implementation aiming to establish good governance.

WRDF monitoring and publication and expenditure: RVWRMP developed a RM-WRDF fund monitoring by the Project monitoring team (DCC/PSU/PCO Account section Officers) and report to RME/RMPMC/PSU/PCO) minimum two times a year. Besides COVID restriction, the Project made regular monitoring as per the provision. The monitoring visits focused on the proper utilisation of funds as per annual work plan, the use

of SuTRA account software, follow-up of financial compliances and review and settlement of *beruju*. These visits supported to keep *beruju* minimized and established transparency of the RM financial governance. Annual expenditure of the WRDF was mandatorily published on the RM notice board and local newspapers enhancing transparency and a mechanism for controlling possible misuse of funds.

Scheme Level Monitoring: The RVWRMP Step-by-Step Manual for monitoring of scheme implementation has been fully applied. For the development of every water supply system, there were 3 formal monitoring visits by the Monitoring Task Force formed at RM level. The task force had at least one RMPMC member responsible for scheme level monitoring. Considering the frequency of the monitoring visits, the scheme level monitoring was made more participatory. The monitoring supported quality, transparency and gender and social inclusion. The Final monitoring also supported to guide and orient the UCs and users on sustainability measures of the schemes and their own role for the sustainable operation of the systems.

RM's Annual Performance Evaluation: The Project developed performance-based evaluation system (Annual Performance Evaluation, APE) of the RM and staff. It was described in MoU between DoLI (at the time named DoLIDAR) and the RM. APE was done after completion of the fiscal year. Based on the APE score received by the RM in previous fiscal year, the Project allocated the annual budget for next fiscal year. It has supported to perform the Project activities effectively following the policies and compliances.

Sustainable Project Exit: Closure Events and hand over

During the final fiscal year (FY07) of the RVWRMP, exit workshops were held separately in all the 27 core Rural Municipalities (RM). Key participants in the workshops included RM chairs, vice-chairs, ward chairs, Rural Municipality Executive (RME) members, RM section chiefs, UC network members, UC members, schoolteachers, Home Garden/ Income Generating group members and cooperative members. A total of 1,651 people participated in the workshops from all core RMs. An average of 60 people participated in each RM of which 25% were female and 75% male.

The workshops were held just after the elections and therefore largely reflects the newly elected RM chairs' and participants knowledge and experience with the Project. However, despite commitments made only few of the trained GWROs have maintained their jobs. New GWROs have been appointed but have little institutional memory to carry on activities, thus, jeopardising sustainability at RM level. It is believed though that UCs and Cooperatives are equipped to sustain activities.

A final RM workshop for the key representatives was held in Chitwan, and a province level exit workshop was held in Dhangadhi in the spring 2022. The objective was to share Project progress and achievements in Phase III, discuss learnings from scheme implementation and update the future of RM WASH Units. Finally, all relevant documents and materials were handed over to the RMs.

Summary of RM Exit Workshop Discussions

Participants all over the working area felt sad that the Project was closing and wished for a new project to continue the work. RMs were committed to collaborate and contribute.

Users and beneficiaries shared their learning and best practices on livelihoods, income generation, Total Sanitation and School WASH. Through participatory group discussion sectoral strategies were prepared by the RM WASH Units:

RM WASH Unit: All RM WASH activities will be implemented by WASH units. Regular meetings, trainings, workshops and exposure visits will be planned to capacitate WASH Unit and UC staff. Skilled human resources are key. NWASH MIS will be updated annually, water quality testing will continue, and UC registration and monitoring will be mandatory. All water supply schemes will formulate Water Safety Plans.

Total Sanitation and School WASH: The aim is to achieve Total Sanitation and 3-star school level in all water supply schemes and schools. The RM WASH Unit will provide financial, technical and HR support.

Livelihood and Income Generation: The RM agriculture section will continue to support polyhouses, home gardens, cowshed improvements and pocket area development in coordination with the WASH Unit.

GESI and DMM: The aim is to eliminate gender discrimination and ensure proportional participation of women. Capacity building events will focus on sanitary pads and their making for schoolgirls, mothers' groups, and Female Community Health Volunteers.

7.2 Sustainably managed User Committees and cooperatives as service providers

Based on years of experience with hundreds of water supply systems, RVWRMP has developed clear modalities for ensuring their sustainability. Safe drinking water, improved sanitation, and hygiene behaviour (WASH) have always been the backbone of the Project. Over time, new program elements were added to strengthen the sustainability of the WASH service. For example, the need for a sustainable O&M funds of the UCs, led to work with cooperatives. The need to pay for water, led to water-based livelihood activities to generate income. The need to ensure local capabilities for basic maintenance led to the development of the VMW concept. Water scarcity was tackled by recycling wastewater for home gardening, which led to the development of the home gardening and polyhouse and income generation support concepts. The need for more integrated water resources management at village scale led to introduction of Multiple Use Systems (MUS), to maximise the use of the water made available and improve the cost-effectiveness of the investments. These systems combine WASH with small-scale irrigation, water mills, and drinking troughs for cattle. These examples show how institutional learning, accumulating know-how, and holistic development around water contributes to increased sustainability of the water supply over decades.

The Project has had an impact on good governance and ownership, from the community to UC and to the municipal level. Community people now claim their rights and raise their voices actively after training and awareness raising, and experience from participating in activities such as the public audits. They have learned to raise their voices in community decision-making meetings, to demand transparent practices and services. The Project intervention helped UCs to be transparent and increase ownership, and people are now demanding monitoring and public auditing in the other development activities of the municipality. In this sense, one impact has been improved governance in broader areas.

7.2.1 Technical, social, environmental, financial and institutional sustainability

Technical sustainability: The basis of sustainability was well-designed robust infrastructures that were functional and served the needs of the people. The technical design aimed to utilize every drop efficiently. Step by Step (SBS) and Post Construction manuals contain steps for inclusive, participatory planning; development of individual and community capacities for O&M¹⁸; and transparency through public auditing and monitoring of the scheme. The quality of construction was strictly monitored, and procurements followed the procurement manual. After the construction, the UCs were supported through a Post Construction trajectory. SBS implementation and shared learning created capacity for self-management by the UC. Village Maintenance Workers were trained in solving problems and management of spare-parts and tools. Water Safety Plans (WSP) were prepared for risk management and planning for scheme operation and maintenance.

Social sustainability: Each project started with mapping of the current situation and needs. Pre-feasibility studies evaluated not only the technical or environmental, but also social and financial feasibility, by looking at the community commitment and (water) disputes. Scheme construction and management was in the hands of the elected UC members and the water users from the initial planning to post-construction. Almost all the planning and construction was done by the local citizens, facilitated and technically supported by the Project. The schemes were not 'handed over' to the community since the community was in the driver's seat of the project from the beginning. Throughout the process, special attention was paid to participation, gender equality, and inclusion of disadvantaged groups including people with disabilities, and proportional caste and ethnic representation. Buy-in from traditional, political, educational, and religious community leaders was sought for major leverage. Major mass meetings/public audits during the construction process kept everybody informed and involved. Participation and transparency from pre- to post construction created ownership and social cohesion and strengthened bonds between the stakeholders.

¹⁸ For more technically demanding technologies such as solar lift schemes the Project provided extensive practical training to the care takers.

Environmental sustainability, Climate Change Adaptation and Disaster Risk Management: The Project promoted protection of the water sources through recharge, retention and reuse principle, risk reduction activities. Resilient designs and risk reduction consideration reduced damages of disasters like floods, landslide, drought and earthquakes. Source protection and conservation stored water during high discharge to be used in the dry period. Implementation of Water Safety Plans (WSP) included disaster risk management and climate adaption actions, such as risk identification, source protection, O&M modalities, plantation, surface water diverting drains, structures improvement, water recharging pits, and animal troughs.

Financial sustainability: Water tariff calculation and collection starts during project implementation. An O&M fund is set up to buy spare parts and pay for repairs. Preferably, a cooperative is responsible for the management of the O&M Fund. It builds up interest from the savings of the UC, which then is used to provide micro-finance services to the community. Cooperatives provide multiple benefits to the community since they keep the funds in circulation through micro credits.

The Project also supported advanced capacity building and poly-house investments for income generation from the water resources. The increased benefits for the user increase their willingness to pay for water, and thus contribute to the overall sustainability of the scheme.

Institutional sustainability:

Key aspects of sustainable institutional governance at UC Level implemented by RVWRMP:

- *Inclusive Participation and Representation:* Ensuring the participation of women (minimum 50%) and proportional participation and representation of disadvantaged groups enhanced the capacity of marginalized groups and their leadership capacity. For instance, the Project achieved 51% female and 24% Dalit and Janajati representation in key positions of UC water supply schemes. Due to this participation, ownership towards the scheme and other interventions increased and have contributed to sustainability.
- *Capacity Building:* Capacity building has been an integral part of RVWRMP implementation at all levels. The Project provided intensive training to UCs of different schemes according to the provision made in step-by-step process. A total of 15,150 UC members (water supply and MUS; Phases I-III) have been trained according to the Step-by-Step process.
- *Transparency and public audit:* Transparency is the backbone of good governance. RVWRMP had a mandatory provision to conduct public audits. For instance, public audits should be conducted at least three times in a water supply scheme, as per the SBS process. Due to the transparency maintained in the schemes, users were more interested to be involved in sustainable operation and maintenance management of the systems.
- *UC Meeting and Annual General Meeting:* The key members of the UC (water supply schemes) have been oriented to conduct the UC meeting regularly. UCs meet on a monthly or bi-monthly basis. They have been trained and supported to collect water tariffs and update the operational status of the schemes, so that the UC could take necessary actions to maintain the schemes. Similarly, an Annual General Meeting (AGM) was another mandatory provision, at least in water supply systems, to review the progress/status of the schemes, performance of UCs, O&M plan and WSP. It has supported schemes to prepare the next year's O&M plan and update the WSP for scheme sustainability. The UC can be reshuffled based on the performance of activities, or the wish of members to be replaced. In this regard, new and active UCs can be elected to take care of O&M tasks of the schemes. This has also contributed to sustainability of the schemes.
- *UC's policies and plan:* RVWRMP supported the UCs to formulate the required WASH Management Procedures to establish systems for smooth operation of the schemes. These procedures have helped maintain organisational discipline and encouraged the UCs to collect water tariffs regularly, hold meetings regularly, manage and invest the O&M funds wisely (for instance, in a cooperative, where funds can be used for local income generation, and the available funds will grow) and mobilize the VMWs to implement the WSP and O&M plan.
- *Women's tap groups:* Women were consulted (as the main water users) as part of the scheme planning

process, to identify the best location for public taps. Women's tap groups were then formed for public tap water supply systems to look after sanitation and hygiene, O&M and use of the wastewater in home gardens. All public tap water supply systems have been supported to create a women's tap group, which have been trained to monitor the sanitation and hygiene management of the tap surroundings and in Point of Use (PoU) treatment methods. They have also monitored the use of surplus/wastewater from the tap. Wastewater collection tanks have been constructed nearby the taps to irrigate vegetables.

- *VMWs appointment and mobilisation:* Village Maintenance Workers (VMW) have been appointed in all the water supply systems to monitor and keep the systems operational. They have significantly contributed to the sustainability of the schemes. A total of 1,343 (M=1,172; F=171) VMWs have been trained and work with the water supply systems.

7.2.2 Cooperatives as service providers to UCs

The Project encourages UCs to formally affiliate with cooperatives, and open O&M accounts with a credit-line. Having an account in a cooperative enables reasonable interest for the accumulating savings from water fees (higher than in the banks, where inflation may eat into the principle), and a membership allows the UC to use other saving and credit services of the cooperative. For instance, under emergency situations the cooperatives can quickly fund necessary repairs. Cooperatives may also provide services such as supply of spare parts, VMW services, polyhouses, or ICMs to the communities and UCs.

Cooperatives can channel livelihood promotion and investments in public-private partnerships. In practice, cooperatives support farmers to sell their products in the local markets. The cooperative may organise training activities in income generation or value-chain development and provide agro-vet services. Cooperatives may also have businesses that require cooperation with farmers as the primary producers, whereas the cooperative may process and sell advanced products. The cooperatives enhance circulation of capital locally and stimulate entrepreneurial activity. During COVID-19 lockdowns they also provided important emergency support, increasing local resilience.

7.3 Functionality status of schemes

Water supply schemes supported by the Project funds have provided water services defined as *improved and functional* and fulfilling the QARQ criteria. The water supply schemes have been designed to provide improved water supply services as well as the establishment and training of UCs in different phases of the scheme construction through the Project's SBS approach from scheme selection to the post construction phase. The UC has been assigned the sole responsibility for maintaining the quality of service after completion of the physical construction of the drinking water scheme.

The post-construction phase of the schemes started immediately after the completion of the implementation phase. Once all construction works were completed in a scheme, final payments were cleared after public audits approved, and the post construction phase started. The formulation of Water Safety Plans (WSPs) has been one of the key factors for the post-construction phase at scheme level. The WSPs include both how to secure quality and supply (quantity and regularity) as well as integrating O & M and tariff calculation and CCA/DRM into the plan.

A rapid post-construction functionality and sustainability survey of 606 schemes from all phases of RVWRMP (1,425 schemes since 2006) in core RMs was conducted in late FY 06. The study showed clear needs for follow-up – for instance, only 78% of schemes were implementing their WSP, 92% of the schemes were fully functional, while 6% were partially functional. 94% had adequate water supply based on QARQ indicators throughout the year. The WASH Boards received this information of all the schemes within their RM and their functionality – constructed by RVWRMP or by others. The information was collected and stored into the RM WASH-Management Information System (MIS) and linked to the national NWASH system. Based on the rapid survey RVWRMP III supported the rehabilitation (monsoon flood/landslide damages) of some of the schemes, to enable them to be functional again, as well providing support to service level improvement.

Out of the 606 surveyed water supply schemes, 577 were constructed by the Project. The functionality of schemes constructed with funding from RVWRMP by end FY07 is shown in below table.

Table 26 Functionality of RVWRMP drinking water supply schemes in core-RMs (source: MIS data)

District	Total number of schemes	Functional status		
		Fully	Partially	Closed down
Achham	52	49	3	0
Baitadi	54	54	0	0
Bajhang	54	54	0	0
Bajura	56	54	2	0
Dadeldhura	51	50	1	0
Dailekh	60	60	0	0
Darchula	74	72	2	0
Doti	53	53	0	0
Humla	67	67	0	0
Kailali	56	56	0	0
Total	577	569	8	0
%	100%	99%	1%	0%

10 Cross-cutting objectives

The Project incorporated two cross-cutting objectives. Firstly, the Project operated through the human-rights based approach (HRBA) and considered gender equality and social inclusion (GESI) as a cross-cutting objective. There were a range of targeted capacity building activities with a focus on HRBA and GESI, including for example, Menstrual Hygiene Management (MHM). Secondly, Climate Change Adaptation and Disaster Risk Management (CCA/DRM) activities included renewable energy, climate resilient infrastructure development and both local and municipal level capacity building.

10.1 Gender Equality and Social Inclusion and Human Rights-Based Approach

GESI and HRBA were at the core of RVWRMP interventions throughout the working period. In Phase I, a ground-breaking GESI Study was conducted, exposing the significant problems faced by women. In Phase III, the Project strategy for GESI and HRBA was based on the existing HRBA and GESI Strategy and Action Plan, developed jointly for two GoF funded bilateral programmes in 2015 (together with RWSSP-WN).

The RVWRMP III Project Document set the target of mainstreaming HRBA to ensure that all people in the working area are aware and able to access their rights to water, sanitation and livelihoods. Emphasis was placed on continuing to use participatory approaches to facilitate active community involvement in all processes and ensure that the poorest of the poor have access to Project benefits and achievements. An HRBA was applied to support the empowering and capacity building of duty bearers, especially the Rural Municipalities, to provide services to their constituencies. Staff were trained on HRBA and GESI issues (including some training on disability issues).

The RVWRMP III Project Document emphasised the importance of strengthening the capacity of women and socially excluded groups to participate in decision-making processes and preparing them for leadership positions. The objective was to provide gender-focused training to enhance women's leadership skills, make their voices heard, improve their position in the society and mentor other women.

Ensuring HRBA in project activities

RVWRMP supported the process of enhancing human rights, democracy and good governance through all

working modalities. By the choice of its geographical locations, RVWRMP was focused on reaching the unreached. Key principles, such as participation and inclusion, empowerment, non-discrimination and equality were well known and applied by the TA team and associated staff. Throughout all phases, RVWRMP has maintained a transparent and accountable approach to all activities. In practise this has meant the establishment of clear guidelines and monitoring systems as well as constant monitoring and review of processes. Information related to the Project objectives, finances or decision-making, as well as the results were regularly shared, via public audits, notice boards and the website. Any queries on procurement or recruitment decisions were dealt with in an open manner.

In particular, the Step-by-Step approach (see **Annex 9**, RVWRMP-RM study) was instrumental in demonstrating to RMs how to work in a transparent way, involving the whole community in decisions concerning their own well-being. Another key action was the creation of WUMPs in all 27 core RMs -these helped identify the schemes based on criteria such as hardship, remoteness and need of support. The process ensured equality and transparency through consultation of all stakeholders.

The aim of the Project was to empower local communities and governments to take direct responsibility for themselves, ensuring sustainability. RVWRMP Phase III coincided with an historic moment for Nepal as local government bodies, Rural Municipalities, were established with full accountability to voters and responsibility for many of the Project's areas of work, which considerably assisted with ownership.

The new Constitution (2015) supported the rights-based approach of the Project - it states in articles 30(1) and 35(4) that all citizens have the fundamental right to live in a healthy and clean environment and to access basic clean drinking water and sanitation services. It guarantees that women, disadvantaged castes, ethnicities and religions, and people with disabilities can equally access these rights. In addition, many human rights aspects have been incorporated into the Nepali Water Supply, Sanitation and Hygiene (WASH) Sector Development Plan (2016). In addition, Nepal was a signatory to the UN Right to Water and Sanitation (2010). This recognises the right of everyone to sufficient, acceptable, physically accessible and affordable water for personal and domestic use; and that everyone has access to sanitation that is safe, hygienic, secure, socially and culturally acceptable, provides privacy & ensures dignity. In addition, the Project supported the Right to Education, the Right to Health, the Rights of Persons with Disabilities, and aspects of the International Covenant on Economic, Social and Cultural Rights (1966).

The Project has supported significant advances in achievement of the right to water and sanitation, via construction of water schemes and supporting the ODF campaign, as well as supporting its continuing functionality and sustainability. UCs and participating communities were given responsibilities for the whole process, with support from the Project (rather than it being carried out by the Government or a contractor).

The Project addressed root causes of human rights violations and discrimination mainly at the local level, working with elected representatives in the RMs, UCs, and community members. While the Project supported policy and legislative level transformative change at the local level, it had less access to national level processes related to national legislation and policy. The Project contributed to the Draft National Policy on DMM to ensure rights-based inputs to the development of the draft National WASH Sector Development Plan, and the Joint Sector Reviews (2011 and 2014). The Monitoring and Evaluation system (both through regular Step-by-Step monitoring as well as targeted surveys) explored outputs, outcomes, results and impacts regarding the fulfilment of human rights quality criteria, especially as they relate to rights to water and sanitation. GESI indicators were aligned with national targets on both gender and social inclusion, although RVWRMP set higher than national targets for participation of women: balanced representation of both women and men, rather than 33% women as in the national policy.

Ensuring GESI in project activities

RVWRMP integrated Gender Equality and Social inclusion in all activities and Result Areas as a cross-cutting theme. In addition, a wide range of targeted activities were conducted with women and marginalised groups, including children, People with Disabilities (PWD), Dalits and ethnic minorities.

The Project promoted social change by empowering women and disadvantaged groups through inclusive and

participatory processes from planning to completion of activities. For instance, the WUMP process included women-only confidence building workshops, to give women at local level the chance to express their views, and practice speaking up in a supportive group - the aim being that they would then raise their voices in the village meetings. The Project target was to ensure proportional participation for women and disadvantaged group members with a focus on capacity building, income generation activities and key positions in UCs and Cooperatives. RVWRMP activities have provided a foundation for policy coherence for local governments as well as between sectors.

Concrete activities included HRBA & GESI trainings and orientation, awareness raising programs, national and international thematic day celebrations, leadership development trainings, interaction programs and gender responsive planning with RMs. Monitoring data collected in all activities and trainings was disaggregated by sex, caste and ethnicity and recorded in the MIS. This was reviewed on a regular basis, in order to adjust if needed. It was considered too complex to also include disaggregation by age or disability. However, consideration was given to inclusion of the elderly or PWD when arranging meetings or in targeted activities. The cross-cutting criteria – non-discrimination, participation, accountability, transparency, and impact and sustainability – have been considered throughout the implementation process as per the project implementation guidelines.

HRBA and GESI issues were raised in community discussions. Brochures on issues such as HRBA&GESI and on toilet access for the frail elderly and PWD were distributed. The Project also had multiple consultation meetings with organisations of PWD in Sudurpaschim (although they are less present in the mid hills).

By the end of Phase III, men and women have benefitted equally from the different schemes and activities implemented under the Project while Dalit and Janajati benefitted according to their proportionate representation in the communities.

Table 27 Status of major GESI achievements

Indicator	Total N	Women N	Women %	Dalit N	Dalit %	Janajati N	Janajati %
R.1.2 Number of water supply beneficiaries	398 283	199 141	50%	80 617	20%	27 502	7%
R.1.2.2 Number of beneficiaries							
1) School / institutional sanitation	57 917	29 811	51%	NA	NA	NA	NA
2) School / institutional water supply	107 053	53 900	50%	NA	NA	NA	NA
R.2.1 Number of home garden beneficiaries	326 887	160 801	50%	63 837	20%	25 748	8%
R.2.3 Home Garden training	58 274	49 335	85%	11 339	19%	5 037	9%
R.2.8 Beneficiaries of irrigation schemes	97 931	49 105	50%	15 742	16%	7 897	8%
Note: Project data is disaggregated by gender, caste and ethnicity.							

Empowerment of women in decision-making and representation

Workshops on Women as Decision Makers were held to formulate Gender Responsive Plans and, with the later addition of a disability component. During the final year of project implementation follow-up workshops were held to ensure that the gender and disability targets were incorporated in the Seven-step planning process in the RMs. Review workshops were held in all core RMs before the end of the Project.

All section officers and RM Executive members were very familiar with their previous plans and implementation status. They allocated budget for some activities every year (such as for capacity building, awareness campaign and total sanitation). However, it was noted that the 7-step planning process was not always followed well by the RM due to time constraints. Furthermore, the budget was released late, hampering completion of the work in time. The pandemic also disturbed the activities. It is difficult to predict how the process will continue following the local government elections, as only two of the earlier Vice Chairs (who had led the process earlier) were re-elected.

Discussions were held regarding incorporating consideration of disability at the same time as the gender

budgeting.

- An online training for RM staff on disability was held in December 2020. Prior to that, information was gathered via the Social and Health Promoters of the Project, who conducted household level visits to all households with registered PWD, in order to discuss (with questions based on the Washington Group on Disability guidance) their access to water and sanitation, and barriers they were facing to participate in Project activities.
- During the review workshops, RVWRMP staff shared the rights and legal provisions for PWD
- Most RMs focused on collecting data regarding PWD, registering them and providing allowances, but not implementing specific activities, however some ideas were introduced in the workshops.
- In all core RMs (except Chure) a Disability Coordination Committee was established within the RM. They were all set in the Women, Children and Senior Citizen Section of the RMs. The National Disability Association of Nepal supported the Committees in this regard.

The Project ensured a proportionate representation of women and disadvantaged groups (Dalits and Janajati) 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

The Project is guided by a GESI strategy that aims for proportional representation in all activities by gender and ethnicity. Proportional representation is especially important in UC key positions (chair, vice-chair, secretary and treasurer) to achieve equality in community level decision-making.

In the water UCs, women's participation was approximately 55% (51% in leadership positions). Dalit representation was 17% (15,6% in leadership positions) and Janajatis representation was 9% (11,2% in leadership positions) respectively. Dalit representation in the population is 19% and Janajatis 8% respectively. Some women-only UC member workshops were conducted, to build their confidence. There was a significant variation depending on the type of training, reflecting the interest of different groups, but also the potential barriers.

Refresher trainings were given to women Village Maintenance Workers (VMWs). The trainings built the skills and confidence of the VMWs without having to compete with men. RVWRMP staff also carried out video interviews with the participants to better understand their experiences at work in the community.

Dignified Menstruation Management (DMM)

During the ODF process, there was considerable pressure nationally to declare each RM as ODF, therefore insufficient attention was paid to women who might not be able to use the toilet all the time due to menstruation taboos. Now, DMM is an important element of the Total Sanitation campaign, and it should be considered carefully before declaring communities.

DMM activities aimed to improve access of women to taps and toilets and to ensure they could live in a safe environment with their rights protected. RVWRMP has continued MHM and re-usable sanitary pad-making training at RM and scheme level. In addition, a link to disability was introduced with the aim to improve the lives of menstruating women and girls with disabilities (who obviously suffer a combined hardship, particularly if they are forced to move outside the home for sanitation). Some Districts and RMs decided to provide sanitary pads to girls and women. For instance, in Darchula, the Education Section has provided free pads to all girls through the schools. However, the disposal of these pads could become an issue in rural areas where there is no solid waste collection.

Sasu-Buhari workshops were first held in 2019. They bring together different generations of women (mothers-in-law and daughters-in-law), to discuss their own experiences of menstruation taboos and social norms regarding women's role and behaviour (often quite extreme, resulting in tears and a feeling of catharsis and hopefully solidarity). The different generations learn together about natural processes and myths of menstruation, as well the importance of women in the community.

Campaigns supported by influential personalities/celebrities have been observed to be very effective in

gaining attention for different causes. This was tested with a very successful online workshop in March 2021, where two celebrities talked with and sang to schoolgirls and RM representatives. Then during FY07, RVWRMP introduced the DMM Ambassador concept as a tool to raise awareness of DMM in the field. The Project identified a female celebrity who came from the local area, understood the issues and local culture well, and could raise awareness of the issue with adolescents, parents, teachers and community members in general. The appointed Ambassador carried out a Musical Campaign in eight core RMs supported by newspaper, magazine, television and/or radio interviews, as well as activities on social media, with a national reach. See full report in **Annex 23**.

Impact of GESI activities

Continuous awareness raising and monitoring with door-to-door visits was instrumental in eradicating harmful Chhaupadi practises in the working area. Before the Project, girls were discouraged to go to school during menstruation, but thanks to MHM friendly toilets, improved water access and MHM and pad-making training, the dropout rate of girls has decreased. Girls and boys are openly talking about the issues and are supported by health promoters and focal teachers (one in each project supported school).

Before RVWRMP trainings and awareness raising, community members were hesitant to talk about the subject of menstruation. It was especially difficult to get men to join. Now, both genders are happy to join trainings and male tailors even make sanitary pads.

Previously men dominated decision-making positions in the communities and groups. Now, thanks to successful project practises towards proportional participation, women and disadvantaged groups can get their voices heard. Gender Responsive Planning workshops capacitated women on the governmental budget planning and encouraged them to raise issues and use the budget accordingly.

Best Practises

- Private connection systems showed to significantly support menstrual hygiene management. All interactions with families having a private tap indicated that women can now touch the tap, use the toilet, and bathe at home. This is a transformative change.
- Pad-making trainings capacitated community members on correct materials, use and disposal, supporting hygienic behaviour.
- User friendly WASH structures, availability of pads and safe disposal methods in schools reduced the drop-out rate of girls. This has been confirmed by household and school visits, and targeted studies (for instance, the study on Sanitary Pads in Action – Menstrual Hygiene Management Training, Reusable Pad Making and Use, on the Project website)
- Gender Responsive Planning workshops and other specific trainings capacitated women in leadership positions and spread the impact in the whole Project area. (see the Elected Women Study, available on the Project website).
- The Project has supported female VMWs, ICS promoters and masons, breaking traditional concepts of women not being able to do hard labour. There are several successful female VMWs and for example in relation to ICS, women are likely more successful in capacitating communities thanks to their personal experiences. The project trained 171 women out of 1172 VMWs in total (15% women of all VMWs).

Future challenges and suggestions

The societal change in Sudurpaschim is sustainable. One key aspect was to focus on all levels of governance and all generations to bridge gaps and ensure the continuity of learnings (Annex 10 GESI study).

Total Sanitation and School WASH activities are useful in ensuring proper hygiene practises and through that Gender Equality. However, the work does not end with TS declarations, but the level needs to be kept. RMs should monitor that the change is sustainable.

In the Project working area, women are generally responsible for their households, including natural resource acquisition. Women stay in the community, while men often travel away for seasonal work. Thus, women have more time and direct motivation to take responsibility of community water supply and livelihoods. If women are properly capacitated from the beginning, they will be oriented, they have ownership and they mobilise funds honestly.

Local governments, WASH Units and UCs need to ensure the sustainability of water supply schemes as they impact all aspects of hygiene behaviour, including access of PWD or menstruating women to water and toilets.

Targeted capacity building, especially related to legal provisions is still needed in the communities as the society is not yet settled. Local healers (Dhamis) still wield a lot of power and can have (positive and negative) impact on the behaviours of the communities.

Earlier Government-set quotas for local level leadership positions were very useful for RVWRMP to support gender responsive planning with RM vice chairs as focal persons. This changed in the recent local government elections, and there are now only 18 female Vice Chairs in the 27 core RMs. If leadership positions are dominated by men in the future, the system might suffer. However, years of capacity building and awareness raising will have a lasting impact.

10.2 Climate Change Adaptation and Disaster Risk Management

Climate Change Adaptation (CCA) and Disaster Risk Management (DRM) have been integral parts of project activities across all result areas. In the Project area, problems have been caused by floods, droughts, severe storms, earthquakes and man-made damage. These problems have damaged water schemes, led to source depletion and conflicts, degraded quality of water and decreased production.

RVWRMP CCA-DRM Concept Paper (www.rvwrmp.org.np/documents) provides a comprehensive view of the integrated activities of the Project. In **Result Area 1** there are several CCA-DRM activities throughout the three scheme construction phases: preparation, implementation and post-construction. Activities included spring-shed protection, water efficiency management and recharge, protection of pipelines and crossings, and awareness raising. In addition, the development of a *Water Safety Plan (WSP)* was a compulsory activity in all water supply schemes and always included a CCA/DRM component. In **Result Area 2**, CCA/DRM was incorporated in the continuous capacity building support from home gardening to income generation and value-chains, including, training on farming methods, irrigation technologies and CCA-DRM components in the numerous project trainings at various levels. In **Result Area 3**, the Project focused on constructing CCA-DRM preventive infrastructure, including recharge ponds/trenches and source protection plantations. On a community level, the Project supported the installation of Improved Water Mills (IWM) and Improved Cooking Stoves (ICS). In **Result Area 4**, the Project conducted CCA-DRM workshops in all the core Municipalities, and CCA-DRM issues were constantly discussed and considered in the Project capacity building activities with the local governments.

Apart from the regular works where CCA-DRM was incorporated, the Project also implemented specific thematic activities in FY07. The key CCA/DRM-focused activities conducted in FY07 are listed below:

- Water safety plan with CCA/DRM formulation training to users committee conducted in FY 07, which also includes O & M plan for the sustainability of Water supply schemes.
- CCA/DRM capacity building events to community/ schoolteacher/school management committee members conducted in FY07.
- Recharge pond, plantation within the source catchment, recharge trench/catch drain and other simple recharge structures such as recharge pits constructed to improve soil moisture and mitigate the potential source depletion.
- ICS promoter training conducted and developed promoters (female & male) for constructing the improved cooking stoves in scheme area households.

- Sustainability energy services like, solar mini grid, improved Water Mills and Improved Cooking Stoves installed.
- The reduction of greenhouse gas emissions (energy efficiency) mitigated by improved technologies, e.g., cooking stoves and improved water mills.

10.3 Communications and visibility

The RVWRMP working area is located far from Nepali government offices, national stakeholders, as well as the Finland and EU public, underlining the need for efficient communications and use of visibility materials.

In Phases I and II, communications and visibility actions included workshops, flexes, hoarding boards and structure paintings. In Phase I, associated with the ground-breaking GESI Study, a series of videos were produced on gender and discrimination, and specifically on chhaupadi issues, in order to raise awareness. In Phase II, the Project produced brochures on specific topics - for instance those dealing with HRBA&GESI issues or toilet access, together with RWSSP-WN. Presentations were given at Thematic Working Groups or other venues in Kathmandu, but due to the distance, this was less frequent. Local level celebrations of 'Days', such as International Women's Day or World Toilet Day, were supported, and included project specific topics. Short videos on Project topics were produced at the end of Phase II and shared on the Project website.

Some technical team members also presented in international workshops, during Phase I and II, including in Tampere Dry Toilet Conference, or Stockholm World Water Week, over various years. This gave an excellent opportunity to share the experiences from the Project area internationally and interact with other interested stakeholders. Articles were published in national journals (such as the Society of Engineers for Rural Development, Nepal (SERDEN)) and international journals. Active involvement of the FCG Home Office ensured that the Project was advertised to Finnish stakeholders, and a presentation was given in an international webinar to the Rural Water Supply Network (RWSN).

The need to increase visibility efforts became relevant, with a few cases of other stakeholders claiming RVWRMP supported work as their own. This raised a small dilemma for the Project, as less attention had been given to advertising the source of funding as we were working to assist the GoN to implement. In Phase III, more effort was focused to communications and visibility, partly thanks to related EU funding. It was recognised that recognition of funding sources is also important. In addition, social media tools rapidly developed, allowing sharing of messages more readily.

Communications and visibility in Phase III

The RVWRMP Phase III, the Project Document emphasised the importance of active and continuous communication with development partners, focusing on achievements and impact. The Project Implementation Guidelines also specify the importance of working together with local journalists and media. RVWRMP III communications and visibility actions in Phase III were guided by the Project Document, the Communications and Visibility Action Plan (developed in FY01, and updated in FY04, and then in FY06) as well as the EU communication and visibility guidelines. Target audiences as well as tailored communications methods were identified in the plans. Communications emphasised timeliness, accuracy, coordination with the donors and maximising interest.

RVWRMP is well known in the Project working area thanks to years of successful implementation coupled with various visibility efforts. Hoarding boards in communities present water supply schemes and livelihood activities. Project supported structures are

Inauguration of School tap stand by EU and GoF ambassadors



painted with WASH slogans as well as project and donor logos (see the picture below of a school tap stand with clear instructions on handwashing techniques, inaugurated by the Ambassadors of Finland and the EU). The logos were present in all communications and visibility materials. Behaviour change slogans were stencilled on water containers and tap stands.

RVWRMP created and updated 22 thematic leaflets both in English and Nepali and shared them with stakeholders locally, nationally and internationally. Approximately 15,000 copies were printed and shared. Brochure themes include accessibility, GESI, Livelihoods, Sustainability and WSP. A series of story boards on menstruation and sanitation-related topics were prepared and used regularly in meetings.

Project news and accomplishments were continuously shared on local TV and radio shows as well as newspapers. Local awareness-raising on important topics took place during celebrations of relevant international events, such as World Water Day, World Toilet Day, International Handwashing Day, 16 Day Campaign Against Gender-based Violence and the International Day of People with Disability. Behaviour change slogans and information sports were publicised on local radio stations. Journalists were invited to the field to participate in and report on Project activities and achievements.

The RVWRMP website (developed in Phase II, <https://www.rvwrmp.org.np>) was updated in 2017 to serve as the calling card for the Project. It is an up-to-date hub for sharing important project materials, blog posts and job advertisements. The Project Document, annual reports, brochures and other materials are available on the site free of cost. During Phase III, 64 blog posts (see **Annex 22**) were published and shared to the public. The website is connected to social media platforms, namely Facebook, Instagram and Twitter, making it easier to share news and stories to national and international audiences.

During Phase III, several videos were filmed, edited and published by project staff or in collaboration with the donors. RVWRMP supported the creation of 27 video documentaries for each core RM showcasing Project achievements and cooperation. Additionally, approximately 200 Project related stories were published online or in publications by news outlets.

Communications between Project staff and stakeholders was successful throughout Phase III, despite major challenges caused by COVID-19, with the key to success being regular meetings and the use of online platforms. Many local events as well as participation in national and international conferences and seminars in 2020 and 2021 had to be cancelled or postponed due to the pandemic. However, some events were successfully held online, such as a webinar on Dignified Menstruation Management (FY06) and a Training on Disability for RM Vice Chairpersons, GWROs and other RM staff (FY06).

Communications and visibility actions in Phase III are detailed in **Annex 22**.

Communications and visibility in FY07

Several meetings were held before and during FY07 both internally and with donors to discuss communications and visibility for the final year. Major activities included a Finnish journalists' visit to Apihimal RM (see the photo).

A musical campaign for Dignified Menstruation Management was conducted during February-March and May-June 2022. The objective of the campaign was to raise awareness on DMM with the support of a local celebrity working as a DMM Ambassador. The campaign proved to be very successful with approximately 11,000



participants as well over 100,000 views from related videos. during the Project working period. See photo below and final report in **Annex 23**.

To maximise the spread and impact of lessons learned, three learning and sharing workshops were organised for municipal, provincial and national stakeholders. Additionally, exit workshops were held separately in each core RM.

The first learning and sharing workshop was organised at the provincial level. It was held in Dhangadhi on 6th of June 2022. Attending parties included provincial ministers and staff from Sudurpaschim and Karnali, Rural Municipality staff, representatives from relevant provincial organisations and partners (GIZ, USAID, LI-BIRD, HELVETAS, FEDWASH, SUHARA and SNV) as well as the Embassy of Finland representatives. The objective was to share RVWRMP achievements, present findings and discuss ways forward and discuss the provincial roadmap for poverty reduction (Results Indicator 4.1.) together with provincial ministry representatives. See full report in **Annex 26**.



The second learning and sharing workshop was held at RM-level for RM chairpersons and GWROs in Chitwan on 13th-14th of June 2022. The workshop was titled “Realisation of Sustainable WASH and Livelihoods”, and it was attended by 19 RM chairs, both re-elected and newly elected. The objective of the workshop was to discuss, agree and formulate institutional strategies on WASH, DMM and livelihoods as well as share lessons learned and best practises to the RM chairs. See full report in **Annex 27**.

The final learning sharing workshop will be held at a national level in September 2022. The overall objective of the workshop was to share RVWRMP findings, learnings and successes especially to donors, development partners and national stakeholders, so they can incorporate them in future work in Nepal and abroad.

Lessons for the future

Throughout Phase III, communications and visibility actions have proved to be effective to promote the visibility of the Project locally and regionally. RVWRMP is well known and recognised in the working area. However, national and international visibility efforts have proved to be more challenging, partly due to the remote location and lack of easy communication at the central level. In particular, getting exposure from Finnish media has been difficult despite considerable efforts, though there have been some articles published in Finnish national or regional newspapers.

During the final year, the journalist visit organised together with the MFA Finland; and the DMM Musical Campaign proved to be successful events for the Finnish audience and local as well as national audiences respectively. There have also been earlier visits by journalists, members of parliament (Finland) and international organisations that have helped raise awareness of the Project.

In order to do more, there would need to be a focal person and more budget for outward communications. As it is the Project staff have had more focus on the implementation. There needs to be a balance between working and sharing results.

Unexpected impact: COVID-19 provided more opportunity to participate in national and international online events, where normally invitations came too late for in-person events or were too costly to attend. The national sharing strategy could be further improved through online learning sharing and possibly having a

unit in Kathmandu where the CTA and other relevant specialists spend part of their time to participate in events.

11 Research and Studies

RVWRMP conducted several studies in the third phase, including substantial research projects in 2022, and several other smaller studies. The resulting reports have been published along with the Completion Report of RVWRMP, as well as on the Project website, and disseminated on other relevant platforms. In short, the studies have provided more in-depth analysis and information on the impacts and transformative changes than the regular reporting could do. There were several reasons to conduct research and targeted studies in the final year of the Project:

- 1) Completion reporting needs. Regular reporting does not cover everything.
- 2) Long-term impact assessments of the Project required targeted studies and extra research.
- 3) Analysing and making visible transformative change required targeted studies and research: Sudurpaschim looks very different now vs. 10 years back.
- 4) Capturing and sharing the lessons learnt and best practices for wider audiences.
- 5) Recording the overall legacy of RVWRMP (2006-2022).

Apart from specific studies, the Project has published 14 expert magazine articles in Society of Engineers for Rural Development, Nepal (SERDEN), as well as three project-related articles in “*Vesitalous*”, the leading water expert magazine in Finland. The key staffers furthermore have published 11 peer-reviewed scientific studies on subjects related to experiences from RVWRMP, though these studies are done outside project working hours. Furthermore, there are several other internal studies and surveys conducted for project planning purposes, development of implementation modalities, or to gain understanding on a subject, typically not reported in a suitable format for external readers. However, a few such studies are reported and available for external readers, such as the Attariya Wholesale market study, and Sea Buckthorn Feasibility Study from Apihimal RM that are available along with the other research reports and studies on the project website.

Also, MFA conducted review and evaluation of the Project. A Mid-Term Review was undertaken in 2019 and a Final Evaluation in spring 2022. Please refer to chapter 4.6 for more detailed information.

11.1 Impact-oriented studies for project completion

The Project approaching its end, RVWRMP started planning impact-oriented research projects in the spring and summer of 2021. The Project also decided to appoint a Research and Studies Coordinator in the beginning of FY07 to facilitate the Projects. The Projects proceeded through several phases in FY07:

- 1) The research ideas were outlined in the spring of 2021. This included brainstorming sessions among project staff to bring up ideas. The research projects were also commenced via discussions with the Project donors about their preferences. The donors requested that the studies focus especially on possible transformative changes and impacts.
- 2) The research plans were specified in the summer of 2021, and questionnaires developed in the autumn period of 2021. This was followed by field testing of the questionnaires in the field, and further development of them.
- 3) Field data collection, as well as data analyses were conducted in the winter 2021-2022.
- 4) Six final research reports were prepared in the spring 2022, and findings were used in the present Completion Report.

All the research reports conducted in Phase III are available in **Annexes 9-14**. The most recent impact-oriented study headings and key learnings from the recent six studies are as follows:

1. RVWRMP cooperation with RMs: Best Practices, experiences and lessons learned (Haapala, Junkov, White, Wagle, and Badu, 2022) (Annex 9)

This report elaborates the reasons and rationale for the successful cooperation, as well describes the experiences from both RM and project sides. The Project started close cooperation with Rural Municipalities (RMs) as soon as the new local level governments were truly established in 2017. The Project considers itself as a pioneer of RM cooperation, being one of the first, if not the first, significant partner in the whole country. After five years of cooperation, RVWRMP can rightfully declare that the collaboration has been successful. The Project has witnessed and cultivated a huge potential in the RMs regarding local development especially in WASH and livelihoods sectors, giving hope to the citizens and power to democratically administrate local issues and resources. RMs are now the foremost implementation partners and beneficiaries of the Project.

The report elaborates the existing project modalities and collaborative practices with RMs. The Project recommends the utilisation of the best practices introduced in the report. The Project recommends all implementing actors to focus on developing RM capacity in WASH as the work with the RMs has significantly improved the sustainability of RM WASH sector and livelihood interventions overall. RMs have also adopted several project modalities including the Step-by-Step guideline for water supply scheme implementation, procurement guideline, and public auditing. These modalities have provided the RMs with the means to manage WASH schemes in practical terms and several of the RMs have expressed that they also apply these guidelines to other sectors of the RM than the WASH sector.

Both RM and project staff reported that the main challenge in the RM is the lack of human resources and capacity of the RM staff. Project staff furthermore saw political influence as a major challenge. Collaboration with the provincial level was also alarmingly poor: the provinces do not involve the RMs in the activities they implement in the municipality, and there is a lack of coordination and communication between the government levels. A much better coordination, communication, mutual planning, and implementation as per RM priorities are needed to overcome the problems.

2. Gender Equality and Social Inclusion Impact Study (Salminen, Tirwa, Bhatta, Haapala, and White, 2022) (Annex 10)

This study assessed local trajectories and transformative change related to Gender Equality and Social Inclusion (GESI) in project area between 2009 and 2021. The idea of the study stems from 2009, when RVWRMP commissioned a “Gender and Social Discrimination Study” to investigate the GESI status of the provinces. The new study is based on the following key question: What has the transformation been in the selected indicators, and how has the transformation happened? The interview questionnaire was formulated based on the 2009 study, to be able to clearly compare results and assess progress.

Overall, RVWRMP’s impact has been substantial in empowering women and minorities to gain community representation and reducing the workload of women. The GESI situation in the communities has improved, while some challenges remain. The economic situation of households and number of women and minorities in community and RM level decision-making has greatly improved. Workload distribution is like what it was 12 years ago, but improved water access has provided time for women to partake in income generation activities and community representation. Menstruation-related taboos have decreased dramatically, and the maternal health situation has improved thanks to nearby birthing centres and government incentives. Caste discrimination has decreased. Key challenges include the further need for economic empowerment, continuation of work to eradicate remaining gender- and caste-based discrimination and the need to institutionalise women’s and minority representation in decision-making.

3. ‘RVWRMP University’: Project as a training and occupation provider (Haapala, Nepal, and Bhattarai, 2022) (Annex 11)

Although the Project is often considered an infrastructure development project, with a focus on hardware, in reality most of the work and efforts go to capacity building, institutional development, and behaviour change support – in other words the main focus is on software. Only changed behaviours, established

institutions and local capacities make the intervention and development in general sustainable. The Project has employed directly and indirectly hundreds of staff annually. In the peak years of the third phase, the Project simultaneously employed as many as around 500 staffers, most of them being local people. The number of international staff has remained one to three persons, or less than 1% of the total staff. We can rightfully say that this structure has enabled building of the local capacities, as well as service delivery from Nepali people to Nepali people.

All these aspects, including all the external and internal trainings and all the capacity building actions have resulted in playful consideration of the Project as the 'RV university' among project staff. The report simply gathers the trainings given by the Project over the years, to an extent possible from the Project records. For instance, numerically the type of event with greatest participation is clearly the 'UC level Step-by-Step related trainings', with almost 100,000 participants over the three phases (around 3,100 events), home garden management trainings with 26,000 participants (around 900 events), and the WASH orientations to UC/community with 17,000 participants (around 900 events). Altogether, the Project has provided recorded 6,000 trainings with 190,000 beneficiaries. The main figures of the study are presented in **Annex 11**, section 3, Trainings delivered by RVWRMP 1-III.

4. Cost Benefit Analysis of Water Supply Systems: Multiple Use Water Systems, Private Taps and Public Taps (Pandey, Haapala, and Pokharel, 2022) (Annex 12)

The study identified some differences between private tap, public tap, and MUS scheme types. Overall, the study supports the view that MUS and private taps convey more benefits than public taps do, while the costs are only insignificantly higher in these schemes. The private tap system improved sanitation and reduced water fetching time even more effectively than the public tap system. All types of RVWRMP schemes provided capabilities and means of living and healthy life. The users get safe and sufficient drinking water. The livelihoods benefits included the possibility for home gardening and the related significant dietary benefits, income generation, reduced need to buy vegetables, and less work in water fetching and animal watering. The reported sanitation benefits included ease of household works, better personal hygiene, separated human waste from daily life, as well as improved hygienic behaviours. Time saved from water fetching is used for all types of regular activities, including household work, labour work, taking care of children and the elderly, sanitation and hygiene, livelihood activities, socialising, voluntary work and resting.

Dignified menstrual management and sanitation can be managed better with private connections that allow families to manage their household water independent and regardless of community taboos. Women have gained improved possibilities to save individually and to get access to income and decision-making power in the family. Regarding menstruation, there is a clear change in perception about menstruation hygiene management (MHM) due to the Project interventions; menstruating women can socialize and interact with others better than before, and the impact of menstrual taboos is decreased in women's lives. The related participatory activities produce a setting that empowers women and the other disadvantaged groups.

5. Income Generation Impact Study (Malla, Haapala, and Bogati, 2022) (Annex 13)

This study assessed the impact of income-generating activities supported by RVWRMP in Aalital Rural Municipality of Dadeldhura. The result from this study showed that the trainings and material support by the Project has changed the farming habits, improved local diets, and led to significant increase of annual income locally. Two thirds of the families earned additional income by selling vegetables ranging from several dozens of thousands to several hundreds of thousands of rupees per year. The cultivated land area for vegetables increased by two thirds, of which one tenth was under poly-house development. Both production of fresh vegetables and sales to local markets more than doubled, and the number of farmers selling vegetables increased by more than 50%. This has naturally enabled more savings and investments, a better standard of living for families, and increased the status and self-esteem of the household within their community. The additional income was invested well: Children's education, housing and land, better food, clothing, and health care. As much as one third of the income was saved in cooperatives or banks.

The study found that women handle money for daily household expenditures while often their husbands are

working elsewhere. Instead of waiting for remittances from their husbands, they can use the money they have earned at home. This improved economic independence of women is crucial for their status and role in the family, their children's opportunities, as well as women's capability to live a life they appreciate. More effort should be hence focused on empowering women by providing them independent means for income generation. In the studied case, almost every second family had before a seasonal migrating worker, typically the husband. Project's support to local income generation and farming has resulted in almost half of the migrating workers return to the community for income generation.

6. Irrigation Scheme and MUS Business Plan Impact Study (Suwarnakar, Haapala, 2022) (Annex 14)

Irrigation and MUS Business Plan impact study provides information on whether irrigation schemes and MUS Business Plan implemented by the Project have been helpful to change the living standard of local people. Irrigation impact study found that the UC committees were well-organized. The beneficiaries were using the irrigation facilities for commercial farming of vegetable and cash crops. The average area of the irrigated land increased significantly because of irrigation schemes. The number of harvests per annum typically increased from 2 to 3, production and productivity increased around 50%, the farmers increased their incomes and their economic status improved, and the time used for managing the water distribution was reduced and used for other farming works. Furthermore, the environmental situation improved due to protection of the area around the spring including erosion protection, and an increased number of greeneries and vegetation close by irrigated areas.

MUS Business Plan impact study found that the development of MUS business plans increased the proportion of farmers involved in commercial farming activities compared to areas without a plan. They also earned more and were more familiar with market trends thus they could produce market-oriented commodities. Overall, the farmers with irrigation schemes and implementing the MUS Business Plan were much more aware of both management aspects and the socio-economic aspects of agribusinesses. In conclusion, projects working with the farmers at the grassroots level to develop farming infrastructure and build the capacity of locals, such as RVWRMP, are effective towards bringing change in the living standard and livelihoods of the target beneficiaries.

11.2 Earlier studies

Apart from the recent research projects targeted towards impact and serving the completion report, there are several other studies conducted during Phase III that broaden understanding about the respective topics and annexed to the Completion Report. The completed and reported studies in Phase III (available online: rvwrmp.org.np) are as follows:

1. Water Tariff Analysis in Private Tap Systems of Water Supply Schemes (Pandey, Haapala, Salminen, 2022) (Annex 20)

This study investigates water tariff collection patterns and related management practices in private tap schemes. A water tariff is the money collected from water supply scheme users to cover the Operation and Maintenance (O&M), and possibly other costs of the scheme. The water tariff is important for ensuring finance for continuous scheme maintenance throughout the scheme design period of 15-20 years, and hopefully beyond. Equitable tariff collection encourages the stakeholders to pay their share and it enables good scheme management. The running costs should cover the running Water Users Committee (UC) and Village Maintenance Worker (VMW) costs. VMW is typically the responsible person for conducting scheme monitoring and maintenance works.

The survey indicates that the water tariff is collected regularly in those schemes where the VMW is responsible for collecting it and the community together decides the rate. Most of the running costs were related to VMW salary, fittings for repair maintenance, and office expenses. We recommend special emphasis should be placed on the establishment of active UC and O&M processes for all schemes. Water tariff setting and collection is an indication of active scheme management, and a regularly collected tariff

also enables sustainable UC operation and scheme maintenance. Cooperatives have typically been able to provide an interest rate for savings that exceeds the inflation, while the banks not, and hence we recommend the UCs to carefully consider where to save the water tariff.

2. Women as Municipality Vice Chairs (Bhatta, Haapala, Salminen, and White, 2021) (Annex 21)

This report considers the backgrounds, experiences, and viewpoints of elected women Vice Chairpersons (or Vice Chairs) of Rural Municipalities (RMs) in Sudurpaschim and Karnali Provinces. The focus is on the role of elected women politicians in the RM, and their gendered problems and possible solutions. The study also considers the role of RVWRMP activities in capacity development and empowering women.

All Vice Chairs possessed significant political roles. Lack of familiarity with laws and policies, male dominance, gender discrimination, and a lack of knowledge on legal and judicial processes were seen as the biggest problems. Vice Chairs are seen as the leaders of the elected women in the community, representing all women. The elected women have a strong gender identity among the politicians, and gender-related agenda. Economic independence was seen as the foremost solution to gendered problems. RVWRMP was seen to be more sustainable, beneficial, and apolitical than the activities organized by the RM or other organisations. Importantly, the trainings seem to provide very much needed skills for the elected women. More generally, the Vice Chairs link RVWRMP with certain appreciated values, such as transparency, gender equity and social inclusion, sustainability, trust, and ownership.

3. Observed trends in hand hygiene caused by project intervention (Pandey, Salminen, and Haapala 2021) (Annex 17)

This brief study summarizes hand-washing data collected through household visits in nine project districts. Generally, the results show that hand washing pattern have improved from moderate to excellent hygiene maintenance practices at household level via the Project's TS work in the field. The study showcases how project intervention in improving safe water supply and sanitation for all has significant impact on local behaviours. The improvement of the accessibility, availability, reliability, and quality of water supply service, along with sanitation behaviour change promotion results in significant changes within a relatively short period of a year or less.

Sanitation related behaviour change interventions are a very effective way of achieving improved health and internalised behaviour changes at community level. This enables transformative changes in people's lives through capacitating people for managing personal health and sanitation. In this regard, both infrastructure development that enables easier access to safe water, and a concrete behaviour change promotion component are necessary for successful and sustainable change.

4. Improved Cooking Stoves Impact Study (Haapala, 2020) (Annex 18)

This study scrutinized the impacts of the implementation of RVWRMP's ICSs on people's lives and behaviours. The three themes regarding the ICS covered by the survey are: 1. Impact on people's health, behaviour, work, and living conditions 2. Impact on the environment and on carbon emissions 3. Status of maintenance and sustainability. Replacing traditional cooking devices by Improved Cooking Stoves (ICSs) may significantly reduce greenhouse gas emissions, use of forests for firewood, women's work in firewood collection, cause falling indoor air pollution, improve cooking and heating the house, and have positive effects on health.

The three different types of ICSs (Mud, Metal, Rocket), as well as other characteristics (altitude, ICS age, respondent gender and ethnicity) were compared. Metal ICS is especially recommended for high-altitude areas, but both Mud and Metal stoves can be recommended to all areas. Rocket ICS is not recommended. All types of ICSs are more efficient than traditional stoves: The average reduction in firewood consumption was approximately 33-40%, based on user estimations. The demand for the ICS technology was higher in remote mountain areas, and the focus of the support should be primarily directed to those areas.

5. Improved Water Mills Impact Study (Haapala, 2019) (Annex 16)

IWMs This study scrutinised IWM uses, management patterns, and impacts on people's lives and behaviours

evident in relatively remote to very remote rural areas in Nepal. A special focus is placed on gender, IWM usage patterns, and IWM operation and maintenance arrangements.

The study indicates that IWMs have a very significant impact on time saving. The overall time use reduction occurs expressively through reduced walking times. The other time-saving mechanism is the three or twice faster grinding, commonly saving around an hour per a sack of grains. The main reported health impacts were related to reduced time and hard manual grinding work, whereas the main production impacts involved improved quality of the flour, and reduced wastage of grains. The survey conveys that the management is effective, and that the IWMs have remained well functional in their first years of operation. The rather simple setup of the IWMs may support the sustainability of the operation.

6. Sanitary Pads in Action – Menstrual Hygiene Management Training, Reusable Pad Making and Use (White & Bhatta, 2018) (Annex 15)

This is a survey of participants from MHM and reusable sanitary pad production workshops, and sanitation supply chain workshops. The aim was to establish whether commercial or reusable pads are used widely, who is producing them (and in what quantity) and whether any problems have emerged. In general, women and girls are enthusiastic to learn about options for MHM, as well as how to sew reusable cotton pads. Many reported sewing other pads after the training. Increased use of both commercial and reusable pads has been reported, making the lives of rural women easier and giving them more confidence to travel or attend work or school. Some problems remain. These include the absorptive capacity of standard cotton used in reusable pads, and how to improve the designs (potentially better absorption) and marketing. Even more importantly there is a need to develop appropriate means of disposal or destruction of soiled commercial pads.

RVWRMP has worked with municipalities and secondary schools to purchase and install sanitary pad dispensing machines, supplying commercial but potentially also reusable pads. In combination with awareness-raising in the school, this has had a very positive impact on school attendance by girls during their menstruation, as well as decreased feeling of shame and increased confidence. It is vital that there are functional disposal methods at the school – for instance incinerators or a system of burning the use pads.

12 Assumptions and risks

12.1 Assumptions and Risks in the Project Documents

The Project document from 2016 (updated during the Inception Phase) contained a mixture of risks and assumptions in the Logical framework. These were further modified considering the decentralisation process, in the updated Project Document of November 2017. In practice, with each Annual Report and Work Plan the Risks and Assumptions table, with proposed mitigating actions, has been continually updated. RVWRMP III has been implemented during rather turbulent periods in Nepal. The most significant risks encountered were the waves of the pandemic influencing the work from 2020 to 2022; natural hazards; RM restructuring process and politics; delays in the implementation of solar grids in Humla due to weather conditions; and currency exchange rate fluctuations. Furthermore, the Project anticipated that the elections might cause trouble in the final months of implementation and closing.

Annex 24 presents a summary of the last updated list of Risks and Risk Mitigation measures. The following sections will describe the measures taken by the Project.

12.2 Analysis – management of risks – how we dealt with them

Elections. Local elections were held 13th May 2022. The elections had some minor impact to the work schedule. All implementation activities were finalized before the election campaigning were initiated. Furthermore, the GoN closed all offices two weeks before the election. This posed more pressure on finalising field activities and the field staff than we had hoped. Fortunately, there were no major political instabilities prior to the elections, but the campaigning complicated the interactions with the RM offices. The Project

applied the ordinary precautions, and regularly reminded the staff that this was a non-political project, and the staffers should not be seen to be involved with the politics in any way. RM closing workshops had to be postponed till after the elections and the Project adjusted the implementation work plans and instructed the staff accordingly. In the RM closing workshops were a useful opportunity to inform the newly elected bodies (many of the RM Chairs being new) about the Project achievement, modalities and discuss their priorities for the future.

The turnover of elected officials at RM level so late in the Project implementation period is likely to be a significant risk for sustainability. Following the elections, in the core RMs there are 20 new Chairs and 26 new Vice-Chairs. With virtually no overlap with the Project, they did not have the opportunity to receive training from the Project, beyond the closing workshop. They have also preferred to recruit new staff to the RM, which has led to a loss of institutional memory and capacities developed during the Project implementation. In particular, there is some risk to the operation of the WASH Unit and Board.

Pandemic. The most significant critical issue the Project has faced has been the COVID-19 pandemic. The associated national and global restrictions and limitations have had an impact on the Project from the on-set in 2020 until the end of implementation. The most serious impact was in 2020, when the 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. In addition, there were impacts on issues such as supply chains for non-local materials. The following lockdowns were progressively less restrictive. The restrictions mainly influenced the work through limiting possibilities for mass meetings, preventing scheme and school WASH inaugurations. It was difficult to carry out capacity building beyond community level, and in-person provincial level meetings were impossible, however as online communication tools improved, it became possible to conduct communications, meetings and workshops on Zoom. RMPMC meetings and other meetings with RM leaders, public audits, and other meetings and gatherings related to implementation were implemented under adapted methods. The pandemic significantly hampered the progress in three-star school WASH, as schools were kept closed for long periods and used as COVID -19 isolation centres during the last three years, making toilet upgrades in many cases very difficult or impossible. With experience, good responses and adaptation practices were developed. The staff were very grateful to receive first and second doses of vaccine from the GoN in 2021, and a booster dose of vaccines in late January 2022, so the resistance to the disease has been relatively good among the staff. Many of the personnel have had symptoms and have been tested positive, but serious consequences have been avoided among the staff. The dedicated working spirit of the national staff has been an important reason for the good progress of the Project, despite the pandemic.

Natural hazards. Natural hazards happen in Nepal regularly and can be expected. But the monsoon in late October 2021 caused unexpected heavy floods in Sudurpaschim, damaging some of the Project schemes and other infrastructure, especially in Bajura and neighbouring areas. Action was taken to rehabilitate the schemes. Furthermore, the extraordinary heavy snow in the mid hills of Sudurpaschim in early February 2022 caused damage to 136 polyhouses as reported by the RM staff (Apihimal 18; Chhabis P. 10; Dilasaini 1; Sayal 10; Badikedar 30; Talkot 10; Gaumul 5; Ramaroshan 7; Marma 9; Naugad 32; Bhagawatimai 4). RM staff reported that around 50% of the polyhouses could be repaired, whereas 50% had to be reconstructed. The damage affected the work plan so that more funds and human resources were allocated to repair the damages as per demand. Action was taken to rehabilitate and reconstruct the damaged polyhouses by using the existing budgets. However, it had the impact of causing extra work for the field staff.

RM politics. Disturbances in RM level politics, such as conflicts between the parties or disagreements regarding specific issues, hampered the work to a standard degree. RM staff changes, including accountants and CEOs, continued in some RMs. Although this happened to a lesser degree towards the end of the Project than in the previous years, it still complicated the cooperation and release of funds from the RM accounts. These problems have had a minor impact to the Project in FY07, and it has been possible to complete the implementation works and fund releases before the election campaigning made it difficult.

Humla solar grids. The implementation work could not be completed in December 2021 as planned by the implementing parties. The main reason was lack of organisation and management of timely transportation of materials by the contractors; this was beyond the Project's control. The work was on hold during the winter. A new plan was made, according to which the work should continue in April once the snow condition allowed. The work was planned to be completed by June 2022. The plan was realistic as the scheme in Yari was close to completion, and the scheme in Hilsa could also be completed in one month once the materials were on the site. The Project expected the work to be completed in June, but given the track record with the contractors, the Project acknowledged that there was a risk that the work would not be completed by the end of the FY07. Rightly so, as the roads were closed much longer than expected due to heavy snowfall. A new plan was developed: Yari was finalized in July and the scheme in Hilsa end August beginning of September. However, the foreign grant has been expended before the end of FY07 and the accounts and TSU office closed accordingly. However, the Project will closely monitor the progress (through the WRA stationed in Humla) and it is now expected that inauguration of both schemes will be held in mid-September 2022.

Exchange rate. The exchange rate of Euro to NPR has fluctuated dramatically throughout the Phase III. At the time of signing up for the Project Phase III the exchange rate was 1 EUR=119 NPR. In between the exchange rate went up to around 1 EUR=142 NPR. At the time of finalising the budget for FY07, it was decided to fix the exchange rate at 135 NPR/EUR; in the beginning of the FY07 it was around 139 NPR/EUR; and by the end of FY07 it was close to 130 NPR/EUR.

These fluctuations have naturally had a large impact on the available budget coming from Finland, and it made the planning of the works and the aimed expenditure of the whole budget more difficult. To cope with this issue, an exchange rate was fixed for the AWP at the time of approval of the figures in the Red Book, but the Project actively modified budgets and the work plans frequently in accordance with actual expenditures in NPR vs the EUR exchange rate at the time of transfer of funds from MFA and adjusted activities within what was already approved in AWP.

Furthermore, to minimise the risks of non-spending of the WRDF funds by the end of FY07, the Project overbudgeted the GoF/EU contributions for FY07 in the Red Book to make sure all would be spent within the given timeframe. This has proved to be a good strategy as all WRDF from the GoF/EU has been spent.

In **Annex 4**, in response to a request from the SVB, the list of schemes showing the planned and actual costs is available, along with the beneficiary numbers. The schemes are usually implemented in a more cost-effective manner than planned. This is mainly because the GoN norms are used when allocating unit costs to plans, however, the competitive tendering system almost always saves money.

13 Lessons learned and recommendations

13.1 Summary of lessons learned and recommendations from Chapter 6 Result Areas

Result Area 1: Water, Sanitation and Hygiene

- Capacity building and participatory approaches are crucial for the sustainability of schemes. The impact of constructing the schemes is small if beneficiaries are not able to operate and maintain them themselves. The project recommends use of adequate TA and other resources to ensure capacity building and participation.
- Human Resources are needed for sustainable impact and change in all areas. RVWRMP recommends investing enough resources to ensure long-term sustainable impacts.
- The proposal-based scheme modality was successful and helped increase the impact of the Project in Sudurpaschim and Karnali. However, there were some drawbacks, as there were insufficient staff in the non-core RMs to ensure community mobilisation, quality of construction and monitoring. In addition, other components were lacking, such as home gardens, which have been shown to be an important element in the RVWRMP package. A separate strategy should be developed based on the lessons learned.
- Private tap schemes are useful for sanitation and hygiene behaviour change especially related to MHM and DMM. They also contributed to home garden implementation as there was more efficient use of the water. RVWRMP recommends the use of MUS and private tap schemes where possible.
- Many UCs could benefit from service delivery by cooperatives, including professional book-keeping and accounts management, supply chain management for spare parts, and professional VMWs that could be shared with multiple UCs. Some cooperatives have started to offer some of these services, and they all already offer an O&M fund. RVWRMP recommends cooperative affiliation of UCs.
- The Project initiated UC networks in all core RMs. It seems that the UC network will play a crucial role in information exchange from the UCs to the RM, and as a discussion forum that brings together the WASH sector users, implementing partners and the RM officials. The network also encourages the UCs to remember the annual registration and be active in communication among the UCs and to the RM. RVWRMP recommends establishment of UC networks in all RMs.

Result Area 2: Livelihoods and Cooperatives

- Private connections support Home Gardens, as access to water is easier and more equitable. Water meters support the efficient use of water. The cost of MUS and private tap schemes is somewhat higher, but benefits are a lot higher¹⁹. RVWRMP recommends MUS and private taps over public tap schemes.
- An innovation has been the introduction of not only cow's urine, but also human urine, as fertilizer. Commercial fertilizers are virtually unobtainable in the Project area, and urine is a valuable source of nitrogen, phosphorus and trace minerals. RVWRMP recommends promotion of human urine uses.
- The pocket area approach is more successful than scattered support because it makes it easier to support a single product development cycle with needed technical assistance (such as LRPs) and inputs. RVWRMP recommends promotion of pocket area approach.
- Development of MUS business plans increased the proportion of farmers involved in commercial farming activities compared to areas without a plan. They also earned more and were more familiar

¹⁹ Ref Table 16 Cost per capita by scheme technology (NPR)

with market trends thus they could produce market-oriented commodities. MUS business plans and cost-benefit analysis should be done from beginning.

Result Area 3: Increased Resilience to Disasters and Climate Change

- ICS are effective in reducing firewood consumption compared with traditional stoves. The average reduction in firewood consumption was approximately 33-40%, based on user estimations. Metal or mud ICSs are preferred over the rocket one. They decreased smoke in the kitchen and improved health and cleanliness. There is less time spent on firewood collection and cooking, also benefitting mainly women. RVWRMP recommends promotion of ICS in suitable locations.
- IWMs reduced hard manual grinding work and saved time particularly through reduced walking times to the mill as well as faster grinding. The main production impacts involved improved quality of the flour, and reduced wastage of grains. RVWRMP recommends promotion of IWM in suitable locations.
- 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. There should be enough time to identify, plan, and implement technically demanding schemes, meaning more than five years in the case of MHP.
- WSPs would benefit from a deeper focus on preparedness and rescue actions for disasters. Water source conflict remains a serious problem throughout Nepal, including in the Project area. This includes competitive increases in water demand and depletion of sources. Thus, much more efforts are required for springshed protection and maintenance.

Result Area 4 Institutional Capacity

- During Phase III, RVWRMP did not have a direct working relationship nor formal mandate with provincial authorities (there are no MoUs nor description of mandate in the Project Document) - its mandate was clearly the municipalities. In addition, it proved difficult to try to coordinate with two different provinces simultaneously. RVWRMP recommends mandating the future projects with both municipal and province levels (and ideally working within the one province only).
- The RMs had strong ownership and the Project developed excellent working relationships with them. This permitted the 'on-budget, off-Treasury' fund flows to operate transparently and efficiently, achieving good results and local ownership. Working with the provinces was more institutionally complicated, as there was no clear linkage outlined in the Project Document (understandable as the institutional arrangements were initially unclear), and the RMs had responsibility for the Project activities. In addition, working across two provinces made this even more complex.
- Both RM and project staff reported that the main challenge in the RM is the lack of human resources and capacity of the RM staff. The Project has contributed significantly to alleviate both these issues through the 'best practices' but at larger scale this can be only improved by putting much more effort to quality education in the country. Project staff furthermore saw political influence as a major challenge. RVWRMP recommends extensive capacity building for RM staff.
- RMs have also adopted several Project modalities, including the Step-by-Step guideline for water supply scheme implementation, procurement guideline, and public auditing. These modalities have provided the RMs with the means to manage WASH schemes in practical terms and several of the RMs have expressed that they also apply these guidelines to other sectors of the RM than the WASH sector. RVWRMP recommends the RMs to adopt these modalities.
- The NWASH system has proven to be very useful at RM level. The RMs (newly elected) should fully understand how they can apply and update this tool for their planning process to best serve their communities.
- WASH Boards and Units are very important concepts to ensure the sustainability of water schemes however, there was not enough time to establish and capacitate the municipalities. RVWRMP recommends these concepts to be established at RM level.

Recommendations for future development cooperation:

- It is recommended to take a broad approach to water, via Multiple Use Systems and improved watershed/springshed management approaches, rather than focusing only on WASH in a narrow sense. In addition, the development of private tap systems is highly recommended.
- The WASH Board concept has worked well so far. However, the Board and the Unit should be institutionalised within the RM organisational structure.
- Work across more than one province in future projects will be complex. A new project is more likely to be successful with a focus on the RM level and improving their linkages to their provincial level. If there are more than one province involved, it will require greater inputs also from national level line ministries, and hence more bureaucracy. As Karnali province already has support to WASH from several development partners, it would make more sense to continue with support to the RMs in Sudurpaschim, in order to develop their processes and capacities further.
- International and national technical assistance is still important in remote area projects. They can build capacities, and provide innovative solutions to local problems, while also acting as independent facilitators and monitors. It is therefore important to analyse the factors contributing to the provision of relevant and effective technical assistance.

13.2 Project reflections on lessons learned and recommendations

Finally, this report reflects why the Project did function so well. What did the Project do especially well, even better than some other implementation interventions in Nepal? What were the cornerstones of our success? This section reflects these questions by identifying seven cornerstones of success. These cornerstones produced the Project's good reputation and mutual trust among the partners over time, reflected as the last cornerstone at the end of the section.



1. Long-term institutional learning and organisational evolution over time

The foundation of the success, in which everything else depend upon, has been the possibility to long-term, continuous learning and institutional development of the Project over decades. The learning and evolution over time has enabled adaptation to ever-changing project contents and operational environment, and to changing requirements from both grassroots and donor levels. The learnings must be channelled to the field through strong local teams that share and guard the values and goals of the Project (re cornerstone number 8) and are able to innovate (re cornerstone number 4).

The continued, intentional evolution has reinforced maintenance of the excellent track record over time in the variable contexts (re cornerstone number 3). This long-term work and continuous development have eventually resulted in the strong results in implementation that we have presented in this report. For the beneficiaries' point of view, this has meant that the Project has largely been able to deliver what it has promised over significant periods of time although the local standards and expectations have increased, and the working modalities and structures have developed on the way.

We see that this type of learning is only possible in projects that have time to evolve for a significant time and gain institutional memory, but it also requires the right culture that allows capacity to innovate, pioneer new ideas and scale them up (re cornerstone number 2). This furthermore requires the right attitude for adopting ideas from outside both top-down and bottom-up, and the capacity to translate the often-abstract ideas into concrete action.

2. “RV University”: Supportive working culture and operational structure

The Project's capacity to deliver has largely been dependent on the ways the staff have been involved, capacitated, and managed. In this regard, working culture plays a crucial role in steering the mind-set of the staff, whereas the operational structure must support the staff in delivering results. The Project PSU and TSU levels aimed at creating an enabling environment, good team spirit, and serving the work at the grassroots levels. The implementing staff were encouraged to ask support from other levels of the Project at low threshold, and the different levels worked closely together. The sauna culture and the numerous informal events have been able to build relationships within team but also with government staff.

The management of the Project intentionally supported an environment where personnel and teams were encouraged to bring up their ideas. These ideas often became pioneered in limited contexts and, if successful, later scaled up. Examples involve the WASH Board and Unit, model villages, and sasu-buhari workshops, Menstrual Pad making trainings concepts.

One aspect in Project culture producing good results was the decentralised decision-making where the Project delegated the power to the lowest relevant level. This increased ownership, mutual trust, and independence of the staff, and reduced unnecessary bureaucracy within the Project. A related aspect is the low hierarchy and direct access of everyone to up to CTA/TL's office that supported the maintenance of good communication with all Project levels and types of staff. Among the Project personnel, the open, allowing atmosphere where individuals were given a significant amount of independence, responsibility, and trust along with low threshold to getting support in their work was often referred to as “learning by doing” and the impact of the Project to personnel's capacities as “RV University”.

Another notable factor is related to capacitating and training personnel instead of merely outsourcing responsibilities to SOs and contractors. The Project improved their capacities and trained them according to Project values and familiarised them to Project modalities, as well as monitored and followed up their work closely. The SOs and contractors were given a feeling of being “RVians” even when not directly employed by the Project. This happened by considering them practically as Project staff and, for instance, giving them possibility to wear the Project logo.

Another functional way of working and capacitating the Project's own personnel was that Project often invited external national consultants for short-term inputs in areas where the Project's own expertise was insufficient, enabling learning from them and doing the same by the Project staff later on. Project's agri-

business support to Sea Buckthorn is a good example of this type of development of Project's own capabilities via a short-term national consultant.

3. Modalities and monitoring - Prerequisites for quality implementation

Quality implementation is an obvious cornerstone of any hands-on Project, but what is needed to achieve this? RVWRMP has developed and recreated a set of modalities over the years, many of which date back to Lumbini project that started 30 years ago (though being developed further since). The modalities are therefore a result of continuous WASH sector cooperation of Finland in Nepal over more than three decades.

To make them work in practice requires strong presence and long-term commitment from the field staff (cornerstone 4) and internalised Project values (cornerstone 8). Furthermore, developing a functional set of modalities and proving them successful in the field at scale through trial and error takes a lot of time and requires institutional memory (cornerstone 1). Quality implementation therefore also requires long-term commitment and genuine inclination towards constant improvement that is needed to develop the ways of implementation to excellence both on paper and in practice.

Equally important to the modalities and their correct implementation is to follow up and monitor the processes described in the modalities to ensure their quality and results in practice. Close monitoring by the most trusted key staff and international consultants is the key to ensuring quality of work and that the work follows the right principles and values. As important is to record the progress and the monitor the results via an MIS system that allows management to stay updated and to constantly steer the implementation work as per AWP targets. In the third phase, the Project developed an online-based MIS system for the first time that was the best way to manage such a complicated and large-scale Project. Follow up is also needed to ensure the implementation is in line with the right values and Project goals (re cornerstones 8 and 9), and to prevent misbehaviours.

The difficult local conditions have also helped to achieve a good set of results as RVWRMP has virtually often been the only development partner in town. Remote area populations are grateful of cooperation and willing to cooperation once they realize that they can trust the Project staff.

4. "RV family": Committed staff and strong local presence

Committed staff is another important precondition of success. A family atmosphere among the staff emerged among the staff over years. A big factor at PSU level was the fact that most staffers lived away from their families for years, visiting them only occasionally mainly during the main national holidays. The feeling of being in the same situation and work in difficult and sometimes quite harsh working environments created a natural feeling of connection and 'being in the same boat'. The management did their best to keep up the family feeling, which was crucial to keep the staff willing, committed and active at work. Many staffers felt that the Project was exceptional working with the poorest of the poor and remotest of the remote communities, making the job special and its contribution particularly important for the nation. As the result, the Project staff generally felt very committed and proud of being part of the 'RV family'.

Another factor that improved personnel's commitment was the working culture that allowed all staff to be involved in all sectors and processes regardless their position. They took part in decision-making regarding their own work and responsibilities and organised their work rather independently (re cornerstone 1).

Apart from commitment, the sole strength of local teams has enabled effective implementation. The strong, constantly present teams at the municipal offices, as well as field staff actually living in the villages where they are working in, enable understanding of the local context and problems, build trust and make implementation socially fit and more flexible. The rather strong units at RM level made it easier to work together as a team, enabling peer support at work and influencing the RMs. The low hierarchy furthermore linked the different levels of the Project naturally together, promoting the feeling of togetherness.

Furthermore, the role of long-term senior staff working in the field allowed transfer of knowledge and ways of working to the juniors. Along with the well-established ways of working and committed staff, the senior personnel's long experience enabled continuation of work. This became particularly crucial during lockdowns

in the times of COVID pandemic waves. Generally, the staff knew what they had to do, and they possessed capacity to create conditions for continuing the work relatively successfully even during lockdowns.

Some strict Project values and rules strengthened the team feeling, involving fairness and transparency in staff recruitment. This required ignorance of pressure from politicians, an advantage of international staff presence as external consultants who can 'say no'.

5. Strong backup

RVWRMP is a continuation of over a 30-year Finnish WASH sector support in Nepal. The long-term support from Finland has allowed the development of Project modalities in the sector that are now being adopted by municipal and federal government agencies, as well as other development partners. This would not have been possible without the long history and gained experience about the most suitable practices.

One key to Project's success was the constant support and understanding of the Project context by the Finnish Embassy. The Embassy facilitated the solution of the numerous problems that had to be overcome to succeed over the years. The Project got backing and support from the Embassy of Finland and MFA when needed.

All things considered, cooperation with the equivalent government partners in Nepal, including DoLI especially, functioned well.

The Project also got significant support from FCG home office especially in crucial times when the Project budget, organisational operations, or reporting was at stake. The home office provided skilled labour and leadership support that could not have been provided by any other source.

6. Finnish values, GESI and HRBA

The values in the Finnish development cooperation sector, involving GESI, HRBA, and focus on the poorest and the disadvantaged groups, have been integrated to all Project works as presented in this report. The question regarding the cornerstones of success is whether these principles have been attached to the Project operations for the sake of themselves, or have they actually supported to achieve the Project targets as well. The outcome is that they have enabled the Project to do a better job - involvement of all and inclusion of women and the ethnicities with a special focus on their empowerment has increased the respect toward the Project in communities, improved the sense of genuine ownership at local levels, as well as strengthened the sustainability and capacity to manage WASH and livelihood interventions alike. The values have backed the work for good governance at both municipal and community levels, including participatory approaches, inclusion, transparency, and trust. Also, zero tolerance to corruption has strengthened the standing of the Project in the working area in the eyes of the municipalities and communities alike. It is notable that inclusive modalities have to be brought to life in the actual daily work and carefully monitored and followed up by the core team of the Project – expecting them to be implemented automatically is but naïve and having them stated on paper is not enough. As a result, the Project has been able to build community ownership, transparent ways of working, integrated social inclusion to community institutions and local habits, as well as gained trust among the community families and also towards the Project.

7. The visible outcome - Excellent reputation and mutual trust among partners

In the case of the Project, the good track record and demonstrated capacity to institutional learning over long time eventually translated to very good local reputation and functional, trustworthy interrelations among the Project and its implementation partners, different levels of government, and the beneficiaries. The reputation, once achieved, has fuelled the cooperation and created a positive enforcing loop of good cooperation among the key partners. The related mutual respect, acceptance, and trust to the Project operations has made implementation easy and successful. Arguably RVWRMP has achieved a similar status in its working areas that FINNIDA had in Lumbini area where people still remember the pioneering WASH Project implemented decades ago.

However, it is notable that creating this status often takes multiple years and always required strong, long-term presence of trained Project staff at the local levels, as well as continuous demonstrated capacity to deliver what was promised. RVWRMP worked hard to create trust in the District, VDC, and community levels in the first phase, and achieved a truly leading status in WASH sector in Sudurpaschim only in the second phase. The changing local working areas over time meant that the building of reputation and relations often had to be started all over again. Trust had to be rebuilt multiple times in the third phase as the government reform dissolved the old structures and created new ones to partner with.

**FCG**●