

SIGNATURE PAGE

Country: Nepal

UNDAF Outcome/Indicator: Reduced poverty levels/Proportion in poverty in 1990 reduced by 1/2

Expected Outcome/Indicator: Civil society, with emphasis on the poor, has improved access to efficient and effective basic service delivery

Expected Output/Indicator: (Based on MYFF): 2.6 Decentralization, local governance and rural/urban development. 1.5: Private sector development

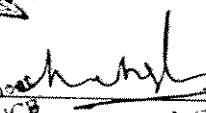
Implementing Partner: Ministry of Local Development

Programme Period: 2004-2007
Programme Title: Public-Private Partnership for Urban Environment (PPPUE)
Programme Code: NEP/04/001
Programme Officer: Erik Bryld

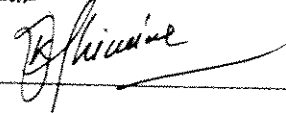
Total budget: USD 429,712
Allocated resources:
• Government:
• FRM: USD 25,000
• Regular: USD 404,712
• Other:
Unfunded budget:

The remaining budget for 2007 of USD 20,288 will be allocated as soon as the Resource Planning Framework allows for it.

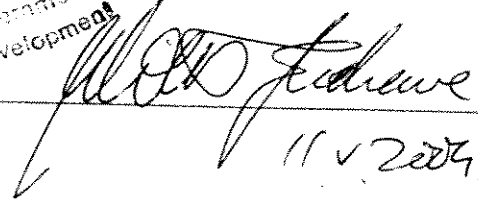
Agreed by Ministry of Finance (HMGN):


His Majesty's Government
MINISTRY OF FINANCE
S. D. Dasbar, Kathmandu
UNDER SECRETARY

Agreed by Ministry of Local Development (HMGN):


His Majesty's Government
Ministry of Local Development
2047

Agreed by UNDP/Nepal:


11 v 2004

His Majesty's Government of Nepal

And

United Nations Development Programme

Public-Private Partnership for Urban Environment (PPPUE)

The objective of PPPUE is to increase the access of the urban citizens to basic services, and therewith, to contribute to the creation of a healthy environment and the improvement of living conditions in the urban and peri-urban areas, by promotion of partnerships between public and private sectors for the sustainable provision of urban services.

The programme will support PPP in a broader sense, however, with particular focus on projects with a poverty reducing angle through promotion of active involvement of civil society, especially the absolute poor and women, in the planning and implementation process. This among other will be institutionalized by ensuring job creation, access to services and favourable pricing, and improve the environment through better and increased delivery of urban services such as solid waste management, electricity and water and sanitation.

The programme will focus on supporting innovative forms of partnerships in the triangle of local governments, the local business community (formal as well as informal) and civil society. The tri-partite approach, which puts emphasis on including all stakeholders in the process from initial assessment and proposal to the implementation of PPPs for basic services, is a cornerstone in the programme, which is an integral part of HMGN and UNDP's approach to good local governance ensuring participation, transparency and accountability.

PPPUE -Promoting Partnerships for Pro-Poor Basic Service Delivery

Abbreviations

AA	Administrative Assistant
ADDCN	Association of District Development Committees in Nepal
BOOT	Build, Own, Operate and Transfer
BOT	Build, Operate and Transfer
CCI	Chamber of Commerce and Industry
DDC	District Development Committee
DFDP	Decentralized Finance and Development Programme
FNCCI	Federation of Nepalese Chambers of Commerce and Industry
GDP	Gross Domestic Product
GTZ	German Technical Cooperation
HDI	Human Development Index
HMG/N	His Majesty's Government of Nepal
LDRF	Local Development Reserve Fund
LGP/PDDP	Local Governance Programme / Participatory District Development Programme
LSGA	Local Self-Governance Act
MDG	Millennium Development Goal
MEDEP	Micro-Enterprise Development Programme
MLD	Ministry of Local Development
MOF	Ministry of Finance
MOLJPA	Ministry of Law, Justice and Parliamentary Affair
MuAN	Municipal Association of Nepal
NAVIN	National Association of VDCs in Nepal
NEX	National Execution Guidelines
NGO	Non Governmental Organization
NPD	National Programme Director
NPM	National Programme Manager
PMC	Programme Management Committee
PMU	Programme Management Unit
PPP	Public Private Partnership
PPPDF	Public Private Partnership Development Fund
PPPUE	Public-Private Partnership for Urban Environment Programme
RUPP	Rural-Urban Partnership Programme
SC	Steering Committee
SEAM-N	Strengthening of Environmental Administration and Management at the Local Level
SRF	Strategic Results Framework
SURF	South & West Asia Sub-Regional Resource Facility
TDF	Town Development Fund
TLO	Tole/Lane Organization
TOR	Terms of Reference
TUGI	The Urban Governance Initiative
UEIP	Urban Environment Improvement Project
UMP	The Urban Management Programme
UNDP	United Nations Development Programme
UNISTAR	United Nations Short Term Advisory Resource
UNV	United Nations Volunteer

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This programme document is a follow-up to and builds on the framework outlined in the Public-Private Partnership for Urban Environment Programme 2002-2004 (NEP/01/007, NEP/01/G58) approved 3 January 2002, executed by the Ministry of Local Development and funded through United Nations Development Programme.

(Note: In the following PPPUE National Programme is referred to as 'programme', while PPP projects at municipal level are referred to as 'projects')

Ia Situation Analysis

Nepal is ranked a Least Developed Country in the UNDP Human Development Report with a HDI level of 0.499 (rank 143). As a means to reduce poverty, increase the HDI level through the effective provision of basic services to the citizens, His Majesty's Government has in the 10th five-year development plan committed itself to become an enabler and facilitator for basic services delivery by forging partnerships with civil society and the private sector at the local level. Building on partnerships between the public and the private sector together with civil society will thus be a key feature in meeting the Millennium Development Goals by 2015¹.

The resource level of the local governments in Nepal is limited and the demand for basic service delivery such as electricity, water and solid waste management is stretching the financial and human capacities of the local administrations. Especially the municipalities, which are facing population growth of an average of 5.2 percent annually prior to the escalation of the violent conflict, face difficulties in meeting the needs of its poor citizens. Till now the majority of local governments have been confined to direct service delivery or in some instances through NGOs, while the private sector has been surpassed as a service delivery partner. Recent development in Nepal and years of experiences from other developing countries have however, demonstrated the potential of undertaking public-private partnerships as a modality for pro-poor basic service delivery often resulting in increased efficiency and effectiveness, given the needed preparatory work has been undertaken. Thus PPP can decrease the gap between the demand and supply of basic urban services that the municipalities of Nepal are currently facing.

PPP is an innovative concept which, if implemented properly, will lead to better service delivery and improvement in urban environment as a whole. It is a medium which can be utilized to improve the access of urban poor to basic services. Special care should however be taken while structuring the PPP projects. PPP is a potential means of good urban governance and can serve as a vehicle for transparency, participation and accountability if implemented through cross-stakeholder participation with emphasis on civil society. By using PPPs the public sector will be able to deliver much needed public goods by using the private sector as a provider, thus increasing the pool of public goods.

With the introduction of the new Local Self-Governance Act 2055 (LSGA) in 1999 additional provision for the initiation and implementation of basic services by the local governments in Nepal was delegated from the central to the local level. HMG/N is planning to move the process of delegation of authority to the local level further as per the Decentralization Implementation Plan introduced in 2001. The LSGA further opens up for the involvement of private sector as a provider of services and public goods and thus the

¹ This programme will contribute to meeting MDG Goal 1 (poverty) by facilitating the provision of basic services to the poor in the target areas and Goal 7 (sustainable environment) by supporting public-private partnerships in the field of basic urban service delivery for the urban environment (e.g. solid waste management, clean water supply, clean market facilities, and clean bus stands)

initiation of local level PPPs. Till date however, very few PPP cases are up and running at the local level in Nepal and with varying results.

Till date the municipalities have only been partly successful in locating and delivering the service needs to the citizens and attending to their rights to access to e.g. water, sanitation, electricity, housing, healthcare and education. Additional efforts therefore needs to be introduced to ensure effective service delivery, which is feasible within the given capacities and resources available at local level. PPP offers an opportunity to utilize existing expertise, capacities as well as resources of the private sector to help secure the delivery of basic services. While the public sector plays a vital strategic role (developing policy and coordination), the private sector can be mobilized in a variety of creative ways to meet investment and operational needs. By doing so the public sector can free a sizeable amount of resources that can be utilized in other areas of basic services where private sector may not be interested in delivering. Cost recovery measures through user fees; in-built cross-subsidy systems in the project or government subsidy can form the basis for private partnerships, as a pendant to the need for private investments to become financially sustainable.

With the implementation of PPPUE in Nepal, which builds on the joint efforts of MLD, Federation of Nepalese Chambers of Commerce and Industry (FNCCI) and the Municipal Association of Nepal (MuAN) awareness of the potentials of PPPs at the local level has been raised and an enabling environment created, which together with HMG/N's efforts has paved the way for the delivery of public goods and services through private sector provision for the urban environment through PPPs. The PPPs launched or in pipeline have been developed through rigorous consultations with civil society to ensure their participation in the identification, planning and implementation process and feasibility studies have been undertaken to ensure feasibility from a pro-poor angle (this includes mechanisms for stratified service fees, securing services reach the poorer sections of the municipality etc.).

After the launch in March 2002, PPPUE and its partners have worked towards creating an enabling environment for PPPs in local urban service delivery in Nepal. The December 2003 Evaluation Report, confirms that this objective has been achieved at both national and local level through awareness creation, policy and legislative interventions, capacity building and in attaining the general pro-poor objectives. The challenge for the follow-up is thus to capitalize on these accomplishments and facilitate the implementation of projects at the municipal level and continued support to the national level.

Based on the interaction with all stakeholders at national and local level the evaluation report recommends that the focus of the second phase should be on: a) the development impact through software and systemic interventions, and b) the sustainability of the interventions to ensure that the programme will result in further developmental activities based on domestic and local resources and abilities, independently from external support.² The report emphasizes the importance of continuing the programme activities to avoid losing momentum while at the same time keeping the focused scope by continuing with the existing committed partner institutions and not expand the number of participating local government institutions too rapidly.

While the objectives of the PPPUE have been met, consolidation of activities as well as the facilitation of sustainable and poverty reducing PPP projects at the local level still needs to be

² The evaluation report concludes that the initiatives undertaken by PPPUE should be continued for preferably three years. For a status of PPP at the local level currently, see Annex 3.

carried forward. The PPP capacity built among all stakeholders so far remain partly theoretical and the demonstration effect through projects at the local level needs to be entertained. The same accounts for the intervention at the national level where the considerable up-stream development (such as the Local PPP Policy and the revised PPP enabling Local Self-Governance Regulation), needs to be followed by technical assistance to bring these policies into practice.

As the programme progress and PPP projects reach a level of maturity different demands will arise of more practical character, where the programme needs to guide and advise the stakeholders in the implementation process and set up mechanisms to mitigate conflict and risks of local level PPPs.

During 2002 and 2003 HMG/N has increased the focus on PPPs for basic service delivery at both national and local level. In the 2060/61 (2003/2004) budget speech, the Government reconfirmed its commitment to the PPP implementation modality and announced the commitment to introduce the BOT and BOOT Act based on the 2000 BOT Policy. The announcement follows a series of policy recommendations for poverty reduction measures through the more active involvement of the private sector in development activities and service delivery. The 10th five-year development plan³ of HMG/N clearly spells out the aim of creating an enabling environment with clear policies that will enhance the roles of local bodies, private sector and NGOs in development initiatives by encouraging both local bodies and the private sector to lead the development process of the country. The plan further states that clear provisions will be made through appropriate policies for spelling out the specific roles, responsibilities and authorities of the parties involved in public-private partnership contracting.

Facilitated by PPPUE the MLD has proactively sought to create the enabling legal and administrative environment for local level PPPs by producing the Local PPP Policy 2060 (2004) and revising the Local Self-Governance Regulation 2055 (1999) to open up for and define PPPs for local level implementation in Nepal. The MLD has further decided to designate a PPP unit under the Environment Section of the Municipal Management Division to oversee and support the municipalities in Nepal on PPP implementation.

As promised in the budget speech, HMG/N promulgated the 'Ordinance for Private Investment in the Construction and Operation of Public Infrastructure' 2060 (2003), (BOT/BOOT Act). These two documents of HMG/N have formalized PPP concepts in Nepal, which has increased the level of confidence among the public and private operators to engage in partnerships. There is however, still a lack of experience and so far only limited successful PPP projects. The second phase of PPPUE will focus on this and provide technical backstopping to bring out successful Pro-Poor PPP projects on the ground. It is paramount that the stakeholders have a clear understanding of the benefits and risks of PPPs. Therefore, capacity development of the public sector, private sector and civil society is vital and should be a continued.

Poverty alleviation and gender impacts

PPP can directly provide poverty alleviation through improving the quality of service provision. Examples might include improved access to water and sanitation for the poorest areas in the municipalities as well as a healthier environment.

³ The 10th five year development plan of HMG/N is identical to the Nepal Poverty Reduction Strategy Paper.

However, the issue of affordability must be recognized and addressed in PPP agreements. At a general level, this can be handled by the public sector maintaining control of user charges. Charges can be based on ability to pay so that prices may reflect a built-in cross subsidy. Alternatively, municipalities can agree to pay a subsidy to the operator to maintain prices at affordable levels, particularly in those areas where the absolute poor (both men and women) reside.

Secondly, poverty alleviation impact will stem from investments in employment generating enterprises. Such investments will enable urban areas to provide the means for the urban poor to better their economic status.

Human Development in South Asia (2000) reports that Nepalese women typically earned 50 percent less than their male counterparts in 1995, in 1997, the real GDP per capita for women was 54 percent that of men. This is among other the consequence of the negative effects of extra responsibilities and the myriad of social barriers women have to face. At present the principal workplace of most women is the home where a considerable amount of time is allocated to tasks that rely heavily on access to basic services such as water, power, adequate sanitation, and waste collection. Properly designed, demand responsive PPPs can improve access to these services, for example by providing water points closer to the home. This reduces the burden on women's time and leads to an increased freedom to exercise choice in the allocation of these resources. Freed time can be allocated to increase financial assets through paid employment or increased social capital through educational or social activities. For this scenario to be materialized, the involvement of female members of communities in the PPP decision making process has to be secured.

However, the pro-poor benefit of PPP should not be limited to an economic aspect, but it may also help the poor attain self-employment, that is, to put them in the driver's seat of PPP. For this to happen, the programme will make conscious efforts to involve the poor in the planning and implementation of PPP arrangements, not merely as users of improved services or employees of operators but also as contractors. Furthermore, CBOs, which mobilize households in communities, can play a key role as proponents of local PPP projects. The organizations also function as a nurturing base for community-based group enterprises. The use of CBOs as a platform for the identification, development and implementation of PPP local projects will ensure the ownership and participation of the urban poor in critical stages of the projects.

Environmental impact

It is anticipated that significant improvements to the environment will derive from the introduction and operation of PPP agreements where services are provided on a more systematic and reliable basis. Examples of this might include:

- Improved drainage through comprehensive planning and execution of projects (in accordance with an overall master plan) as well as regular maintenance to ensure that the existing system functions properly, or
- New services that could not be financed by the public sector, such as water supply systems, water treatment facilities, door to door collection of solid waste, air quality control, parking control and related landscaping of streets, parks, etc.

Development aspects of PPPs

The programme will focus on promoting PPP agreements for the delivery of urban services at the municipal level that will help improve living conditions for residents directly or indirectly through the achievement of the following:

- The ability of private sector operators to provide services more efficiently and in a more sustainable fashion. Recovery of operating costs through user charges, or payments from the public sector, helps ensure that services are properly maintained, and the possibility to include expansions to service coverage (or quality) through capital investment is normally based on sound financial analyses.
- Further to the above, the ability of the private sector to respond to changing needs of their clients is greater than the public sector. For example, the absence of bureaucratic procedures allows operators comparatively to be more efficient in the recruitment of staff and procurement of equipment.
- Where PPP arrangements are sufficiently flexible and transparent, there is scope for increasing the coverage and the quality of the services provided. As awareness of the need for a particular service is raised within a community, the willingness of that community to pay will increase. In this way, the private sector increases its customer base while the users gain access to the basic services they desire.
- Additional capital investment can be created by inviting the private sector to invest in improving or extending existing services, or providing new services, that could not be initiated by the public sector due to lack of available funds.
- A number of variations exist for enhancing the potential benefits of PPP. Services can be provided on a competitive basis, allowing consumers a choice, thereby ensuring quality. This works well for some services such as transport. Alternatively, contracts can be awarded on a geographic basis whereby two or more service providers operate similar services in different wards of a town, and comparing the quality and cost of their services can assess their efficiency. Finally, the provision of services can be incrementally extended or upgraded through successive PPP agreements.
- An effective partnership between public and private actors offers opportunities for the co-operative provision of infrastructure services by combining the social responsibility, environmental awareness and public accountability of the public sector, with the finance, technology, managerial efficiency and entrepreneurial spirit of the private sector. This can lead to innovative solutions for the development of urban areas, which generate profits for investors and improved urban environment for the public.

Indirect potentials also apply:

- Many of previous attempts in Nepal to improve municipal management practice have largely failed, due to lack of time and resources. By sharing the responsibility for service provision with the private sector, the public sector can mobilize additional resources, which will release resources concentrate fully on their role as a monitoring and regulatory agent.
- PPP can be useful for the collection of taxes, charges and fees. Through competitive bidding, the municipality can determine the actual amount of revenue it will receive, as royalty payment, which assists the preparation of income and expenditure planning.

Ib Strategy

The objective of PPPUE will be:

To increase the access of the urban citizens to basic services, and therewith, to contribute to the creation of a healthy environment and the improvement of living conditions in the urban and peri-urban areas, by promotion of partnerships between public and private sectors for the sustainable provision of urban services.

The programme will support PPP in a broader sense, however, with particular focus on those projects that are most likely to achieve the following objectives.

- a) Help alleviate poverty through promotion of active involvement of civil society, especially the absolute poor and women, in their planning and implementation.
- b) Improve environment through better and increased delivery of an urban service such as solid waste management, greenery and water and sanitation.
- c) Help lessen the urban management burden by transferring implementation of appropriate services from municipalities to the private sector.
- d) Generate additional income for the municipalities, wherever possible. This can occur in three inter-related ways:
 - Direct revenue, in the form of royalties paid by the private sector. One such example is the collection of parking fees.
 - Indirect revenue, in the form of municipal funds that are saved (and can be used for another purpose) by contracting out of various services that it previously performed itself.
 - Additional income derived by the private sector investing in improving and extending urban services reliving the municipality to finance these needs itself.

However, the primary task is to prove PPP as an efficient modality. *In this regard, PPP has to be understood as a gradual transition of the municipal basic service management approach, which may begin with relatively simple informal arrangements involving user groups, which may, in time, mature into formalised contracts with the private sector and joint ventures with risk and profit sharing.*

The programme will continue its focus on supporting innovative forms of partnerships in the triangle of local governments, the local business community (formal as well as informal) and civil society. The tri-partite approach, which puts emphasis on including all stakeholders in the process from initial assessment and proposal to the implementation of PPPs for basic services, is a cornerstone in the programme, which is an integral part of UNDP's approach to good local governance ensuring participation, transparency and accountability.

The following two-pronged strategy will be applied in the programme based on the findings of the 2003 Evaluation report:

1. The programme will build on the existing achievements of PPPUE in creating the enabling environment for local PPPs by continuing promotional, policy development, legislative, capacity building and general support activities at national level.
2. The programme will facilitate local pro-poor PPP projects to get a practice started in pilot municipalities in a range of local urban service areas and allow these projects to serve as demonstration projects for other local governments.

The programme will thus continue its support to both local and national level with increased focus on the project implementation at the local level:

National/Policy level

To support strategy 1, at national level the programme will work to consolidate the upstream activities introduced under the first phase of PPPUE, while introducing new mechanisms to assist upcoming PPP cases in succeeding. Technical and logistical support will be provided to MLD to institutionalize and implement the Local PPP Policy and the PPP aspects of the upcoming revised Local Self-Governance Regulation. Besides ensuring a sustainable implementation of the HMG policies efforts will continue to provide a sound basis for a national enabling environment for PPP. Special attention will be given to the need for refinement of policies and introduction of legal amendments, which prove important as the first local level PPPs emerge. This may also include generic bye-laws, pro-poor guideline preparation and local policies on PPP.

As PPPs start emerging at the local level some are bound to require adjustment to a changing context, and some arrangements may prove to be unfavorable for any of the parties involved or may prove to not fully meet the pro-poor focus. To sustain the spirit of partnership and guide ongoing PPPs and serve as a mediator when needed, a national PPP forum will be established consisting of representatives from the main stakeholders (public sector, private sector and civil society). The body will be institutionalized under the MLD but will function independently and react to cases brought forward by any party from the local level, including civil society representatives. The intention is to introduce a mechanism aimed at strengthening the partnership and mitigate any emerging conflict to avoid arbitration or a legal suit, which eventually will end the partnership.⁴

The PPP toolkit introduced during the PPPUE first phase, will be revised as per the suggestions and observations made during the utilization of the kit in 2003 and the focus on poverty will be increased. In addition short promotional and technical guidelines will be produced on how to establish pro-poor PPPs in respective local government service delivery areas, such as solid waste management and street lightning.⁵

In the first phase of PPPUE the legal and policy groundwork was laid to create the enabling environment, additional efforts now need to focus on bringing in the financial sector as a partner in local level PPPs. Till date both the public and private financial sector has refrained from providing substantial funds to local level PPPs. Consequently, a review of PPP opportunities in the financial sector will be undertaken in coordination with the Ministry of Finance to promote local PPPs within the sector and identify possible constraints which need to be addressed and as well as assist in the development of potential PPP funding mechanisms.

The achievements of the first phase can partly be contributed to the strong linkages and partnerships created between national level stakeholder institutions, namely FNCCI, MuAN and MLD. The strong partnership will be further supported in this programme through: a) logistical and technical support to the established PPP sub-desks, b) continued financial

⁴ The specific ToR will be developed in the programme inception phase with emphasis on mediation of PPP disputes at the local level rather than arbitration, which may distort the partnership. Members of the Forum will be representatives from FNCCI, MuAN, MLD and local level representatives from civil society. Until the Forum is established the PMU will serve the same function.

⁵ See PPPUE Evaluation Report for details.

support to the PPP resource persons in the institutions and provision for part-time secondment to the PMU.⁶ Logistical and technical support will also be provided to the planned PPP sub-section under the Municipal Management Division of MLD, which is expected to carry over most of the PMU responsibilities by the end of the programme period together with the other two national stakeholders.

The programme will continue the support to the academic institutions in Nepal to undertake PPP as a permanent part of the curricula in relevant Master degrees offered by the institutions.⁷ This will be undertaken in cooperation with the Collaborative Learning for PPP together with Yale University.⁸

Local level

While the first phase of PPPUE focused on creating the needed enabling environment the upcoming phase will shift its focus more towards making PPPs work at the local level in support of strategy 2 and ensuring a poverty focus of the interventions. Emphasis will be given to the launch of the identified PPP cases in the initial 5 municipalities and making the groundwork for additional launches in the new partner areas.⁹

The first successful cases will serve as demonstration projects for new partners and inter-district study visits will be arranged to serve as examples of pro-poor PPPs for basic service delivery. The local partners will help establish PPP networks to bring the message and experiences forward to neighboring counterparts. Thus, the CCIs will play a more profound role in disseminating information on PPPs to partner CCIs and other stakeholders, as will the municipalities in disseminating the information to neighboring municipalities.¹⁰ To facilitate and service at the local level in the critical stage of PPP initiation the programme PMU will provide or facilitate the provision of technical support to the specific PPP cases to sustain the partnership at local level.

The programme will continue to operate at local level through the established PPP Committees and focal points, and will arrange for such in new programme areas. In addition more resources will be channeled through the Committees to increase local ownership and build the needed capacity to undertake and/or sub-contract pro-poor feasibility studies, formulate contracts and introduce local policies as well as providing ad hoc guidance to ongoing projects. This should also assist in securing long term sustainability of programme activities. The focal persons from the municipalities and CCIs will be given additional training and provided logistical support in order to become more proactive in driving the local PPP process. Selected focal points will furthermore serve as PPP champions and assist in the training and institutionalization of a favorable PPP environment in new programme

⁶ The PPPUE Evaluation Report strongly recommends that the PPP professionals seconded from FNCCI and MuAN continue to work together in the same location to further improve the partnership.

⁷ Supported by PPPUE, Pokhara University was the first in Nepal to graduate Master students with PPP capacities and Tribhuvan University has expressed similar interest.

⁸ The Programme Management Unit will support MLD and UNDP in related private sector issues, such as Global Compact arrangement and UNDP/Private sector partnerships on a need and ad hoc basis.

⁹ New programme areas will be selected on a demand basis upon request from municipality, CCI and civil society with preliminary identification of potential projects. The PMU will assist the interested municipalities in forging alliances to bid for assistance if requested to do so. Call of interest will issued once initial awareness has been raised among local governments. It is suggested that the programme does not reach beyond 10 new municipalities as per the Evaluation Report 2003.

¹⁰ These knowledge networks may be further institutionalized and supported if deemed successful.

areas.¹¹ Capacity building will also be provided to local level stakeholders on a need and demand basis to existing and upcoming programme areas.

While special emphasis will be laid on making PPPs work in the programme areas, the programme will also arrange for general awareness creation among all local level stakeholders through workshops and consultations with interested parties. To the extent feasible such activities will be taken forward by the partner organizations such as FNCCI and MuAN, with support from the programme.

Additional efforts will also be put into involving civil society closely in the PPP identification, formulation and implementation process and workshops will be held to inform about PPPs and brief about the potential projects in pipeline to increase transparency and accountability. Local level partners/civil society representatives will be identified to partake in this process. To this end a citizen information system will be established, which will enable citizens to learn and comment on planned PPP activities, which will include public notice on tendering procedures and processes.

The programme will continue the support and cooperation with other partners to generate and provide knowledge on PPP on an ad hoc basis.¹²

¹¹ The programme will assist the local stakeholders in meeting the human and financial resource requirements for committing the focal points.

¹² PPPUE phase I successfully facilitated to provide PPP capacity building and training to other donors such as SEAM-N (FINNIDA) and cooperated with the PSP programme (GTZ/Sequa) and UEIP (ADB) on PPP awareness creation.

Part II Programme Work Plan and Budget

Year 2004

EXPECTED OUTPUTS & MONITORING ACTIVITIES	Key Activities all the activities to be undertaken during the year (as listed in the activity)	TIMEFRAME				RESPONSIBLE PARTNER	FUNDING SOURCE
		Q1	Q2	Q3	Q4		
Local Level PPPs for basic service delivery undertaken as service delivery modality for local governments in Nepal Monitoring: -Baseline survey conducted 2004 -SC review on 6 month basis -Self-assessments by PPP committees -PMU monthly monitoring and reporting to PMC -UNDP/MLD monitoring visits	A.A.01: Identify new partner municipalities based on criteria developed and on demand based approach.					PMU, SC, Municipalities, CCIs	MISC 825.00 PERLOC 496.00 PERLOC 770.00 PERUNV 282.00 MISC 825.00 PERLOC 600.00 SERCT 390.00 PERUNV 5,661.00 MISC 261.00 MISC 500.00
	A.A.02: Establish PPPDF					PPP Com, Municipality	TRAC 390.00 PERLOC 600.00 SERCT 5,661.00 PERUNV 261.00 MISC 500.00
	A.A.03: Finalize guidelines and MoUs for PPPDF operation.						MISC 825.00 PERLOC 390.00
	A.A.04: Provide technical support (legal, financial, advice, thematic specific advise and mediation) to initiated PPPs on demand basis					PPP Com, PMU	TRAC 261.00 PERLOC 600.00 MISC 495.00
	A.A.05: Provide legal and technical backstopping to local partners to initiate identified PPP cases					PMU	PERLOC 600.00 PERLOC 390.00 PERUNV 261.00 MISC 1,793.00 MISC 330.00
	A.A.06: Provide support to facilitate an enabling environment for PPPs in new programme areas (PPPUE phase 1 activities at local level).					PMU	PERLOC 390.00 PERLOC 600.00 PERUNV 261.00 MISC 660.00
	A.A.07: Train Municipal, CCIs and Civil society to participate in PPP identification and formulation					PPP Com, PMU	PERLOC 390.00 PERUNV 261.00 PERLOC 600.00 MISC 667.00 SERCT 2,602.00 MISC 825.00 PERLOC 600.00 PERLOC 390.00 PERUNV 261.00 MISC 2,757.00

Note: PPP Com. is formed with the representation of Municipality, CCI and Civil Society.

EXPECTED OUTPUTS & MONITORING ACTIVITIES	Key Activities: List all the activities being undertaken during the year towards strategic objectives.	TIME FRAME				RESPONSIBLE PARTIES	PLANNED BUDGET	
		Q1	Q2	Q3	Q4		Unit	Amount
	A.A.08. Establish PPP committees in new areas.					PMU	TRAC	MISC 495.00 PERLOC 600.00 PERLOC 390.00 PERLUNV 261.00 MISC 333.00 MISC 495.00 PERLOC 600.00 PERLOC 390.00 PERLUNV 261.00 MISC 500.00 MISC 825.00 PERLOC 600.00 PERLOC 390.00 PERLUNV 261.00 MISC 4,760.00 MISC 825.00 PERLOC 600.00 PERLOC 390.00 PERLUNV 261.00 MISC 2,380.00 MISC 495.00 PERLOC 600.00 PERLOC 390.00 PERLUNV 261.00 MISC 833.00 SERCT 3,000.00 MISC 660.00 PERLOC 600.00 PERLOC 390.00 PERLUNV 261.00 MISC 2,325.00 SERCT 1,735.00 MISC 660.00 PERLOC 600.00 PERLOC 390.00 PERLUNV 261.00
	A.A.09 Establish new focal points in new areas.					PPP Com.,PMU	TRAC	
	A.A.10. Train PPP committees in PPP identification and backstopping.					PMU, PPP Com.	TRAC	
	A.A.11. Train PPP focal points in PPP modalities and implementation backstopping					PPP Com.,PMU	TRAC	
	A.A.12. Support selected focal points in training newcomers.					PPP Com.,PMU	TRAC	
	A.A.13. Identify civil society representatives for closer involvement in PPP information sharing at local level.					PPP Com.,PMU	TRAC	
	A.A.14. Hold local level workshop for PPP transparency.					PPP Com.,PMU	TRAC	

EXPECTED-OUTPUTS & MONITORING ACTIVITIES	Key Activities All the activities for which the budgeting is required to fund the activity	TIMELINE			RESPONSIBLE PARTNER	PLANNED BUDGET	
		Q1	Q2	Q3		Source of Funds	Amount
A.A.15. Establish local public hearing systems on PPPs.					PPP Com, PMU	MISC	495.00
						PERLOC	600.00
						PERUNV	390.00
A.A.16. Provide any ad hoc assistance required for upcoming and running PPP's in programme areas					PMU	MISC	495.00
						PERLOC	600.00
						PERUNV	390.00
A.B.01. Institutionalize capacity building and awareness creation in national level stakeholder institutions (MLD, FNCCI, MuAN) for PPP information dissemination among members.					PMU,MLD, FNCCI, MuAN	MISC	660.00
						PERLOC	600.00
						PERUNV	261.00
A.B.02. Refine PPP toolkit					PMU	MISC	600.00
						PERLOC	390.00
						PERUNV	261.00
A.B.03. Produce supportive promotional and technical as well as thematic guidelines.					PMU	MISC	6,000.00
						PERLOC	660.00
						PERUNV	261.00
A.B.04. Train local level stakeholders on PPP policy and regulation.					PMU, PPP Com.	MISC	9,000.00
						PERLOC	600.00
						PERUNV	390.00
A.B.05. Provide logistical and technical support to FNCCI, MuAN for PPP sub-desk and staff secondment.					PMU, FNCCI, MuAN	MISC	1,655.00
						PERLOC	770.00
						PERUNV	508.00
A.B.06. Identify academic institutions to undertake PPP CL course.					PMU	MISC	660.00
						PERLOC	600.00
						PERUNV	261.00
					MISC	250.00	

EXPECTED OUTPUTS & MONITORING ACTIVITIES	Key Activities	Location	Beneficiaries	Start Date	End Date	Category	Amount
A.C.01: Prepare TOR for the review financial institutions in relation to PPP project requirement in cooperation with MoF. Monitoring: -Final report assessed by SC and PMC	A.C.01: Prepare TOR for the review financial institutions in relation to PPP project requirement in cooperation with MoF.					MISC	660.00
						PERLOC	600.00
A.B.07: Provide technical and logistical support to universities to undertake PPP learning at Masters level.	A.B.07: Provide technical and logistical support to universities to undertake PPP learning at Masters level.		PMU, Academic Institutions			TRAC	
						PERLOC	390.00
A.B.08: Establish linkages between Nepal and global CL partner (including Yale University).	A.B.08: Establish linkages between Nepal and global CL partner (including Yale University).		PMU, Academic Institutions			PERUNV	261.00
						MISC	1,600.00
A.B.09: Provide intern opportunities to performing PPP Master students.	A.B.09: Provide intern opportunities to performing PPP Master students.		PMU, Academic Institutions, Municipality, CCI			MISC	250.00
						PERLOC	600.00
A.C.01: Prepare TOR for the review financial institutions in relation to PPP project requirement in cooperation with MoF. Monitoring: -Final report assessed by SC and PMC	A.C.01: Prepare TOR for the review financial institutions in relation to PPP project requirement in cooperation with MoF.					PERUNV	261.00
						MISC	125.00
Y.A. Programmatic Management Actions.	Y.A.01: Steering committees meetings/Triplicate review meeting		PMU			MISC	660.00
						PERLOC	597.00
Z.A. Programmatic Support Expenditures	Z.A.01: Day to day administrative management.		PMU			PERLOC	400.00
						PERUNV	261.00
TOTAL						MISC	2,105.00
						MISC	200.00
						PERADM	7362
						EQUIP	200
						MISC	5400
						MISC	1519
						MISC	2871
						MISC	4715

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EXPECTED OUTPUTS & MONITORING ACTIVITIES	Key Activities									
A.A. Local Level PPPs for basic service delivery undertaken as service delivery modality for local governments in Nepal Monitoring: -SC review on 6 month basis -Self-assessments by PPP Committees PMU monthly monitoring and reporting to PMC UNDP/MLD monitoring visits	A.A.01. Conduct baseline survey of new programme areas including municipal fixed assets assessment.								SERCT 1,360.00 MISC 825.00 MISC 1,000.00 PERLOC 508.00 PERLOC 770.00 PERUNV 282.00 MISC 8,502.00 PERLOC 770.00 PERLOC 508.00 MISC 825.00 PERLOC 770.00 PERLOC 508.00 PERUNV 282.00 MISC 500.00 MISC 660.00 PERLOC 770.00 PERLOC 508.00 PERUNV 282.00 MISC 1,000.00 MISC 330.00 PERLOC 508.00 PERLOC 770.00 PERUNV 282.00 MISC 660.00 PERLOC 508.00 PERUNV 282.00 MISC 770.00 SERCT 667.00 MISC 10,204.00 PERLOC 825.00 PERLOC 508.00 PERUNV 282.00 PERLOC 770.00	
	A.A.02. Undertake study tour with new local partner institutions to review successful PPPs in local level and neighboring countries.									
	A.A.03. Establish PPPDF.									
	A.A.04. Provide technical support (legal, financial advice, thematic specific advice and mediation) to initiated PPPs on demand basis									
	A.A.05. Provide legal and technical backstopping to local partners to initiate identified PPP cases									
	A.A.06. Provide support to facilitate an enabling environment for PPPs in new programme areas (PPPUE phase I activities at local level).									
	A.A.07. Support CCIs and municipalities in disseminating information on PPPs to neighboring chambers and municipalities.									

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EXPECTED OUTPUTS & MONITORING ACTIVITIES	Key Activities to be undertaken during the year towards stated output	TIMEFRAME				RESPONSIBLE PARTY/NER	PLANNED BUDGET	
		Q1	Q2	Q3	Q4		Source of Funds	Budget Description Amount
	A.A.08: Train Municipal, CCIs and Civil society to partake in PPP identification and formulation.					PMU	TRAC	SERCT 2,602.00 MISC 825.00 PERLOC 770.00 PERLOC 508.00 PERUNV 286.00 MISC 1,500.00
	A.A.09: Establish PPP committees in new areas.					PMU	TRAC	MISC 493.00 PERLOC 770.00 PERLOC 508.00
	A.A.10: Establish new focal points in new areas					PPP Com. PMU	TRAC	MISC 333.00 MISC 660.00 PERLOC 770.00 PERLOC 508.00 MISC 508.00
	A.A.11: Train PPP committees in PPP identification and backstopping					PMU	TRAC	MISC 823.00 PERLOC 770.00 PERLOC 508.00
	A.A.12: Train PPP focal points in PPP modalities and implementation backstopping.					PPP Com. PMU	TRAC	MISC 3,079.00 MISC 825.00 PERLOC 770.00 PERLOC 508.00 MISC 2,250.00
	A.A.13: Support selected focal points in training newcomers.					PPP Com. PMU	TRAC	MISC 660.00 PERLOC 770.00 PERLOC 508.00 MISC 833.00
	A.A.14: Support PPP committees to institute the undertaking of feasibility studies, contract formulation and related groundwork for PPPs.					PMU	TRAC	SERCT 20,800.00 MISC 825.00 PERLOC 770.00 PERLOC 508.00
	A.A.15: Hold local level workshop for PPP transparency.					PPP Com. PMU	TRAC	SERCT 1,715.00 MISC 825.00 PERLOC 770.00 PERLOC 508.00

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EXPECTED OUTPUTS & MONITORING ACTIVITIES	Key Activities all the activities to be undertaken during the year towards stated output	TIMEFRAKE				RESPONSIBLE PARTNER	FINANCED BUDGET	
		Q1	Q2	Q3	Q4		Source of Funds	Amount
	A.A.16: Establish local public hearing systems on PPPs.						MISC	660.00
	A.A.17: Provide any ad hoc assistance required for up-coming and running PPPs in programme areas.					PPP Com.,PMU	TRAC	770.00 508.00 660.00
	A.A.18: Support PPP committees to initiate the undertaking of feasibility studies, contract formulation and related groundwork for PPPs					PMU	TRAC	770.00 508.00 27,320.00
	A.A.19: Undertake internal study tour with new local partner institutions to review successful local level PPPs					PMU	TRAC	825.00 600.00 390.00 261.00 5,103.00
	A.B.01: Provide logistics and technical support to the MLD PPP sub-section.					PMU	TRAC	990.00 256.00 500.00 770.00 1,360.00
	A.B.02: Train local level stakeholders on PPP policy and regulation.					PMU, PPP Com.	TRAC	SERCT MISC PERLOC PERLOC MISC MISC PERLOC PERLOC MISC MISC 770.00 508.00 825.00 2,500.00
	A.B.03: Identify academic institutions to undertake PPP CL course.					PMU	TRAC	770.00 508.00 250.00 660.00 500.00 825.00
	A.B.04: Provide technical and logistical support to universities to undertake PPP learning at Masters level.					PMU	TRAC	770.00 508.00 1,600.00 250.00

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EXPECTED OUTPUTS & MONITORING ACTIVITIES	Key Activities all the activities to be undertaken during the year to achieve the expected outputs	LIVE BUDGET		RESPONSIBLE PARTNER	PLANNED BUDGET	
		Y05	Y06		Source of Funds	Amount
	A.B.05: Establish linkages between Nepal and global CL partner (including Yale University).			PMU	TRAC	PERLOC 770.00
	A.B.06: Provide intern opportunities to performing PPP Master students.			PMU, Municipality, CCI	TRAC	MISC 125.00 MISC 340.00
A.C. Finance mechanisms for local level PPPs established through public and commercial financial sector.	A.C.01: Conduct financial institutions review in terms of PPP requirements with public and private sector participation.					PERLOC 770.00 PERLOC 508.00 MISC 125.00 SERCT 5,000.00
Monitoring PMC/SC based on PMU reports				PMU, PPP Com.	TRAC	MISC 2,234.00 PERLOC 770.00
	A.C.02: Develop funding mechanisms for PPPs					PERLOC 508.00 MISC 800.00
Y.A. Programme Management Actions	Y.A.01: Steering committees meetings/tripartite review meeting			PMU, PPP Com.	TRAC	PERLOC 776.00 PERLOC 508.00 MISC 700.00 MISC 200.00
Z.A. Programme Support Expenditures	Z.A.01: Day to day administrative management.			PMU	TRAC	PERADM 10,044.00 EQUIP 300.00 MISC 7,200.00 MISC 3,052.00 MISC 3,828.00 MISC 4,855.00
TOTAL						

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EXPECTED OUTPUTS & MONITORING ACTIVITIES	Key Activities all the activities in the work plan during the year (inwards + direct output)	TIME FRAME		RESPONSIBLE PARTY	PLANNED BUDGET
		Q1	Q2		
A.A. Local Level PPPs for basic service delivery undertaken as service delivery modality for local governments in Nepal Monitoring -SC review on 6 month basis -Self assessments by PPP committees -PMU monthly monitoring and reporting to PMC -UNDP/MLD monitoring visits	A.A.01: Conduct baseline survey of new programme areas including municipal fixed assets assessment.			PPP Com.,PMU, Municipality	TRAC 1,360.00 MISC 495.00 PERLOC 793.00 PERLOC 1,296.00 MISC 825.00 PERLOC 1,300.00 PERLOC 793.00 MISC 500.00 MISC 495.00
	A.A.02: Establish PPPDF.			Municipality	TRAC PERLOC 1,300.00 PERLOC 793.00 MISC 1,294.00 MISC 330.00
	A.A.03: Provide technical support (legal, financial advise, thematic specific advise and mediation) to initiated PPPs on demand basis.			PMU	TRAC PERLOC 793.00 PERLOC 1,300.00 MISC 495.00
	A.A.04: Provide legal and technical backstopping to local partners to initiate identified PPP cases			PMU	TRAC PERLOC 793.00 PERLOC 1,300.00 MISC 495.00
	A.A.05: Provide support to facilitate an enabling environment for PPPs in new programme areas (PPPUE phase 1 activities at local level).			PPP Com.,PMU	TRAC PERLOC 793.00 PERLOC 1,300.00 MISC 666.00 MISC 495.00
	A.A.06: Establish PPP committees in new areas.			PPP Com.,PMU	TRAC PERLOC 1,300.00 PERLOC 793.00 MISC 334.00

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EXPECTED OUTPUTS & MONITORING ACTIVITIES	Key Activities all the activities to be undertaken during the year towards stated output	TIMEFRAME	RESPONSIBLE PARTNER	PLANNED BUDGET	
				2006	2007
	A.A.07: Establish new focal points in new areas.	Q1-2006	PPP Com.,PMU	MISC 495.00 PERLOC 1,300.00 PERLOC 793.00	495.00 1,300.00 793.00
	A.A.08: Support selected focal points in training newcomers.	Q1-2006	PPP Com.,PMU	MISC 500.00 MISC 495.00	500.00 495.00
	A.A.09: Support PPP committees to institute the undertaking of feasibility studies, contract formulation and related groundwork for PPPs.	Q1-2006	PPP Com.,PMU	PERLOC 1,300.00 PERLOC 793.00 MISC 834.00 SERCT 22,972.00	1,300.00 793.00 834.00 22,972.00
	A.A.10: Raise awareness for all interested local level stakeholders in Nepal on PPPs.	Q1-2006	PPP Com.,PMU	MISC 500.00 PERLOC 1,300.00 PERLOC 793.00 SERCT 4,000.00	500.00 1,300.00 793.00 4,000.00
	A.A.11: Hold local level workshop for PPP transparency.	Q1-2006	PPP Com.,PMU	MISC 2,000.00 PERLOC 1,300.00 PERLOC 793.00 SERCT 1,734.00	2,000.00 1,300.00 793.00 1,734.00
	A.A.12: Establish local public hearing systems on PPPs.	Q1-2006	PPP Com.,PMU	MISC 825.00 PERLOC 1,300.00 PERLOC 793.00 MISC 245.00	825.00 1,300.00 793.00 245.00
	A.A.13: Provide any ad hoc assistance required for upcoming and running PPPs in programme areas.	Q1-2006	PPP Com.,PMU	PERLOC 1,300.00 PERLOC 793.00 MISC 495.00	1,300.00 793.00 495.00
			PPP Com.,PMU	PERLOC 1,300.00 PERLOC 793.00	1,300.00 793.00

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Year 2006

EXPECTED OUTPUTS & MONITORING ACTIVITIES	Key Activities all the activities to be undertaken during the year towards stated output	TIMEFRAHE				RESPONSIBLE PARTNER	PLANNED BUDGET		
		2006					Source of Funds	Budget Description	Annual
		Q1	Q2	Q3	Q4				
A. B. Enabling policy/regulatory and mediating environment for local level PPPs refined and implemented at national level.	A. B.01: Establish and institutionalize National PPP Forum for mediation.					PMU, MLD, FNCCI, MuAN, PPP Com.	TRAC	PERLOC	1,300.00
A. C. Finance mechanisms for local level PPPs established through public and commercial financial sector.	A. C.01: Pilot funding mechanisms for PPP.							MISC	166.00
								MISC	1,000.00
						PMU, PPP Com.	TRAC	PERLOC	1,300.00
								PERLOC	793.00
								MISC	600.00
	A. C.02: Develop funding guidelines based on pilot mechanisms.							PERLOC	1,300.00
						PMU, PPP Com	TRAC	PERLOC	793.00
Y. A. Programme Management Actions.	Y. A.01: Steering committees meetings/Tripartite review meeting.							MISC	300.00
Z. A. Programme Support Expenditures	Z. A. 01: Day to day administrative management.					PMU	TRAC	MISC	200.00
								PERADM	10,392.00
						PMU	TRAC	MISC	7,200.00
								MISC	2,052.00
								MISC	3,750.00
								MISC	3,537.00
TOTAL									

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Year 2007

EXPECTED OUTPUTS & MONITORING ACTIVITIES	Key Activities all the activities to be undertaken towards the expected outputs	IMPLEMENTATION	RESPONSIBILITY	PLANNED BUDGET
A.A. Local Level PPPs for basic service delivery undertaken as service delivery modality for local governments in Nepal	A.A.01: Provide technical support (legal, financial advise, thematic specific advise and mediation) to initiated PPPs on demand basis.		PPP Com.,PMU	PERLOC 865.00
Monitoring:	A.A.02: Provide legal and technical backstopping to local partners to initiate identified PPP cases		PPP Com.,PMU	MISC 500.00 PERLOC 865.00
-SC review on 6 month basis	A.A.03: Support PPP committees to institute the undertaking of feasibility studies, contract formulation and related groundwork for PPPs.		PPP Com.,PMU	SERCT 5,743.00
-Self-assessments by PPP Committees				MISC 325.00 PERLOC 865.00
-PMU monthly monitoring and reporting to PMC				SERCT 1,000.00
UNDP/MLD monitoring visits	A.A.04: Raise awareness for all interested local level stakeholders in Nepal on PPPs.		PPP Com.,PMU	MISC 475.00 PERLOC 865.00
-Final assessment to be decided by SC				MISC 250.00 PERLOC 865.00
A.C. Finance mechanisms for local level PPPs established through public and commercial financial sector.	A.A.05: Provide any ad hoc assistance required for upcoming and running PPPs in programme areas.		PPP Com.,PMU	MISC 850.00
Y.A. Programme Management Actions.	A.C.01: Develop funding guidelines based on pilot mechanisms.			PERLOC 874.00 MISC
Z.A. Programme Support Expenditures	Y.A.01: Steering committees meetings/Tripartite review meeting Z.A.01: Day to day administrative management.			PERADM 2,598.00 MISC 3,348.00
TOTAL				

Part III Management Arrangements

Execution modality

The Programme will be implemented under the NEX modality and in accordance with the MoF/UNDP NEX Guidelines.

The Ministry of Local Development (MLD), which is the Ministry responsible for facilitating and coordinating local governance and decentralization in Nepal, will be the executing agency. The Ministry will appoint a National Programme Director (NPD) to resume overall responsibility of the execution of the Programme and will serve as a focal point for the coordination with other involved agencies. The Secretary of the MLD will chair the Steering Committee (SC), which will consist of the following members: a representative from the Ministry of Finance, a representative from the National Planning Commission, a representative from Ministry of Law Justice and Parliamentary Affairs, a representative from the Ministry of Physical Planning and Works, a representative from MuAN, a representative from FNCCI and a representative from UNDP. The SC will invite representatives from local stakeholders (CCI, municipality and civil society) to the meetings to discuss the progress and may invite representatives from other stakeholders like the Bankers Association of Nepal, ADDCN, NAVIN, RUPP and other donor programmes such as SEAM-N and UEIP on a needs basis. The Committee will meet every 6 months and be mandated to facilitate the implementation of the Programme, assess experiences gained so far and assist in applying these to macro level. A group elected among the SC members will perform monitoring visits to the field every six months and report back to the SC. The NPD will perform as Secretary of the SC supported by the National Programme Manager (NPM).

Programme management at central level

A Programme Management Committee (PMC) will be formed to function as a coordinating team with responsibility of facilitating the implementation and monitoring the programme activities on a regular basis and undertake the responsibilities outlined in the NEX-guidelines. The Committee will be chaired by the NPD, and the NPM and a representative from UNDP will serve as members. The Administrative Assistant (AA) will act as Secretary for the Committee. When need arises other partners will be invited to attend PMC meetings. The PMC should meet regularly.

The daily management of the programme will be carried out by the Programme Management Unit (PMU) led by the NPM under the auspices of the NPD in accordance with the directives concurred by the SC and the PMC. Besides occasional staff seconded from the main partner organizations, the PMU will be supported by an AA (Office Secretary with additional financial responsibilities) and a Driver.¹ In addition short term consultants including a PPP specialist will be supporting the NPM in the daily implementation of the programme activities.

Programme management at local level

The partner institutions at local level will be given additional responsibilities in implementing the programme at local level. The focal point for the implementation will be the local PPP Committee in each partner municipality. By building the capacities of the members and focal points of the partner institutions the Committees will gradually become responsible for undertaking programme activities such as project identification, feasibility studies, mediation,

¹ PPPUE (NEP/01/007, NEP/01/G58) staff and equipment will to the extent feasible be transferred to the programme | April 2004.

contract formulation, workshop arrangements, internal exposure visits and awareness creation including facilitating the PPP public hearings. Once deemed matured by the PMU funds will be transferred to a PPP Development Fund (PPPDF) established in each partner municipality, to which the municipality and local CCI will also contribute. The fund will be managed by the local PPP Committees and appropriate mechanisms will be developed together with the Committees for the operation of the fund. Following approval of workplan and budget by the PMC, funds will be transferred and the PPP Committees will undertake assignments by own initiative. The Committee will also undertake regular monitoring of activities and report back to PMU, MLD, FNCCI and MuAN. The focal points in the municipalities and CCIs will furthermore be responsible for coordinating PPP awareness activities such as workshops, awareness creation programmes, establishment of PPP networks and internal exposure visits.

Partnership Strategy

UNDP/Nepal will forge strong partnerships with MLD to ensure effective implementation of the Programme in line with the 10th five year development plan of HMG/N. The MLD will be the main coordinating body from the Government's side. At the National level the FNCCI and MuAN will be the main implementing partners in support of policy implementation and local level assistance and cooperation. In coordination with MLD the programme will partner with the Ministry of Finance to a review of PPP opportunities in the financial sector to identify possible constraints which need to be addressed and as well as assist in the development of potential PPP funding mechanisms.

At the local level the main partners will be the representatives in the PPP Committees from the municipalities, civil society and the local CCI representatives, whom will be responsible for the identification and facilitation of local PPPs. The local partner institutions (especially the municipalities) will provide local staff to assist in the programme arrangements at local level.

The programme will sustain the phase 1 linkages with the PPPUE Global Facility to share knowledge and lessons learned as well as the global PPP network. The programme will follow the guidelines and framework for rural and urban development set out by the MLD and will thus coordinate activities with related urban donors, especially UEIP, SEAM-N and link up with funding mechanisms such as the Local Development Reserve Fund under the MLD and the Town Development Fund. The programme will partner with other relevant UNDP and UN organizations and programmes locally and regionally such as TUGI and UMP and coordinate activities with e.g. RUPP, MEDEP, LGP/PDDP and DFDP when opportunities and needs arises.

External support for the implementation of the Programme will be sought through national consultants, SURF specialist where feasible and secondarily through the use of other international experts and UNV/UNISTAR.

Part IV Monitoring and Evaluation

Monitoring arrangements

- Monitoring will be based on the baseline survey conducted in the first half year of the programme implementation and on the impact indicators identified below.

- From national level an elected group of SC members will undertake review of the programme activities every 6 months and report back to the SC. The reviews will be based on field visits and stakeholder interaction.
- The PMU will prepare quarterly reports of programme activities and highlight the implementation/delivery against the workplan and budget and forward these to the PMC and SC members.
- At the local level the PPP Committees will be undertaking regular review of activities and report back to the PMU and the national partners. The public hearing system will also be used as a monitoring tool.
- If deemed necessary the SC may decide mid-term to have an independent review of the programme by a national consultant.
- PMU and PMC will conduct regular field visits to assess programme progress at local level and hold regular interaction with national level stakeholders to assess national level effectiveness.

Impact indicators and monitoring responsibility

Indicator	Monitoring Responsibility
20 new PPP cases for basic service delivery operating in programme areas	PPP Committee, PMU and SC
6 existing PPP cases setup refined and improved	PMU, SC
75 percent of PPP disputes resolved	PPP Committee, PMU, SC
Service delivery in target areas increased by 15 percent in PPP implementation sector (method of analysis to be developed during programme inception phase)	PPP Committee, PMU, SC
PPP policy implemented at local level	PPP Committee, PMU, SC
New PPP regulation from revised LSGA Regulation implemented at local level	PPP Committee, PMU, SC
CCIs and municipalities in 6 non-programme areas initiate PPP activities (trickle down measure)	PMU, SC
6 successful PPP cases replicated in partner municipalities	PMU, SC
National PPP Forum operational	PMU, SC
3 PPP cases funded through new funding mechanism	PMU, SC

Part V Legal Context

This document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between His Majesty's Government of Nepal and the United Nations Development Programme, signed on 23 February 1984. The host country implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government co-operating agency described in the Agreement. The following types of revisions may be made to this document with the signature of the UNDP Resident Representative only:

- Revisions in, or additions to, any of the annexes of the document.
- Revisions which do not involve significant changes in the immediate objectives, outputs, or activities of the Programme, but caused by the rearrangement of inputs already agreed to, or by cost increases due to inflation, and
- Mandatory annual revisions, which re-phase the delivery of agreed inputs or increased expert or costs due to inflation or take into account agency expenditure flexibility.

SUGGESTED TERMS OF REFERENCE: NATIONAL PROGRAMME DIRECTOR (NPD)

Working Period & Location:	Ministry of Local Development will make the services of the NPD available for the duration of the project and until all the procedures for closure is completed. Kathmandu based.
Reporting to:	Ministry of Local Development
Language:	English

Duties and Responsibilities:

The NPD exercises overall technical, financial and administrative oversight of the project, including supervision of national and international personnel assigned to the project. The duties and responsibilities of the NPD are:

1. Assumes overall responsibility for the successful execution and implementation of the project, and accountability to HMG/N and UNDP for the proper and effective use of project resources.
2. Serves as focal point for the co-ordination of the project with other HMG/N agencies, UNDP and outside implementing agencies.
3. Ensures that all Government inputs committed to the project are made available.
4. Ensures that required project work-plans are prepared, updated, cleared and distributed to MLD, FACD/MOF, and UNDP CO.
5. Undertakes or arranges, using the agreed recruitment system, for the recruitment of project professional and support staff charged against the UNDP budget, if any.
6. Ensures that the National Programme Manager is empowered to effectively manage the project, and the other project staff to perform their duties effectively.
7. Supervises the work of the National Programme Manager.
8. Opens and operates a project bank account and certifies or approves project expenditures and financial statements, in accordance with financial rules and procedures applied to NEX projects.
9. Represents the National Executing Agency and the project at meetings of the project parties.
10. Ensures that gender issues are mainstreamed in all policies and activities and are reported.

Appointment

The NPD will be of at least Joint Secretary (Class 1) or Under Secretary (Class 2) level and appointed by the Ministry of Local Development.

SUGGESTED TERMS OF REFERENCE: NATIONAL PROGRAMME MANAGER (NPM)

Working Period & Location: April 2004 to March 2007 (subject to annual evaluation of performance)
Kathmandu based but frequent travels outside the Kathmandu Valley required.

Counterpart: Mr(s). , Ministry of Local Development
Mr(s). , Municipal Association of Nepal
Mr(s). , Federation of Nepalese Chamber of Commerce and Industry
Mr(s). , United Nations Development Programme

Reporting to: NPD, UNDP Country Office

Language: English

Duties and Responsibilities:

The NPM will support the NPD to effectively implement the project to the successful end and timely realisation of its objectives. The NPM shall also take the overall responsibility to achieve the development goal of the PPPUE programme as stipulated in the programme document. The duties and responsibilities of the NPM:

Project Management

1. Assumes operational management of the project in accordance with the project document and the policies and procedures for NEX projects.
2. Prepares and updates project work plans, and submits these for clearance to the MLD, FACD/MOF and UNDP CO.
3. Ensures that all agreements with designated project implementing agencies are prepared, negotiated and signed.
4. Initiates and administers the mobilization of project inputs under the responsibility of the executing agency.
5. With respect to external project implementing agencies:
 - (a) Ensures that they mobilize and deliver the inputs in accordance with their implementation agreement or contract, and
 - (b) Provides overall supervision and/or co-ordination of their work to ensure the production of the corresponding project outputs.
6. Assumes direct responsibility for managing the project budget on behalf of the NPD, ensuring that:
 - (a) Project funds are made available when needed and disbursed in accordance with the work plan and financial rules and regulations,
 - (b) Accounting records and supporting documents are maintained,
 - (c) Required financial reports are prepared,
 - (d) Financial operations of the project are transparent and stands up to audit at any time, and
 - (e) Generally ensure that the financial procedures and regulations for NEX projects are applied.
7. Services the Steering Committee including the taking and maintenance of the Minutes of the Steering Committee, and documenting the views and advice of any Advisory Group established by the Committee.
8. Prepares Annual Project Reports (APR) and the Final Project Report as scheduled, and assist in organizing Tripartite Project Reviews and evaluation missions in co-ordination with UNDP.
9. Supervises the project staff and local or international experts/consultants working for the project.
10. Ensures that gender issues are mainstreamed in all policies and activities of the project and are reported in APR.
11. Reports regularly to the NPD and UNDP.
12. Forwards progress reports to the NPD, the Municipal Mgt. Division (MLD), the Planning and Evaluation Division (MLD and UNDP).

Programme Implementation

As the person in-charge of the programme and thus responsible for the overall management of the PPPUE Desk to implement the Programme in coordination with MLD, MuAN and FNCCI. This has to be done through:

1. Executes PPPUE activities as per requirements of the local tripartite partners (through PPP Committees).
2. Formulates an action plan based on project planning matrix for the implementation of activities.
2. Recruits and supervises short-term consultants ('Experts') for the implementation of PPP transactions.
3. Establishes/updates a pool of short-term consultants to execute PPP transactions.
4. Updates PPPUE manuals/guidelines, training materials, resource books and promotional materials.
5. Implements training, seminars, workshops and exposure visit for concerned target groups.
6. Identifies new areas for partnership based on developed criteria and demand of the potential partners and establishes tripartite partnerships in new areas.
7. Establishes PPP focal points and assists local tripartite partners in establishing PPP Committees as a platform for partnership in new areas.
8. Strengthens PPP Committees' organizational capacity to PPP modalities, PPP project identification in new areas.
9. Establishes PPPUE network facilities and information/database centre within PPPUE Desk.
10. Prepares financial sector review in cooperation with MoF and develops funding mechanisms for local PPPs and pilots funding of PPP projects.

Policy and Networks Facilitation

1. Co-ordinates Municipal Association of Nepal and Federation of Nepalese Chamber of Commerce and Industry for the preparation of respective corporate policies and providing organizational development and HRD support to these organizations to institutionalize the PPPUE functions.
2. Builds a harmonious relationship among the tripartite partners through dialogue, negotiations and implementing various team-building measures.
3. Engages in networking with other donor agencies and national institutions (education, NGOs etc.) working in the urban sector to facilitate the PPPUE initiatives.
4. Engages in networking with PPP practitioners for global learning exchange.

Outputs

1. Produces scheduled progress reports for the project.
2. Produces other regular publications.
3. Submits mid-term evaluation reports.
4. Produces manuals/guidelines, resource books and other support tools.

Qualifications Requirements

The candidate should have a post-graduate degree in the field of social science, business, public affairs, development, or urban management. For candidates with Ph.D minimum of 7 years, and for candidates with Master's Degree a minimum of 10 years of relevant professional experience is required. A good understanding of PPP, basic service delivery, urban management, good governance, urban environment, developmental issues and planning principles is essential. Fluent English skill (written and spoken) is mandatory.

SUGGESTED TERMS OF REFERENCE: NATIONAL PPP SPECIALIST (UNV)

Working Period & Location:Months from to
	25 % in Kathmandu and 75 % in partner municipalities outside Kathmandu
Reporting to:	National Programme Manager
Language:	English

Duties and Responsibilities

The National PPP Specialist, having high degree of moderation, mediator, communication and facilitation skills, shall take the responsibility to perform the following tasks under the direct supervision of the National Programme Manager.

Technical Advisory Services

1. Assists the assessment of new municipalities as per the criteria developed.
2. Assists the selection of 10 additional municipalities to be supported by the Programme.
3. Initiates the discussion with PPP Committees on potential PPP projects.
4. Assists in identifying and selecting the potential PPP projects.
5. Assists in conducting pre-feasibility/feasibility study, assessment or research on projects.
6. Assists in conducting base-line survey prior to project implementation.
7. Assists in selecting the appropriate PPP transaction modalities.
8. Assists the procurement process.
9. Assists in preparing and processing contract documents.
10. Assists in preparing baseline of PPP projects.
11. Assists in conducting impact assessment.
12. Assists in the establishment of PPPDF.
13. Assist in conducting financial sector review.

Programme Implementation

1. Assist and facilitates in the implementation of selected PPP projects in the initial municipalities.
2. Assist in developing funding mechanisms for selected PPP projects.
3. Assists in follow-up monitoring and regulating of implemented PPP projects.
4. Assist local tri-partite partners in conflict mediation during the course of PPP project implementation where necessary.

Follow-up Counseling

1. Assesses the local PPP environment and diagnose the problems in relation to PPP Projects.
2. Provides problem solving counseling services.
3. Helps build the trust and cordial relationship among tripartite partners.

Awareness Building and Training

1. Assists in organising PPPUE awareness activities with the tripartite partners.
2. Ensures 'pro-poor' (whereby the welfare of the socially disadvantaged groups is a primary consideration) is the guiding principle of the local PPP projects.
3. Assists in identifying capacity strengthening needs of tripartite partners.
4. Assist in developing/updating training curriculum, modules, workshops, and seminars as per need.
5. Assist in conducting training/workshop/seminars.
6. Assist in updating pro-poor PPP toolkit.
7. Assist in developing any other support tools.

Institutional Building

1. Assists the tripartite partners in adopting PPP functions into their structures.
2. Assists the local tripartite partners in defining their PPP policies and strategy.
3. Assists the local PPP Committees in adopting basic PPP standard operating procedures to implement local PPP projects.
4. Assists in establishment of PPP committees in new partner municipalities.

5. Assists in selecting PPP focal points in new municipalities.
6. Assists in establishing PPP units in Municipalities and CCIs.
7. Assists in developing networks of surrounding/neighborhood municipalities and CCI.

Others

1. Assists the National Programme Manager in the reviewing and commenting on local PPP policy, rules and regulations and making recommendations.
2. Assists the National Programme Manager in developing the organisational capacity of PMU to implement PPPUE programme.
3. Assists the National Programme Manager in developing the organisational capacity of MuAN and FNCCI for gradual take over of PPPUE functions.
4. Assists the partner municipalities in reviewing and commenting on local PPP policy, rules and regulations and making recommendations.

Outputs

1. Submits field trip report on each visit regarding the progress and status of local PPP projects.
2. Prepares profile/database of various PPP activities, including local projects.
3. Produces report on training activities.
4. Produces report on field trips.
5. Produce manuals/guidelines, resource books and other support tools.

Qualifications Requirements

The candidate should have a post-graduate degree in the field of social science, business, public affairs, development, or urban management. The candidate should have minimum of 5 years of relevant professional experience. A good understanding of PPP, good governance, local urban management, urban environment, developmental issues and planning principles (including matrix management) is essential. Fluent English skill (written and spoken) is mandatory.

SUGGESTED TERMS OF REFERENCE: NATIONAL LEGAL EXPERT (Consultant)

Working Period & Location:Months from to
Kathmandu based but frequent travels outside the Kathmandu Valley
required.

Reporting to: National Programme Manager

Language: English

Duties and Responsibilities

The National Legal Expert shall perform the following tasks under the direct supervision of the National Programme Manager.

Development of support tools related to PPP policies and legal framework.

1. Assists PPPUE Desk in preparing local PPP regulatory guidelines.
2. Review of Legal Source Book and refine as per necessity.
3. Assists PPPUE Desk in preparing PPP model by-laws.
4. Assists PPPUE desk in preparing model PPP contracts.
5. Provides any other legal counseling support required for PPPUE.

Formulation of policies and legal framework at the municipal level:

1. Assess the municipal legal capacity especially in relation to the Local Self-Governance Act and Rules to execute PPP transactions.
2. Assists in preparing and implementing municipal by-laws for PPP process
3. Assist in preparation of contracts and other legal documents related to identified and potential local PPP projects.
4. Develop a conflict resolution and mediation mechanisms to be built into PPP contracts.
5. Assists in facilitating the local stakeholders' consultation activities in new selected municipalities.
6. Provides legal counseling for contract agreement, arbitration and other legal treatments to PPP Committees and local PPP transactions.

Outputs

1. Prepares legal assessment reports.
2. Prepares PPP regulatory guidelines.
3. Prepares PPP model by-laws.
4. Prepares thematic contracts of PPP projects.
5. Prepares any other support tools required.
6. Prepares report on counseling services provided.
7. Produces report on training activities.
8. Produces report on field trips.
9. Prepare and process contracts and agreements.

Qualifications Requirements

The candidate should at least have Bachelor's of law degree. For candidates with Bachelor's degree with up-to-date international exposure, minimum of 10 years of relevant professional experience is required. A good understanding of PPP legal framework, policies, and developmental issues is essential. Fluent English skill (written and spoken) is mandatory.

SUGGESTED TERMS OF REFERENCE: NATIONAL BUSINESS DEVELOPMENT & FINANCIAL ANALYST (Consultant)

Working Period & Location:Months from to Kathmandu based but frequent travels outside the Kathmandu Valley required.
Reporting to:	National Programme Manager
Language:	English

Duties and Responsibilities

The National Business Development and Financial Analyst, having high degree of moderation, mediator, communication and facilitation skills, shall take the responsibility to perform the following tasks under the direct supervision of the National Programme Manager.

Technical advisory services:

1. Initiates the discussion with PPP Committees for potential PPP projects.
2. Assists in analyzing the local situation for business potentiality.
3. Assists in identifying the business opportunities for PPP projects.
4. Assists in developing the business development and strategy plans.
5. Assists in conducting/coordinating pre-feasibility/feasibility study of projects.
6. Assists in implementing PPP transaction modalities.
7. Assists in conducting Municipality's fixed assets assessment and evaluation.
8. Assists in conducting financial sector review.
9. Assists in developing PPP financing models.
10. Assists in assessment of existing financial market sector and assists in developing mechanisms to involve financial sectors in the financing of PPP transactions.

Programme Implementation

1. Assist and facilitates in the implementation of selected PPP projects in the initial municipalities.
2. Assist in developing funding mechanisms for selected PPP projects.
3. Assists in follow-up monitoring and regulating of implemented PPP projects.
4. Assist local tri-partite partners in conflict mediation during the course of PPP project implementation where necessary.
5. Follow-up counselling
6. Diagnoses the problems of PPP transactions.
7. Provides problem solving counseling services.
8. Helps build the trust and cordial relationship among the tripartite partners.

Awareness and Capacity Building

1. Assists PPP Committees in organizing PPP awareness activities.
2. Prepares PPP orientation/training/workshop/seminar materials as required.
3. Assists and facilitates in PPP orientation/training/workshop/seminars as required.
4. Facilitate in the training and workshops for stakeholders related to financial proposal development, financial analysis, PPP project development and others as required.

Institutional Building

1. Assists PPP Committees in developing a business plan.
2. Assist the PPP Committees in adopting basic standard operating procedure to implement the PPP projects.
3. Assists the institutions representing in PPP committees in adopting PPP function into their structures.

Others

1. Assists municipalities in reviewing and commenting upon local PPP policy, rules and regulations and makes necessary recommendations.
2. Assists NPM in developing organizational capacity of PMU to implement PPP programme activities.

Outputs

1. Submits field trip reports on each visit regarding the progress and status of PPP projects.
2. Prepares business profile of PPP model projects.
3. Prepares report on field trips.
4. Produces report on training activities.
5. Produces manuals/guidelines, resource books and other support tools as required.

Qualifications Requirements

The candidate should have a post-graduate degree in the field of social science, business and finance, public affairs, development, or urban management. The candidate should have minimum of 5 years of relevant professional experience. A good understanding of PPP, business development, finance, project management, and developmental issues is essential. Fluent English skill (written and spoken) is mandatory.

SUGGESTED TERMS OF REFERENCE: NATIONAL COMMUNITY DEVELOPMENT AND POVERTY ALLEVIATION EXPERT (Consultant)

Working Period & Location: Months from to
	25 % Kathmandu and 75 % in partner municipalities outside of the Kathmandu Valley
Reporting to:	National Programme Manager
Language:	English

Duties and Responsibilities

The National Community Development and Poverty Alleviation Expert shall perform the following functions under the direct supervision of the National Programme Manager.

Community mobilisation/Poverty Alleviation

1. Assists in developing most appropriate mechanism of representing civil society in the PPP Committee.
2. Assists civil society organisations in preparing themselves to participate in PPP Committee as an effective implementation partner.
3. Assists in creating an understanding of PPP.
4. Assists civil society organisations in identifying their priorities in PPP issues.
5. Ensures the needs and priorities of the poor are properly reflected in local PPP projects.
6. Helps resolve the social and community conflicts.

Poverty Alleviation

1. Ensures the participation of socially disadvantaged groups (such as the absolute poor and women) in the local projects formulation process.
2. Ensures 'pro-poor' (whereby the welfare of the socially disadvantaged groups is a primary consideration) is the guiding principle of the local PPP projects.
3. Ensures, as much as possible, that socially disadvantaged groups are service providers, not mere users of improved services.
4. Ensures that gender issues are mainstreamed in all local PPP projects.

Project Implementation

1. Assists the conduct of base-line survey.
2. Assists the conduct of impact assessment.
3. Assists in the representation of civil society in the PPP committee.
4. Assists PPP Committees in implementing local PPP projects in coordination with other experts.
5. Provides on the spot technical services to resolve any problems with local projects.

HDR

1. Develops orientation/training/workshops/seminars and other support tools as per needs.
2. Conducts orientation/training/workshops/seminars, as required.
3. Assists PPPUE Desk in updating pro-poor PPP toolkit.
4. Designs 'report cards' as a feedback mechanism from grassroots level.

Others

1. Assists in formulating pro-poor local PPP policies, acts, rules & regulations and by-laws.
2. Monitors the progress and outputs are in relation to pro-poor approach.
3. Ensures the disadvantaged groups are beneficiaries of local projects.

Output

1. Prepares reports on community consultation during each field visit.
2. Prepares community assessment reports.
3. Prepares base-line survey reports.
4. Prepares impact assessment reports.
5. Produces reports on training.

Qualifications Requirements

The candidate should have a post-graduate degree in the field of social science, sociology, anthropology or social and community development. The candidate should have minimum of 5 years of relevant professional experience. A good understanding of community mobilisation, poverty alleviation, gender and developmental issues is essential. Fluent English skill (written and spoken) is mandatory.

Annex 2 – Status of Local PPP Cases

Status of Local PPP Cases identified by the PPP Sub-committees at partner Municipalities

Project Name	Studies	Contract Document	Possible PPP Modality	Follow-up Activities	Remarks
Biratnagar Sub-metropolitan City					
1. Bus Terminal	Feasibility Study in progress	No	BOOT	Presented draft report of feasibility study among local stakeholders, master plan concept and financial analysis discussed	
2. Greenery Park Management	Feasibility study in progress	No	Management Contract	First round of meetings with potential POs (plant nurseries owners)	
3. Jamungachhi Community Drinking Water Supply	Feasibility study in progress	No	Community based PPP	First round of interaction with community members, municipality and water supply corporation took place	
4. Management of C-Plot Shopping Complex owned by municipality	Feasibility study in progress	No	Management Contract	Several round of interaction with municipality, CCI has taken place	
5. Streetlight Management	Initial information collected	No	Management Contract with community based organizations	First round of interaction with community members, municipality has taken place	
6. Pay parking	Operational guidelines completed	Municipality has made the contract document	Service Contract	Interaction made with CIM and MMA	Municipality has recently contracted out to a local PO
7. Haat Khola Vegetable Market	Study conducted by JICA	No	-	No	
8. Gudri Shopping Complex (Plot -A)	Design/study conducted by Town Development Fund	No	-	No	

Bharatpur Municipality					
1. Integrated Solid Waste Management	Feasibility study completed	No	Service/ Management Contract	Presented draft report of feasibility study to local stakeholders, feedbacks were collected to incorporate in the final report	Final report submitted to stakeholder institutions
2. Six Model TLOs for community based SWM		Draft contract prepared and discussed with municipality and community organizations	Community based PPP	Members of TLOs visited Pokhara to observe Community managed SWM activities	Pilot PPP Project in Operation
3. Integrated Traffic Management and Pay parking	Feasibility study completed	No	Management contract	Presented draft report of feasibility study to local stakeholders, feedbacks were collected to incorporate in the final report, Municipality has contracted out pay parking facilities to local PO for one year	Final report submitted to stakeholder institutions
4. Mahendra Bus Terminal	Financial study completed	No	Management Contract	Findings were discussed with Municipality and local CCI	Call notice published by municipality
5. Balkumari Vegetable Market	Feasibility study in progress	No	Wrap around addition	Initial discussions were held with municipality and CCI, CCI is interested to float ideas to its members for its operation and management	Study team mobilized for initial data collection
6. Narayani River Beach Development	No	No	No	No	
7. Night Safari in Municipal Forest	No	No	No	No	
Butwal Municipality					
1. Solid Waste Management in Wards (1-4)	Situational Analysis Completed, Operational Guidelines prepared	Draft contract made	Service contract	First round of interaction held with community organizations and sweepers, they have no objection of private sector managed system at these wards	Operational guidelines discusses with Municipality board

5. Truck Parking	No	No	-	No	
6. Solid Waste Management	No	No	-	No	
Pokhara Sub-metropolitan City					
1. Baglung Bus Park Public Toilet	Feasibility study completed	No	Lease, Management contract	Initial discussions made with CCI and interested PO (PCAP)	
2. Shree Complex Fruits and vegetable market	Project Appraisal Study completed	No	Special PPP/Concession (exclusive rights by Municipality to private owner)	Ongoing PPP project, study to improve operational aspects of Shree Complex	
3. Pokhara Commercial Auto Parking (PCAP)	Financial Analysis Completed	No	Concession	Ongoing PPP project, study to improve financial aspects of PCAP	
4. Operation of ambulance of municipality	No	No	-	No	
5. Landfill site operation	Study under consideration	No	-	ADB financed to construct sanitary landfill site, not in operation as yet	
6. Operation of Dipendra Conference Hall	Study under consideration	No	-	No	

Note: Sub-contracting of service facilities like Toilets, electrical works, plumbing works, cleaning and up keepings works in Bus parks, Shopping complex are the possible pro-poor functionalities tied up with the PPP projects. Similarly contractual agreement to reserve some rent able area for the entrepreneurs belonging to marginalize groups is another pro-poor functionalities of the PPP projects. Access of drinking water to poor community with inbuilt cross subsidy system or municipality incentive package or differential pricing mechanism is another pro-poor functionality in PPP projects.

Annex 3 – Project Results Framework

<p>Outcome (SRF): 2.0 Fostering Democratic Governance Service line 2.6: Decentralization, local governance and rural/urban development</p> <ol style="list-style-type: none"> 1. Building capacity for local governance 2. Servicing the poor <p>Service line 1.5: Private sector development</p> <ol style="list-style-type: none"> 1. Creating the enabling environment for SME growth 2. Forging links with the public sector 		
<p>Outcome Indicator: Civil society, with emphasis on the poor, has improved access to efficient and effective basic services at local level.</p>		
<p>Project Name and No.: Public Private Partnerships for Urban Environment (NEP/04/001)</p>		
Intended outputs	Impact indicators	Indicative activities
<p>1. Local level PPPs for basic service delivery undertaken as service delivery modality for local governments in Nepal</p>	<p>2004: 8 PPP cases operational in initial municipalities. 2005: 16 feasibility studies undertaken and PPP contracts drafted. 2006: a) 6 successful PPP cases replicated in partner municipalities, b) 20 PPP cases for basic service delivery being implemented under local governments in programme areas, c) service delivery in target areas increased by 15% in PPP implementation sector.</p>	<ol style="list-style-type: none"> 1.1 Conduct baseline survey of new programme areas including fixed asset assessment. 1.2 Undertake internal study tour with new local partner institutions to review successful local level PPPs. 1.3 Establish PPPDF. 1.4 Finalize guidelines and MoUs for PPPDF operation. 1.5 Provide technical support (legal, financial, thematic specific advice and mediation) to on-going PPPs on demand basis. 1.6 Provide legal and technical backstopping to local partners to initiate identified PPP cases. 1.7 Provide support to facilitate an enabling environment for PPPs in new programme areas (PPPUE phase 1 activities at local level). 1.8 Support CCIs and municipalities in disseminating information on PPPs to neighboring chambers and municipalities. 1.9 Train Municipal, CCI and Civil society to partake in PPP identification and formulation. 1.10 Establish PPP committees in new areas. 1.11 Establish PPP focal points in new areas. 1.12 Train PPP Committees in PPP identification and backstopping. 1.13 Train PPP focal points in PPP modalities and implementation backstopping. 1.14 Support selected focal points in training newcomers. 1.15 Support PPP Committees to institute the undertaking of feasibility studies, contract formulation and related groundwork for PPPs. 1.16 Raise awareness for all interested local level stakeholders in Nepal on PPPs. 1.17 Identify civil society representatives for closer involvement in PPP information sharing at local level. 1.18 Hold local level workshops for PPP transparency. 1.19 Establish local public hearing systems on PPPs. 1.20 Provide any ad hoc assistance required for upcoming and running PPPs in programme areas.
<p>2. Enabling policy, regulatory and mediating environment for local level PPPs refined and implemented</p>	<p>2004: a) PPP toolkit refined and second edition published, b) PPP short guidelines developed and published. 2005: a) MLD PPP sub-section fully operational, b) PPP sub-desk in partner institutions fully operational.</p>	<ol style="list-style-type: none"> 1.1 Provide logistical and technical support to the MLD PPP sub-section. 1.2 Institutionalize capacity building and awareness creation in national level stakeholder institutions (MLD, FNCCI and MuAN) for PPP information dissemination among members. 1.3 Refine PPP toolkit. 1.4 Produce supportive promotional and technical as well as thematic guidelines.

	<p>2006: a) National PPP forum established, b) CL course running in two Master level programmes.</p>	<ul style="list-style-type: none"> 1.5 Train local level stakeholders on PPP policy and regulation. 1.6 Establish and institutionalize National PPP forum for mediation. 1.7 Provide logistical and technical support to FNCCI, and MuAN for PPP sub-desk and staff secondment. 1.8 Identify academic institutions to undertake PPP CL course. 1.9 Provide technical and logistical support to universities to undertake PPP learning at Masters level. 1.10 Establish linkages between Nepal and global CL partner (including Yale University). 1.11 Provide intern opportunities to performing PPP Master students
<p>3. Finance mechanisms for local level PPPs established through public and commercial financial sector</p>	<p>2004: TOR for the review of financial institutions from PPP perspective produced in cooperation with MoF. 2005: a) Financial institutions review completed, b) funding mechanisms for PPPs developed. 2006: Funding mechanisms for PPPs piloted and 3 PPP cases funded through new funding mechanism.</p>	<ul style="list-style-type: none"> 3.1 Prepare financial institutions review in cooperation with MoF. 3.2 Conduct financial institutions review with public and private sector participation. 3.3 Develop funding mechanisms for PPPs. 3.4 Pilot funding mechanisms for PPP. 3.5 Develop funding guidelines based on pilot mechanisms.