




Government of Nepal
Annual Progress Report - 2009



Award ID 34877
Award Title: Public-Private Partnerships for Urban Environment
Project ID: 00060223
Source of Funds: TRAC I
Implementation Modality: NEX
Implementing Partner: Ministry of Local Development
Project Beginning Year: 2004
Project Ending Year: 2009

Signature 

Name Purusottam Man Shrestha
Project Manager

Signature 

Name Reshmi Raj Pandey
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<p>Project Output Indicators (if different from CPAP Output indicators), baselines, targets and current status</p>	<p>Capacity of local government staff, private sector and communities built in PPP Baseline: Target: 150 local government staff and 35 service providers/informal entrepreneurs trained in PPP conflict resolution Current Status: 195 local govt. staff and service providers trained in PPP conflict resolution</p> <p>Capacity built of Partner and selected non-partner municipalities to undertake PPP projects Baseline: 20 PPP projects implemented with UNDP support Target: 20 PPP projects implemented; 4 feasibility/ other studies completed (2009) Current Status: 20 PPP projects implemented, 3 feasibility/ other studies completed (2009)</p> <p>Developed draft policy on financing frameworks for local level PPPs Baseline: Target: 1 policy document prepared Current Status: Draft policy document prepared in association with Nepal Bankers' Association</p>
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b. Achievements against Annual Work Plan (Annual Targets & Activities)

Please see Attachment

c. Results in Gender Equality, Women's Empowerment and Social Inclusion

Progress in gender equality, women's empowerment and social inclusion has been achieved in different ways in the project's activities:

- In surveys carried out in 2009, out of 455 directly employed in PPP projects, 164 are women. Three projects are run by women entrepreneurs or women's groups.
- Out of 992 total trainees in 24 training programmes conducted in various subjects, 185 were women.
- 30 dalit members of the Deula community in Dhalko benefited from training in micro-enterprise development and self-employment opportunities. All the trainees were youth (16 - 25 years) and 25 of them were young women.
- Six operators (all *janjati*) in the Dharan swine rearing project are currently rearing swine after receiving training in hygienic swine rearing. The majority of the training beneficiaries were either dalit or janjati – 10 dalit and 90 janjati (or 9.6% and 86.5%, respectively).
- The Swastik-Gauraha water supply scheme (Ward 13, Dharan) will benefit 54 janjati or dalit households (Rai, Sherpa, Limbu, Sunuwar, Bhujel, Damai and Sarki).

d. Other Results contributing to the Output and/or Outcome

- As part of PPPUE's long-term policy of popularizing and enhancing PPP knowledge and subsequently developing human resources by partnering with national academic

Advances in the legislative environment

The project provided inputs from a PPP perspective to the drafting of the Solid Waste management Act in the Ministry of Local Development.

- o *Policy tools*

A draft policy document to facilitate financing of PPP projects was produced in association with the Nepal Bankers' Association (NBA was supported by PPPUE to draft the policy document)

- o *Training of national counterparts (including on-the-job mentoring)*

Four one day orientations on Clean Development Mechanism (CDM) in Solid Waste management were conducted in Biratnagar, Pokhara, Bharatpur and Nepalgunj covering municipalities of five development regions. Municipality staff, representatives of CCIs (local chambers of commerce and industry) and private operators received the trainings. The trainings aimed to point out options for engaging in effective carbon trading by adopting Clean Development Mechanism or CDM in the management of solid waste and earning dividends in the process in line with information contained in the booklet entitled *Information Document on CDM in Solid Waste Management*. A total of 122 persons were oriented in the training series.

15 engineers from government ministries and departments (Ministry of Physical Planning and Works, MoLD, DUDBC and others) were trained in project development and management (Training provider - Infrastructure Development Finance Company Limited, India)

Engineers and other staff involved in procurement received training in international procurement (Training provider - Infrastructure Development Finance Company Limited India).

Capacity development of private sector (medium & small entrepreneurs), community members, etc.

- A five-day training program leading to certification in mediation was organized for municipality staff, partner CCI staff and private operators of PPP projects. The certified mediators will be able to resolve disputes that may arise in running PPP projects amicably without the need to seek recourse in the court system. 11 of the 32 participants received the training represented private entrepreneurs or community enterprises.
- Engineers and architects of private consultancy firms received training in PPP and PPP project development through the India PPP Capacity Building Trust of the Infrastructure Development Finance Company Limited ("IDFC"). Public sector engineers from central government ministries and municipalities were also among the 33 participants in the training.

5. Partnerships / South-South Solutions

- With India PPP Capacity Building Trust of the Infrastructure Development Finance Company Ltd. (IDFC) to train for engineers from private consultancy firms and the public sector in PPP project development and management, engineers and/ or accounting/ auditing personnel in international PPP procurement practices. [IDFC is a specialized financial intermediary for infrastructure projects in India.]
- IDFC's capabilities were also utilized in drafting a financing policy document being produced through the Nepal Bankers' Association.

Achievements against Annual Work Plan (Annual Targets and Activities)

Attachment

Annual Targets	Achievement (against Annual Targets)	Planned Activities	Achievements (against activities & actions)	Financial			Remarks
				Fund	Budget Code	Budget	
Provide training in PPP project development, management, financing and regulatory mechanisms (150 local government staff and 35 service providers/ informal entrepreneurs trained in PPP conflict resolution)	Fully achieved	Action 1.1 Promote TP&CC modality in partner municipalities and provide training to small businesses/ informal entrepreneurs in project development, management and conflict resolution	After the Municipal Board approved the adoption of TP&CC modality, guidelines for its adoption were developed by the municipality. Political party reps and 160 persons from 52 user committees were trained.	72100	Contractual services	11,358	12,328
				71600	Travel	1,509	1,509
	Fully achieved	Action 1.2 Provide training in project development, management, financing and regulatory mechanism by linking with international PPP capacity development institutions	31 participants from GoN, municipalities and private consultant firms received two-day training in development and management of PPP infrastructure projects through IDFC (India Capacity Building Trust). 40 participants were trained in international practices and procedures in PPP procurement on Nov 9-10.	71205	International Consultant	9,146	9,295
				71400	Contractual services	3,221	3,221
	Fully achieved	Action 1.3 Support to establish PPP units in concerned ministries and provide training in conflict resolution	PPP units supported in MPPW and Ministry of Tourism. 195 participants trained in conflict resolution/ mediation in PPP projects. Mediation of Shree Complex dispute in presence of professional mediator.	71600	Travel	7,000	7,066
				72100	Contractual services	25,560	227
				72500	Supplies	2,000	315
				74500	Miscellaneous	-	-
	Fully achieved	Action 1.4 Support internships and research studies/ thesis writing by students in PPP	3 interns were associated with PPPUE in 2009. Five student dissertation work were supported in 2009.	71400	Contractual services	25,560	21,246
				72100	Contractual services	4,180	4,199
Fully achieved	Action 1.5 Manage knowledge resources and disseminate knowledge products in PPP	PPP issues were highlighted through publication in <i>New Business Age</i> monthly. Best practices in SWM in Nepalese municipalities were recorded in association with the Municipal Association of Nepal.	71400	Contractual services-Individual	2,789	2,015	
			71600	Travel	9,165	9,877	
				72500	Supplies	300	-
				74500	Miscellaneous	-	-
Sub-total						109,808	122,259

Achievements against Annual Work Plan (Annual Targets and Activities)

Annual Targets	Achievement (against Annual Targets)	Planned Activities	Achievements (against activities & actions)	Financial			Remarks
				Fund	Budget Code	Budget	
PPP projects in infrastructure and basic service delivery supported (20 PPP projects implemented; 4 feasibility/ other studies completed)	Fully achieved	Action 2.1 Support to identify, develop and implement feasible PPP projects	20 projects supported for implementation in partner and non-partner municipalities.	71400	Contractual services - Individuals	28,976	28,980
				71600	Travel	9,836	7,486
				72615	Seed grants	67,797	61,560
				72500	Supplies	800	726
				74500	Miscellaneous	-	-
				72100	Contractual Services	22,300	15,883
				71600	Travel	1,200	1,078
				72500	Supplies	200	180
	85%		Three studies completed - Old bus park (KMC); PPP arrangement for Balkumari vegetable market, Bharatpur; Operation of Yam composting project, Pokhara. Study on public toilet at Hadaali Haat, Biratnagar in PPP arrangement will be completed by January 2010. Observation visit of model meat shops by meat vendors completed.				
	Fully achieved	Action 2.3 Replicate and support PPP activities in non-partner municipalities through MuAN & FNCCI	Five projects are being pursued in non-partner municipalities. A waste management project in Guleria and public toilet (urban service centre) project in Dharan have been supported recently.	72100	Contractual services	21,350	19,974
	Fully achieved	Action 2.4 Explore various PPP technical support mechanisms	Representatives from NPC, MoLD and MPPW visited IDFC, New Delhi and ASCI, Hyderabad in mid-November to learn about setting up and running of those institutions .	72500	Supplies	-	-
	Fully achieved	Action 2.5 Support to initialize carbon trading in Solid Waste Management projects	Report on CDM potential in SWM completed <i>Information Document on CDM in Solid Waste Management</i> booklet produced. Two experts from Waste Concern, Bangladesh shared their orientation to municipalities on CDM on regional basis. Experiences in CDM work there and sensitized private sector and government representatives including the High level Committee on SWM on use of CDM in municipal waste management on Nov. 15-16, 2009	74500	Miscellaneous	800	765
	Fully achieved	Action 2.6 Support implementation of ISWM project in Biratnagar	Project initiated.	71200	International Travel	10,000	10,843
	Fully achieved			72500	Supplies	600	-
	Fully achieved			71200	International Consultant	3,000	1,389
	Fully achieved			72100	Contractual services	12,602	15,526
	Fully achieved			72500	Supplies	1,000	1,391
	Fully achieved			74500	Miscellaneous	-	-
	Fully achieved			72100	Contractual services	12,340	12,335
	Fully achieved			72500	Supplies	500	500
	Fully achieved			74500	Miscellaneous	1,550	1,549
Sub-total						184,851	169,366

Achievements against Annual Work Plan (Annual Targets and Activities)

Annual Targets	Achievement (against Annual Targets)	Planned Activities	Achievements (against activities & actions)	Financial			Remarks	
				Fund	Budget Code	Budget		Expenditure
3. Policy, regulatory and financing frameworks for PPPs introduced/ improved	Fully achieved	Action 3.1 Support to finalize draft PPP financing policy document	Draft of PPP financing policy prepared.	71400	Contractual services	8,360	6,670	
				74500	Miscellaneous	1,500	-	
				72500	Supplies	200	-	
	Fully achieved	Action 3.2 Support to incorporate PPP procurement under Public Procurement Act	Draft PPP procurement guidelines submitted to MoLD.	71400	Contractual Services	2,400	2,370	
				71600	Travel	-	-	
				74500	Miscellaneous	1,000	263	
	Fully achieved	Action 3.4 Support participation in national/ international PPP events for policy related work	A study visit to Malaysia conducted with representatives from MoLD, MoF, NPC and local government. The team visited 4 large PPP projects there and interacted with government and private sector representatives.	71200	International Travel	18,281	18,280	
				74500	Miscellaneous	642	642	
				72500	Supplies	-	-	
	Fully achieved	Action 3.5 Project review, evaluation and new project formulation	Review of PPPUE project completed in August. Project document and work plans for new phase prepared.	71200	International Consultant	6,680	6,678	
				74500	Local Consultant	3,450	3,503	
				72500	Miscellaneous	-	-	
	Sub-total						347,172	290,422

Issues Log

Award ID: 00034877						
Award Title: Public-Private Partnerships for Urban Environment (NEP/04/001)						
Year: 2009						
ID	Type	Date Identified	Description and Comments	Status	Status Change Date	Author
1	01_OTHER	16/06/2009	Frequent changes in municipality executive officers affect PPP project development, other PPP activities and subsequent implementation	No change	Dec-09	PPPUE
2	02_OTHER	16/06/2009	PPP activities are still seen as domain of PPP focal point or his/her section or department PPP co-ordinating cells formed in municipalities with department and section heads of the municipal office	Improved	Dec-09	PPPUE

Risk Log

Project Title: Public-Private Partnerships for Urban Environment
Award ID: 34877

#	Description	Category	Impact & Probability	Countermeasures / Mngt response	Owner	Author	Date Identified	Last Update	Status
1	If strikes or bandhs are prolonged blocking free movement, implementation of project activities will be negatively impacted	Operational	P = 3	Employ field based staff as short term measure	PPPUE	PPPUE	16/06/2009	Dec-09	Deteriorated
2	New procurement laws and regulations fail to include PPP procurement provisions	Operational	P = 1	New Public Procurement Act has been introduced; PPP procurement guidelines have been drafted and submitted to MLD.	MLD	PPPUE	11/12/2008	Dec-09	No change
3	Uncertainty of local level governance structure	Political	P = 1	Coordination with major political parties	PPP Committee	PPPUE	22/09/2006	Dec-09	No change
4	Absence of local representatives is prolonged	Political	P = 1	Coordination with major political parties	PPP Committee	PPPUE	22/09/2006	Dec-09	No change