

Government of Nepal
Ministry of Water Supply and Sanitation
Rural Water Supply and Sanitation Improvement Project –Component 2
Project Management Unit
Kathmandu

**Report on Water Supply and Sanitation User Committee Study for
Networking, Marketing and Partnership Building**



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Kathmandu, Nepal

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1. Background and rationale

In 1990, Government of Nepal (GoN) adopted community management model for water supply, sanitation and hygiene (WASH) service delivery to its people. In this model, water users groups form water supply users' committees that are responsible for operation, management and maintenance of their water supply schemes. There are about 41, 205 completed water supply schemes in the country (NMIP Report, 2014) covering roughly 26 million people with access to basic drinking water services. Majority of these water schemes are managed by water supply user committees (WSUCs). The report also reveals that only 31% of schemes have water supply and sanitation technicians, only 4.5% of water supply schemes have operation and maintenance fund. To make thing worse, only around only around 26% are functional and the rest need minor repair/maintenance, major repair or rehabilitation & reconstruction. The main problems of these schemes include lack of maintenance workers & maintenance fund, absence of technical skills among WSUCs for operation, maintenance and management of schemes.

In light of the above, PST carried out a brief field study covering ten water supply schemes in Lamjung district in June with an aim to explore possibilities on developing district WASH Network through networking, marketing and possible partnership arrangements among Water Supply and Sanitation User Committees (WSUCs) themselves as well as between WSUCs and service providers. The study does not represent all WSUCs in the district and hence, is to be considered as an exploratory work only. It is expected that the report will provide some further guidance for the project C2 to proceed with the sanitation marketing (WASH networking, marketing and partnership) study for the project C2.

2. Objectives and purposes of the study

The main objectives are to develop a WASH network that provides strong linkages between Water Users' committees (WSUCs), suppliers and service providers and develop network that establishes market (s) for rural water supply and sanitation goods and services.

The specific objective of the study was to find out the current status of WSUCs regarding the networking, marketing and partnership building among WSUCs and between WSUCs and WASH materials suppliers, service providers for long term sustainability of the water supply and sanitation services in respective WSUCs service areas. In other words, the project intends to promote WSUCs helping themselves in solving challenges concerning service delivery.

3. Proposed methodology adopted for the study

Initially, a desk study was carried out and literatures reviewed to develop checklist/questionnaires that could be used to collect information for the proposed field study. The following nine key areas were considered for the proposed field study.

- 3.1 Scheme management;
- 3.2 Financial/accounting system, scheme insurance;
- 3.3 Skilled technical manpower;
- 3.4 Asset management;
- 3.5 Business plan and financial management;
- 3.6 Outsourcing WASH services;
- 3.7 Extension of water supply services to low income/marginalized households;
- 3.8 General information on WASH suppliers/service providers and
- 3.9 Enhancing WASH networks, markets and partnership

Based on these areas, checklists/questionnaires were developed.

4. Study Method and data collection tools

Sampling method was used for this study. Two types of checklists were developed; one for the WSUCs and other for WASH materials suppliers/service providers were developed for the purpose of this study.

4.1 Field Study

Lamjung was selected randomly for the study purpose. A total of 10 water supply and sanitation user committees (WSUCs) as mentioned below were randomly selected with the technical support of water supply and sanitation division office (WSSDO), Lamjung. The main selection criterion was center and periphery concept with district headquarters as center and other places as periphery for networking, marketing and partnership building.

The general information of the ten scheme communities was gathered as below.

4.2 The general information of the WSUCs

SN	Name of the Project	Name of the WSUC	WSUC Formation Date	Address		Contact No.	Selection process	WSUC Registration Year	Implementing Agency	Completed Year	Handover Year
1	Besishahar WSP	Besishahar WSUC	2052	Besishahar Municipality	8	66520073	Elected	2052	WSSDO	2048	2049
2	Bhulabhule WSP	Bhulabhule WSUC	2073	Marsyandi Rural Municipality	8	9856045775	Consent	2071	WSSDO		
3	Tarapu WSP	Tarapu WSUC	2072	Marsyandi Rural Municipality	3	9856030505	Consent	2072	WSSDO		
4	Ghermu WSP	Ghermu WSUC	2069	Marsyandi Rural Municipality	5	9856046019	Consent		WSSDO	2071	2071
5	Udipur WSP	Udipur WSUC	2072	Besishahar Municipality	1	9856044844	Consent	2073	WSSDO		
6	Bhoteodar WSP	Bhoteodar WSUC	2066	Sundar Bazar Municipality	8	9856046251	Elected	2066	WSSDO	2067	2068
7	Sundar Bazar WSP	Sundar Bazar WSUC	2054	Sundar Bazar Municipality	5	9856045206	Elected	2062	WSSDO	2062	2062
8	Parewadanda WSP	Parewadanda WSUC	2054	Sundar Bazar Municipality	2	9746013360	Elected	2055	WSSDO	2057	2057
9	Lasune Khola WSP	Lasune Khola WSUC	2064	Sundar Bazar Municipality	9	9856045477	Consent	2064	MMHPP	2067	2067
10	Paudi WSP	Paudi WSUC	2056	Sundar Bazar Municipality	7	9846339615	Consent	2056	WSSDO	2059	2059

4.3 Existing Water Supply schemes

Out of 10 water supply schemes, 6 schemes are gravity flow, 3 schemes are gravity flow with underground pumping and one scheme is gravity flow with surface pumping. All the schemes were fully functional during the course of the field study. Four of the 10 schemes had some sort of treatment plant.

Individual house/yard connections are initiated by most of the WSUCs. 9 out of 10 communities have started tap connection in their houses or yards while one community still fetches water from the community standpipe. Of the 10 scheme communities visited, 7 communities have installed meters for private connection and public water points while 2 communities have private taps connection but meters are still to be installed. One scheme community receives water supply from public tap service.

A total of 5,802 households exist currently in these ten communities. These are the mixed communities inclusive of all caste groups. Some WSUCs had even maintained data on disabled population and women headed households.

In regard to sanitation coverage, all ten scheme communities enjoy Open Defecation Free (ODF) status.

5. Analysis and Findings of the Study

Efforts are made to analyses data collected under each area. Although most of the data gathered show the status only, efforts are made to analyze the trend and provide some assumptions that are likely to happen. In some instances propositions are also made.

A brief description and analysis on the data gathered in the field is summarized below;

Data (status, interpretation/trend and assumptions) matrix

s/n	Areas of field studies	Current status based on the data gathered from WSUC representatives in the field	Data interpretation/trend	Remarks/assumptions
1	Scheme management	<p>4 out of 10 WSUCs have clear idea on the scheme and the rest six WSUCs do not seem to have detailed information about their schemes.</p> <p>All WSUCs have conducted meetings to discuss issues related to their schemes and the frequency of meeting varied from one WSUC to another. A maximum of 18 meetings per year have been conducted by one WSUC whereas 6 WSUCs have conducted 12 such meetings per year. Only one WSUC has conducted 3 meetings. All but one WSUCs have maintained records of the meetings. But it is not clear if the decisions taken during the meetings have been implemented.</p>	<p>The WSUCs see the need to organize the meetings on a regular basis to discuss the issues in regard to the scheme. In this particular case, since all schemes are functional, some WSUCs did not conduct meetings regularly but rather as and when basis although it is good to hold meetings and maintain the record as a good management practice.</p> <p>In regard to information about the schemes, 4 out of ten WSUCs are aware of their and have maintained water flow schematic diagram while the other six WSUCs did not have clear picture about the structures and their locations.</p> <p>9 out of ten WSUCs had not identified the low income/marginalized areas while only one WSUC had prepared social map.</p>	<p>The schemes are fully functional and therefore it is assumed that the WSUCs are implementing their decisions taken during their meetings.</p> <p>The Project C2 has capacity enhancement training for the WSUC members and issues on scheme management are discussed during the training sessions.</p> <p>Issues on GESI are being discussed in the WSUC training sessions and it is anticipated that WSUCs will maintain the social mapping for the disadvantaged groups within the scheme areas.</p>
2	Financial/accounting system management, scheme insurance	<p>All (100%) WSUCs have maintained separate bank account for the maintenance fund. They have at least two signatories for dealing with financial matters. They also maintain income and expenditure status and present in the annual general meeting (AGM).</p>	<p>The financial system management seems to be good and transparent as all users (representative of each household) attend the meeting.</p> <p>Insurance in rural water schemes is not that common in Nepal. Very few rural schemes have been insured (for example in Carve</p>	<p>A lot more efforts are needed for the rural water schemes insurance with the insurance</p>

			district) and only one small town water supply has been insured (Lekhnath water supply project –Kaski district).	companies. The project C2 will lobby in this regard with selected companies.
3	Technical manpower (appointment of Village Maintenance Worker-VMW)	<p>90% WSUCs have appointed village maintenance worker for technical part, the only one (Udipur) WSUC had not appointed VMW permanently. It hired VMW on daily wages basis and paid NRs. 800 per day.</p> <p>90% WSUCs had paid monthly salary to their maintenance workers varying from NRs. 500</p> <p>to Rs. 17,000 per month. One WSUC paid its maintenance worker on daily wages basis.</p> <p>80% WSUCs' VMWs had received repair and maintenance training, one WSUC had not because this project was constructed by Middle Marsyandi Hydro Power Project and one WSUC's VMW left the service.</p>	The wages of VMWs vary from one WSUC to other. Normally, WSUCs appoint the VMWs in their scheme but it is also worth looking into the practice adopted by one WSUC that has engaged VMW on need basis. If one VMW takes care of a number of schemes then he will be able to earn more for his living. He will consider this as his stable job and will not leave the area for search of job elsewhere.	<p>In most cases, the only technical person that rural water scheme communities engage is VMW. And the only revenue they generate to pay the VMW is from the water tariff. The VMWs are in most cases, trained by the government (MOWSS).</p> <p>However it is not known how WSUCs engage the VMWs and under what terms and conditions.</p>
4	Assets management (water meters, water pumps, pipes and fittings, tools and equipment, building materials etc.), repair and maintenance handling	The information received from the WSUCs reveal that they purchase water meters, pipes and fittings and other materials as and when required although they purchase from different places within and outside the district and hence at different prices. Not all WSUCs were aware of where the meters were found in	<p>Majority of the WSUCs purchase WASH materials and supplies in the district while few purchase them outside the district. They were not aware of the availability of these materials in local market. Few have maintained stores for materials and supplies.</p> <p>The WSUCs do not seem to keep many items</p>	The idea of One-stop-shop could perhaps work as users do not have to have to go outside the district to buy needed items wasting both time and money.

		<p>the market. Hence they resorted to other places outside the district. 2 out of 10 WSUCs purchased meters from outside the district while 7 WSUCs purchased in the district. In the same way, the WSUCs purchase pipes and fittings and other materials for the project as and when needed basis and don not stock them in warehouse or store as such.</p> <p>2 out of ten WSUCs have maintained records on what component of the scheme is damaged. Another two had maintained the records from user groups problem reporting.</p>	<p>in the store but prefer to buy from the market as and when required. The only issue is that they buy from different places and even outside the district.</p>	
5	Business Plan and Financial Management	<p>None of the WSUCs had prepared any kind of business investment plan for water supply and sanitation services.</p> <p>80% WSUCs received water tariff in cash, one WSUC received water tariff in cash as well as in kind and one WSUC had not charged water tariff at all.</p> <p>50% WSUCs had fixed minimum NRs. 100 per 10,000 liters, 30% WSUS fixed minimum</p> <p>NRs. 80 per 10,000 liters, 10% WSUC charged NRs. 30 per month and 10% WSUC (Bhulbhule) distributed water free of cost.</p> <p>70% WSUCs responded that collected</p>	<p>The only cash the WSUC generate if from collecting water tariff from the consumers. The water tariff collection and amount is gradually improving as household tap connection demand is on the rise. The district of Lampung has also initiated in its policy to have one house one tap concept. This might be a good entry point for the WSUCs to generate more funds.</p> <p>It seems that the WSUCs have a good amount of maintenance fund collected and deposited in their account.</p>	<p>The project C2 has business plan session in its training curriculum for WSUC capacity enhancement. It is expected that they will make the best use of their resources that would help them generate more income. This could be either expanding the water supply scheme to other nearby communities (if any that need) by developing additional water source as appropriate. Other options could be explored as we implement the project.</p> <p>Water is a social as well as an economic good. Huge investments are made to</p>

		<p>fund was adequate for maintenance work, 20% WSUCs responded that it was not sufficient and one WSUC did not collect the water tariff.</p> <p><i>All the WSUCs had maintenance fund of varying amount. The highest fund was of Lasune WSUC NRs. 27,41,000 and the lowest fund of NRs. 1,22,000 WSUC of Tarapu. Likewise, Besishahar WSUC had NRs. 8,50,000, Udipur WSUC had NRs.4,50,000, Bhoteodar WSUC had NRs. 3,05,000, Tarapu WSUC had NRs. 3,02,000, Sundar Bazar WSUC had NRs. 2,50,000, Parewadanda WSUC had NRs. 2,00,000, Paudi WSUC had NRs. 2,00,000 and Bhulbhule WSUC had NRs. 1,54,000.</i></p> <p>60% WSUCs had no arrear in tariff collection while 30% WSUCs had arrear in tariff arrear and one WSUC had not started water tariff collection. This shows that 60% WSUCs had good relationship with users/customers.</p>		<p>develop water supply systems and operation, maintenance and management of the water supply schemes require funds and technical and financial skills. Therefore, revenue generation is a must for effective management and operation of the schemes. In this regard, as elsewhere in the world, users should be taken as customers and water system should be considered as service delivery industry. Hence, WSUCs should be able to work out a good business plan.</p>	
6	Outsourcing services	WASH	<p>7out of 10 WSUCs responded that they prefer receiving maintenance service if available in local market or nearby WSUC communities, 10% WSUC responded they won't and 20% WSUCs did not respond because they already have their VMW.</p> <p>4out of 10 WSUCs responded that they</p>	<p>Because of the uncertainty of whether the VMWs remain in the area on a permanent basis, the trend is gradually shifting to service providers. The only issue is that enough information is not available with the WSUCs.</p>	<p>The WASH networking, marketing and partnership arrangements are crucial for the sustainable water supply and sanitation services in the communities. Although there are <i>ad hoc</i> arrangements done currently by few WSUCs, the project C2 might need to</p>

		<p>would seek service through daily wages arrangements, while 3 WSUCs responded that they would not take such service. One WSUC responded as willing to pay per nature of work load.</p> <p>2 WSUCs responded that they can provide water quality test services if requested by other WSUCs.</p>		<p>institutionalize such arrangements.</p>
7	<p>Extension of Water Service in Low Income Areas</p>	<p>7 out of 10 WSUCs did not respond to this query because they had not followed any process to provide water supply service in low income areas, 1 WSUC followed a process of 1 tap for 5 households, 1 WSUC adopted the process of low tariff and 1 WSUC adopted the process of low tariff in tap connection.</p> <p>6 out of 10 WSUCs responded that they had not done anything to ensure access of low income groups to water supply service, one WSUC adopted 25 per cent less connection charge for Dalit community, 1WSUC admitted their weakness in this regard, one WSUC responded that four community taps were installed in low income area and one has adopted policy of charging low connection charge to low income area.</p>	<p>It is not clear whether all low income households were considered during the project implementation at all or these low income households moved to the communities after the project was commissioned. In any case the idea of connecting these households with a subsidized tariff is a welcome approach.</p>	
8	<p>General information of the suppliers/service providers</p>	<p>40% suppliers responded that they could manage the maintenance service for water supply infrastructure, 40% responded they</p>	<p>Five suppliers were found active in conducting business in water and sanitation sector. A couple of them have also do</p>	<p>The local suppliers showed willingness to do WASH supplies and materials</p>

		<p>can't and 20% did not response in this regard.</p> <p>60% suppliers responded that they can't manage the water pump repairing service, 20% supplier responded that they can be mediator for repairing service and 20% did not response it.</p> <p>20% suppliers responded they can provide mason service for toilet construction while 40% suppliers responded they can't. 20% responded they can act as a mediator and 20% did not response.</p> <p>80% suppliers responded that they can supply WASH material in one-stop-shop in district headquarter and 20% did not respond.</p> <p>60% suppliers responded that they can supply WASH materials in one-stop-shop in different places of district, 20% suppliers responded that they can't and 20% did not response.</p> <p>None of the suppliers advertised for selling their WASH materials.</p> <p>Only 20% supplier produced sanitary material and 80% suppliers did not.</p>	<p>sanitation items such as latrine slab and pans.</p> <p>The field study reveals that suppliers are willing to establish WASH supply chain and do business with the WSUCs.</p>	<p>business and partner with WSUCs/WSUGs.</p>
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9	Enhancing WASH network, market and partnership building	<p>The main supply item that was mostly found difficult to get in the district was the water meter. The users have travelled outside the district to purchase these meters. There are however local suppliers who can supply these times but users are not made aware of this.</p> <p>70% WSUCs responded that water meter were not available in local market, 20% responded they have no knowledge of its availability in local market and 10% WSUCs responded that water meter was available in local market.</p> <p>50% WSUCs had no idea of places where meter was available, 20% WSUCs responded that Kathmandu is the place where meter is available, 10% WSUC responded Besishahar, 10% WSUC responded Dharan and 10% WSUC responded Narayangarh.</p> <p>80% WSUCs responded that the produced water was not excess and only 20% WSUCs responded that they produced more water than needed.</p> <p>80% WSUCs responded that the produced water was not adequate for them, 10% WSUC had a plan for usage in kitchen garden and</p> <p>10% WSUC had no plan of usage of excess produced water.</p>	<p>It is clearly seen that the local suppliers have the capacity to maintain the WASH supply chain and can even establish one-stop-shop if needed. The information received from the ten scheme communities reveal that the suppliers are willing to do business with them.</p>	<p>Partnership arrangement between WSUCs/WSUGs and suppliers/service providers is possible and are to be seen as an important step to promote for sustainability of WASH services.</p>
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		60% WSUCs had new project implementation plan (It is not their own extension programme) with the financial and technical support from government.		
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6. Conclusions and recommendations

The aim of the field study was to understand how WSUCs think about networking and marketing and partnership in the WASH sector and what all practices they are exercising at present to operate, maintain and manage their water supply schemes. The ten schemes studied do not, in any way, represent the views of other WSUCs in the districts and in this regard, the other four pilot districts. However, there is a good deal of lessons that can be learned from this study.

The field work justified the objective of the study. Adequate information has been gathered during the field work for the purpose of preparing this report. .

The report also reveals that WSUCs are willingness and keen to share their good practices to their neighboring WSUCs. The project C2 will need to look into bridging the gap between the WSUCs through good networking practices.

As far as the local suppliers are concerned, they are willing to establish businesses with WSUCs in WASH supply chains. They can also establish one-stop-shop if need be (in the case of Lamjung district). The project can promote the possible marketing and partnership arrangements between the suppliers and WSUCs.

Regarding the service providers, there are skilled human resources in the district and they can conduct the repair and maintenance of the WASH services. The VMWs already available in many of the schemes can also act as service providers for a number of schemes. Outsourcing of service providers and suppliers by WSUCs can be a good model however; a cost benefit analysis needs to be carried out before taking any such decisions.

The information in this field study will act as a good reference for the consulting firm (to be assigned by the project in the near future) for sanitation marketing (as planned in the project). However, the team (PST) strongly feels that the assignment should include WASH networking, marketing and partnership rather than limiting to sanitation marketing alone. The terms of reference should also include the above recommendations.

Note: In this report, networking relates to a process of interlinks between one WSUC to another WSUC or a number of WSUCs and between WSUC/WSUCs and WASH suppliers/service providers to share knowledge, experiences, exchange of ideas, enhance capacity and outsourcing of the services for improved service delivery in a cost-effective manner within their respective service areas.

Marketing is a management process and activities of WSUCs/Suppliers associated with buying and selling of products/goods, service, ideas etc. It includes promotion, advertising, selling, and delivering products to people/institutions.

Partnership is an arrangement in which two or more individuals/institutions share the profits and liabilities of a business venture. Various partnership arrangements are possible- short/long term agreement between WSUCs and suppliers on specific WASH supplies and materials for a fixed period of time at a fixed costs or between WSUCs and service providers for specific tasks such as repair and routine maintenance, water quality monitoring, sanitary latrine supplies etc..