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SUOMI
FINLAND

Sustainable WASH for All (SUSWA)

Manual on Participatory Annual Performance Assessment (PAPA)



(Approved by the 5th Supervisory Board meeting held on 24th July 2023)

Picture on the front page of 11th RM Council Meeting
Mudkechula Rural Municipality, Dolpa



1. Introduction

Sustainable WASH for all (SUSWA) is a bilateral project funded by the Government of Nepal (GoN) and Government of Finland (GoF)/EU and implemented in selected local governments (LGs) of Karnali Province. This project is a continuation of financial and technical support that the GoF has been providing to the development of the WASH sector in Nepal since 1989. The Department of Water Supply and Sewerage Management (DWSSM) under the Ministry of Water Supply (MoWS) is the main agency supporting the implementation of this project. DWSSM assigns Project Coordination Office (PCO) for the project. The PCO is entrusted for reporting to DWSSM and coordinates the project at the local, provincial and federal levels jointly with Project Support Unit (PSU).

SUSWA project aims to have the following key impact and outcome statements:

Impact Statement: “Improved well-being and inclusive communities with sustainable WASH services and behaviors through local governments’ improved capacity to achieve equal rights to WASH for all”.

Outcome Statement: “People supported by the Project Municipalities have improved and equitable access to safe and sustainable drinking water and adequate sanitation services, dignified menstruation and improved hygiene practices paying special attention to the needs of women and girls and those in vulnerable situations.”

This manual refers to the outcome of the Participatory Annual Performance Assessment (PAPA) which will be completed by the team of SUSWA and the representatives of WASH Management Committee (WASH-MC) from the respective LGs of Karnali province.

2. Rationale of the Assessment

The overall rationale of the SUSWA-PAPA is to provide the LGs with an understanding of their current areas of improvement in terms of WASH governance, level of engagement with WASH interventions by linking the amounts disbursed to their performance to the vulnerable communities of Karnali Province. In addition, for LGs to access increased and/or continued funding, they must meet and remain in compliance with a set of performance measures which ensure that a minimum absorptive capacity is in place to handle the funds and to reduce fiduciary risk, and that they are actively addressing the local challenges and investment needs within the field of climate resilient WASH intervention.

The PAPA is part of SUSWA’s demand-driven approach to design and implement capacity development activities. As a TA provider, SUSWA will provide capacity building to LGs to help them better address risks and vulnerabilities and to integrate climate resilient WASH into their planning and budgeting processes – thus improving preparedness for, awareness of and resilient to WASH. Through such capacity building the LGs will be in a better position for accessing and effectively using wider sources of Municipal WASH funding.

3. Objective of the Assessment

The objectives of the assessment are to:

- Provide opportunities to the LGs to improve key performance areas and adhere to national standards and good practices to strengthen climate resilient WASH intervention.
- Provide basic safeguard measures against fund misuse and reduce fiduciary risks to an acceptable level, which then often leads to a greater willingness to support LGs from federal and provincial government or other funding agencies including development partners.
- Strengthen capacity development (CD) efforts. LGs have stronger ability to use technical assistance support efficiently, as their performance is linked to funding. – CD activities are mainly targeted towards addressing identified weaknesses, and more likely to be “translated” into actual practice.
- Improve accountability through the transparent publication and dissemination of assessment results and the use of indicators promoting good governance and participation.
- Attract additional funding to the LGs from global funds and other bilateral or multilateral partners for needed investments in climate resilient activities through documenting that they can effectively manage targeted funding in an efficient manner.

4. Assessment Process

Timing for Assessment

A participatory approach is applied in this assessment to incentivize LGs to meet WASH development objectives. The outcome of assessment will be used to adjust the level of funding made available to the LGs year to year linking with WASH Plan and vulnerability index and overall score of Local Government Institutional Capacity Self-Assessment (LISA). If LGs are found not to have met the performance targets, capacity-building activities are to be designed and implemented to meet the identified gaps.

The participatory performance assessments will be carried out on a half yearly basis per annum to fit with the LGs planning and budgeting process, i.e., the results should be ready prior to allocation of funds from federal to local government each year. The assessment will start from August and its first round (as a pilot) will be completed in August-September 2024. It means PAPA will be carried out within a certain interval as all working LGs will follow the same fiscal timeline for the implementation.

The participatory performance assessment typically involves 7 steps as illustrated below:

- Awareness raising about the system;
- Support to LGs to comply with the performance measures;
- Participatory self-assessment by SUSWA and LGs;
- Verification/quality assurance by SUSWA;
- Validation of PAPA report through WASH-MC of respective LGs
- Approval of the results by the LGs in consultation and dialogues with SUSWA and PCO.
- Impact on funds release according to results.

5. Adopted Methodology

The assessment broadly examines the LGs' performance related to the SUSWA Project Implementation Manual (PIM). This helps to evaluate the municipal activity in general; however, it is widely affected by the ownership that the LG shows towards a financial aid of the programme.

An assessment tool has been developed with the following seven key thematic areas for assessing the performance.

1. Planning vs achievements
2. LGs contribution and expenditures
3. Monitoring and reporting
4. WASH-MC meetings and review the meetings
5. Utilization and transparency of Municipal WASH Fund (MWF)
6. Policy formulation and proper implementation of PIM and Project guidelines

6. Collaboration of Project Activities with other Agencies

SUSWA will finalize the assessment tool and guidance note through a series of consultations. A comprehensive orientation on the assessment tool will be delivered to all WASH Advisors (WAs) and Specialists to build common understanding on the tool among all participants. In the orientation, demonstrations will be done on the scoring methodology for all questions under the seven thematic areas. Their feedback and suggestions will be incorporated while finalizing the tool. LGs will present their views along with required evidence against the questions, which will be then entered into the tool to score performance of respective LG. Active participation of LGs in the assessment is crucial as the outcome of the assessment should be assimilated by the LG in the context of SUSWA, which might demonstrate various recommendations for improvement, capacity development activities as well as financial allocation of the subsequent fiscal years.

In the first round of assessment as pilot, SUSWA will select eight LGs from the 1st year fast track LGs. Extensive interactions, formal discussion and structured questionnaire surveys were employed jointly with Chief Administrative Officer (CAO), Accountant, Engineer and Other officials of the LGs during assessment. The gathered data and information were later transferred into a web-based browsing system and results will then compute it in Dashboard form. The Project Support Unit (PSU) Specialists from SUSWA will engage for the quality assurance and control of the gathered data and their analysis.

During the assessment, important documents of the LGs, such as reports, budgets and plans will be thoroughly studied as a part of verification. This is a first preliminary report based on assessment of the 8 LGs and the report will be updated by the end of September after completing. The reports are only finalized after re-evaluation and validation of the evidence by the SUSWA team after receiving the information from the WAs. Based on the findings of assessment, SUSWA will update the plan to improve the performance and capacity of the LGs. Newly identified risks will be updated in the risk register.

7. Performance Criteria

The performance indicators are generated from WASH sector planning, monitoring and governance and resource leveraging related indicators, as the governance and planning, budgeting processes are very crucial for effective resource allocation and handling of funds.

The performance measures are designed in such a way that each of the thematic areas listed below are weighted and only a single score can be given to each indicator. The scores of one LG will then be compared with other LGs and the relative performance will be used for relevant decisions moving forward, for example funds allocation. The overall performance score (100%) of the LG will be computed by using the following weightages.

I.Planning vs achievements (40%)

- a. Physical Progress (20%)
- b. Financial Progress (20%)

II.WASH-MC meetings and review the meetings with reporting (20%)

III.Progress of Step by Step (SbS) and all software activities (20%)

IV.Utilization and transparency of MWF (10%)

V.Policy formulation and proper implementation of PIM and project guidelines (5%)

VI.Collaboration of the project activities with other agencies (5%)

8. Participatory Performance Assessment Steps

SUSWA will follow the steps for Participatory Annual Performance Assessment (PAPA) of LGs, which is summarized and explained as follows:

Setting Annual Targets

Every LG has its Annual Work Plan (AWP). This AWP has both, financial and physical targets specified for the specific fiscal year in the project's AWP as well and are approved by the Supervisory Board. A level of summarized version is entered into the Line Ministry Budget Information System (LMBIS) of the Ministry of Finance which is reflected in the Redbook of the Government of Nepal.

Target Entry in PAPA Software

SUSWA will make a web-based browsing system for LGs. WASH Advisors will have access to this system. Based on the AWP of LG, WASH units will enter the annual targets of its related LGs for the particular fiscal year into the system at the beginning of the fiscal year. Once the performance evaluation (PE) targets are entered into the system, the system is locked for the entire year and only opens at the end of the fiscal year (FY) to enter the achievements.

Nomination of Performance Evaluation Team Members

The Performance Evaluation Team represents the WASH-MC and the Project representative. Hence, WASH-MC and Project both nominate their representatives as the evaluation team members. This team is further responsible to conduct PAPA of the respective LG and WASH unit staff based on the project's guidelines and reference documents.

Validation and Entry of Progress Figures

The PAPA performance evaluation team verifies all the information with valid means of verification/documents and also verifies the progress against the targets. After the verification, the team jointly validates the progress figures and enters into the annual performance form designed in SUSWA SmartME.

Endorsement

The PAPA system analyzes the entered data as per the manuals and produces reports for PAPAs of LGs. The produced reports are printed and signed by the team members and submitted to the WASH-MC and PSU for their endorsement and also validated through LGs' Executive Committees.

9. PAPA Report

Once the PAPA team finalises the report and submits it to WASH-MC, the WASH-MC endorses all PAPA reports and decides for further process.

Scoring System

The broader level indicators are also mentioned in the Memorandum of Understanding (MoU) signed between the DWSSM and LGs and included in the PIM.

Assessment of Findings: (Reward System to LGs)

Based on the performance score received by the LGs in the previous fiscal year, the Project will apply a reward system for best performing LG.

Overall and thematic area-wise rankings were provided using following scoring scale:

Score equal to or more than 90% = Excellent

Score equal to or more than 80% and less than 90% = Very Good

Score equal to or greater than 60% and less than 80% = Good

Score less than 60% = Unsatisfactory

Mode of reward will be as follows:

LG scoring equal or more than 90% marks: (Excellent)

- The project will facilitate adding 10 – 20% more investment budget for the respective LG.
- The project will organise special exposure trips to WASH-MC members in national level workshops/ seminars or to the areas where WASH activities are well implemented and demonstrated within the country.

LGs scoring equal or more than 80 and less than 90 marks: (Very Good)

- The project will facilitate adding up to 10% more investment budget for the respective LG.

LGs scoring equal to or more than 60 and less than 80 marks: (Good)

- The project will continue with the budget ceiling available and will encourage LG to enhance their performance in coming days.

LGs scoring less than 60 marks: (Unsatisfactory)

- The project will recommend to reduce 10-20% of the investment budget from the allocated ceiling.

The indicators will be updated on an annual basis to explore needs for adjustment. It is important to note here that if information is not available on the spot due to lack of LG registers etc. or lack of preparedness (despite early notice on the assessment), the indicator will be rated as zero as the LG is responsible for accurate archives and supporting documentation.

10. Limitation

In the assessment, SUSWA's working LGs' activities are assessed. The assessment is not mandated and aimed for the assessment of a LG's overall activities. This assessment therefore covers performance of only SUSWA but not the performance of the entire LG program.

Summary of scoring criteria and means of verification

S.N.	Parameter	Indicator	Full Score	Scoring criteria	Means of Verification
1	Planning Vs Achievements (40%)	Physical progress (with reference to AWP)	20	<ul style="list-style-type: none"> Completed > 80% schemes of total = 20 Completed > 70% < 80% schemes = 14 Completed > 60% < 70% schemes = 10 Completed < 60% schemes = 0 	Analysis and verification of approved plan and report
		Financial progress (with reference to APW)*	20	<ul style="list-style-type: none"> Expended > 80% of total budget = 20 Expended > 70% < 80% of total budget = 14 Expended > 60% < 70% of total budget = 10 Expended < 60% of total budget = 0 	Analysis of actual expenditure and approved budget of LGs
2	WASH-MC Meetings and Reporting (20%)	Regularity of WASH-MC meeting and Reporting System	20	<ul style="list-style-type: none"> At least 10 months and 10 or more meetings and reporting = 20 Less than 10 months and 10 or more meetings and reporting = 15 6 to 9 meetings and reporting within the year = 10 Less than 6 meetings within the year = 0 	WASH-MC meeting minutes and Proper Reporting System
3	Progress of SBS and all software activities (20%)	Reporting of SBS software activities in Scheme Level and LG Level	20	<ul style="list-style-type: none"> Completed SBS activities > 80% = 20 Completed SBS activities > 70% < 80% schemes = 14 Completed SBS activities > 60% < 70% schemes = 10 Completed SBS activities < 60% schemes = 0 	Progress report, Qualitative Data Entry of SBS activities in SmartME software.

3	Utilization and transparency of MWF (10%)	Proper utilization of MWF and transparency maintained (with reference to LG's AWP)	5	<ul style="list-style-type: none"> ● Expenditure aligned with AWP and financial statement posted publicly (noticeboard) = 5 ● Expenditure aligned with AWP but financial statement not posted publicly (noticeboard) = 3 ● Any expenditure that is different than AWP and borrowed fund settled timely = 0 ● Any expenditure that is different than AWP and borrowed fund not settled within the fiscal year = -5 	Progress report, Evidence of published notice
		Suggestion of Monitoring team applied	5	<ul style="list-style-type: none"> ● Feedbacks from joint monitoring (Project and PCO) are implemented timely = 5 ● Feedbacks from joint monitoring (Project and PCO) are not implemented timely = 0 	Monitoring reports and LG records.
4	Policy formulation and proper implementation of PIM and project guidelines (5%)	Policy Formulation and Proper follow of project guidelines and PIM	5	<ul style="list-style-type: none"> ● Required policies are formulated and Project Implementation Manual (PIM) is fully implemented = 5 ● Any clause of PIM not followed = 0 	Scheme and LG monitoring reports, Council Meeting Minutes
5	Collaboration of the project activities with other agencies (5%)	Sharing of financial resources with other section of LG and stakeholders	5	<ul style="list-style-type: none"> ● Received support from 3 or more agencies = 5 ● Received support from 2 agencies = 4 ● Received support from 1 agency = 3 ● Not received support from any agency = 0 	Annual Progress Report, WASH-MC Minutes, Proposals/Contracts/ MoUs, event reports
Total			100		

Note: Participatory Annual Performance Assessment Tool is configured in SUSWA SmartME