



Public-Private Partnerships for Service Delivery

Nepal:

**Public-Private Partnership in Solid Waste Management Contributing to MDGs 1 and 7 in Biratnagar**

**COUNTRY INFORMATION**

Nepal is among the poorest and least developed countries in the world. With almost one-third of the population living below the poverty line, the nation is currently ranked 144 out of 177 in the Human Development Index (HDI) as of 2007. Nepal is a country that has endured remarkable change over the years and recent political changes are expected to



Map of Nepal courtesy of www.nationmaster.com

significantly carve a new path of development for the nation. On 10 April 2008, Nepal's constituent assembly (CA) elections went ahead as planned, despite two postponements, armed groups' threats of disruption and, often, questionable political will.

The country's population currently stands at 29.3 million people, which by 2015 is projected to rise to 32.8 million. Agriculture is the mainstay of the Nepalese economy, providing a livelihood for approximately three-quarters of the population.

The poor's access to basic services in Nepal has shown some improvement in recent years. The percentage of the population using improved sanitation has risen from 11% (1990) to 35% (2004). Similarly, access to improved water sources has risen from 70% (1990) to 90% (2004).

**CHALLENGES OF CONVENTIONAL WASTE MANAGEMENT IN NEPAL**

Solid waste management has traditionally been a distinctly municipal responsibility in Nepal. The in-effective governance of the authorities responsible for solid waste management has led to the presence of significant amounts of unmanaged waste in

cities around the country. Rapid and unplanned urban growth has exerted tremendous pressure on the urban environment and solid waste is visibly the worst environmental problem in many urban areas in the country.



**PPPSD**

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## SUSTAINABLE DELIVERY OF WASTE MANAGEMENT SERVICES

Prior to the introduction of the Public-Private Partnership (PPP) initiative in solid waste management, municipal governments in Nepal were solely responsible for all waste management activities that were limited to street sweeping, household waste collection and waste disposal. By adopting a PPP in public services, Biratnagar sub-metropolitan city has become a pioneer in spearheading the private sector's and other non state actors' involvement in solid waste management in Nepal. It was in 1997 that the private sector's involvement in Solid Waste Management (SWM) was introduced to the city of Biratnagar. Over the past ten years, it has developed a working and sustainable system to effectively deal with municipal waste, show-casing a model for similar PPP in Solid Waste Management throughout Nepal.

Since the involvement of a private operator, BMC-Siltes, solid waste management in Biratnagar has progressed to involve a variety of methods including door to door collection, waste reduction using by-products like briquettes, composting green waste and resource recovery. In addition, it took the lead in activities such as awareness-raising regarding the need and benefits of reducing and reusing waste.

Biratnagar city's solid waste is presently managed by an NGO called Forum for Social Improvement and Environmental Development through a fee-based PPP service contract for collection, transfer and disposal of solid waste (including street cleaning). Sixty of the municipality's sweepers are employed by the Forum of Social Improvement.

The present arrangement is, in many ways, a continuation of the system that has evolved over the past ten years with BMC-Siltes. Waste transfer sites are chosen in co-ordination and consensus with local citizens, and the private operator aims to find an appropriate final disposal site for landfill which can also be used for a waste recovery centre.

## LAYING BASIS FOR SUSTAINABLE LOCAL SERVICE DELIVERY

The PPP initiative in Solid Waste Management in Biratnagar has benefited greatly right from the first phase of UNDP Public-Private Partnerships for Service Delivery (PPPSD) in 2002.

The implementation involved a series of different activities ranging from policy review to capacity development including the following;

- Institution and partnership development by establishing effective co-ordination mechanisms between stakeholder institutions at national and municipal levels;
- Capacity enhancement through development of training curricula, modules and tools for PPP pilot projects and nation-wide dissemination;
- Capacity development on perceptions of PPP, PPP planning and implementation, proposal development and evaluation, bid evaluations and selection, contract preparation, monitoring and evaluation, and demand-driven training including legal provisions, business plan development and financial analysis; and

- Policy guidance support to municipal government on the establishment of a conducive national environment for PPPs ranging from review of existing legal frameworks, formulation of PPP strategy and local PPP policy and amendments of regulations.



### THE PROJECT OBJECTIVES:

- To develop a self-sustainable, charge-based and community-supported solid waste management system with an emphasis on recycling and resource recovery.
- To raise the awareness of environmental protection in the community at large through research, training, publications and the promotion of renewable energy and organic farming.

### ACHIEVEMENTS:

The benefits of effective solid waste management services to poor communities are far-reaching. Not only does the reduction

of the volume of solid waste benefit the natural environment but it also significantly reduces pollution, improves the standard of public health and safety, and creates employment and income generation opportunities for the poor.

- All the households of Biratnagar (39,000 total) are benefiting directly and indirectly from waste management services. 1,500 households are currently using door to door collection services; this number has increased to 2,500 in March 2010.
- The number of households paying service fees has grown and the revenue generated by fee collection has increased; 65 Tole Lane Organizations (TLO - neighbourhood organisations) have benefited through revenue sharing in waste collection fees. Approximately 75% of the TLO membership is female.
- Job opportunities for the underprivileged poor have been created as a result of this project, including 60 municipal employed sweepers.
- Demonstration sites for organic farming, composting, briquette production and renewable energy sources have been established.
- Input into potential replication and policy reforms on solid waste management has been provided.

### CONTRIBUTION TO NATIONAL DEVELOPMENT PRIORITIES AND THE ACHIEVEMENT OF THE MDGS

This project is in line with the goals set in the National Planning Commission's Three Year Interim Plan (2007-10) that aims to provide water and sanitation services to improve the standard of basic services for un-served poor communities.

In line with MDG 1: Eradicate Extreme Poverty and Hunger, the project offers



employment to members of the community, focusing particularly on women and the disadvantaged.



Similarly, in line with MDG 7: Ensure Environmental Sustainability, the project contributes positively to environmental sustainability through improved management of environment particularly that of solid waste.

### POTENTIAL FOR THE PPP INITIATIVE REPLICATION AND UP-SCALING

The first phase PPP waste management endeavours have led to a cleaner environment and better public health in the city. During the second phase, efforts were up-scaled by incorporating community-based waste management and resource recovery and recycling initiatives. The municipality, private operators and neighborhood organisations committed to the project and co-financed implementation over a period of four years.

With tangible results achieved in local service delivery through multi-stakeholder partnership arrangements that were mainly pro-poor PPP, the Government of Nepal has fully recognized their potential, making PPP modality one of the pillars of government economic policy. UNDP continues to provide technical assistance, capacity development and policy support in efforts to replicate and up-scale PPP initiatives to reach the wider public in need of better basic services, while contributing to the MDGs through empowerment of previously disadvantaged groups, creation of local business opportunities, enhanced environmental

management and public health, improved access to services and sustainability of service delivery arrangement.

*UNDP, through PPPSD, has provided technical and advisory services for the creation of an enabling governance environment with appropriate legal, institutional, financial and regulatory frameworks and support for the capacity development of all stakeholders on Public-Private Partnerships.*

For more information, please visit: [www.undp.org/pppsd](http://www.undp.org/pppsd)

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#### STORIES FROM THE FIELD

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