

Public-Private Partnerships



Project: Public-Private Partnership for Urban Environment (PPPUE)

> Background

The quality of life in Nepal's towns and cities is deteriorating due to rapid unplanned growth. The pressure on urban areas has greatly increased as the conflict led to an influx of people into municipalities, which already lacked the funds to improve access to drinking water, sewage and waste disposal services.

In towns and cities around the world public-private partnership (PPPs) are providing a sustainable way of improving access to services. These partnerships bring together the strengths of the private sector (innovation, technological knowledge, managerial efficiency and entrepreneurial spirit) with the social responsibility, public accountability and local knowledge of the public sector and civil society. A key rationale behind public-private partnerships is that businesses often provide services more efficiently than the public sector.

> The project

Since 2002 the Public-Private Partnerships for Urban Environment project has been supporting municipalities to work in partnership with the private sector and civil society to improve the urban poor's access to basic services.

> Enabling environment

Considerable progress has been made on creating an enabling environment to increase community and private sector participation in providing urban services. The project's on-going support to the Government to improve the policy, legal and regulatory environment has seen the Government adopting PPPs as an alternative way of building local infrastructure and providing services. Accordingly, the current Three Year Interim Plan (2007/08–2010/11) identifies PPPs as a way of implementing development programmes. The Prime Minister has also recognised PPPs as a good way of attracting the large volumes of private investment needed to achieve the Government's economic growth targets.

The project's advocacy work and support has led to the FNCCI, MuAN, the partner municipalities and local chambers of commerce setting up PPP units. Following on from this, FNCCI and MuAN have spearheaded many new PPPUE interventions in non-project areas. Another important development was the establishment of a National PPP Coordination Committee in 2006 in the Ministry of Local Development.

Project details

Nepali name: शहरी वातावरणको लागि सार्वजनिक – निजी साझेदारी कार्यक्रम

Phases 1 and 2: March 2002 to December 2009

Phase 2 budget: \$1.95 million (UNDP)

Implemented by: Ministry of Local Development

Implementing partners: 10 municipalities

Other partners: Municipal Association of Nepal (MuAN), Federation of Nepalese Chambers of Commerce and Industries (FNCCI), local business people, community organisations

UNDP's role: Financial and technical assistance and capacity building support



Drinking water supply in Kathmandu



➤ Capacity building

Over 4,000 persons have been trained by the project. In 2008, 140 staff from partner municipalities were trained to manage public-private partnerships. Other local government staff have learned from developing 30 new projects, by preparing contract documents and by carrying out feasibility studies on proposed projects. The project has also trained local entrepreneurs to prepare PPP project proposals and business plans and to mediate in PPP disputes.

The project has paved the way for the wider training of central government personnel and the staff of Nepal's municipalities by supporting the main training institutes for civil servants, local government staff and judges to include public-private partnerships in their training curricula. This enables trainees to oversee the implementation of PPPs and to mediate in PPP disputes.

➤ New projects

Up to the end of 2008 the project has supported 50 PPP basic services projects including the following 30 in 2007 and 2008:

- In Biratnagar on solid waste management, operating public toilets and managing advertising hoardings.
- In Mechinagar (Jhapa) to manage advertising hoardings and to build and operate a slaughterhouse.
- In Dhulikhel to manage the towns' solid waste and a public park and to provide public toilets.
- In Siddharthanagar (Bhairahawa) to build and manage a fruit and vegetable market and to collect business taxes.
- In Kathmandu to manage public toilets, to compost waste from the main fruit and vegetable market and to provide drinking water in reusable jars to local people at a cheap cost.
- In Bharatpur to manage medical waste, provide public toilets, build bus shelters and to generate biogas from green waste at the wholesale vegetable market.
- In Hetauda to set up community managed drinking water schemes and improve the bus park toilets.

These schemes have improved the urban environment for all, especially by improving waste management and by making toilets available. They have made basic services, especially access to safe drinking water, available to thousands of low income urban dwellers. The first 24 PPP projects have importantly provided 495 new jobs, with over half of them going to poor people.

Whilst doing this the involved municipalities, service providers, small businesses, informal private entrepreneurs and community members have learned many important lessons about how to manage PPP arrangements.

Importance of this project towards achieving the MDGs and consolidating peace

The number of the urban poor is increasing as more and more Nepalis move from the country to the town. The project is contributing towards MDG Target 11 of "achieving by 2020 a significant improvement in the lives of at least 100 million slum dwellers." This target defines slum dwellers as people who live in sub-standard dwellings without proper access to water and other basic facilities.

PPPs provide a very suitable mechanism for improving access to services in the increasingly crowded towns and cities as well as for rebuilding infrastructure destroyed during the conflict and for building the much-needed new infrastructure for economic development.

Hetauda bus park toilets



Hetauda bus park now has clean and well-maintained public toilets. The toilets were renovated by a local organisation, Adarsha Tole Bikash Samstha (ATBS), in agreement with the local municipality, which owns the toilets. The toilets, which were filthy and badly run, now provide a valuable facility for passengers and drivers. The local organisation added new facilities, such as showers for drivers, a garden around the toilets and a solar lighting system. Since these improvements the daily revenue has increased from 350 to 1400 rupees.

For more information:

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