

PUBLIC-PRIVATE PARTNERSHIP IN WATER SUPPLY AND WASTE WATER TREATMENT IN KATHMANDU METROPOLITAN CITY

Private investment through Public-Private Partnership is found to play some role in certain social and economic sectors of modern Nepal. In the past privatization was given high priority in the name of decentralization. Policy makers and planners in Nepal stood strongly in favor of Private Sector Participation. Private investors were and are being encouraged in various ways. Partial or complete handing over of government owned economic institutions and institutions of public services to private sectors started to take place. This however did not and could not produce satisfactory results as was expected initially. It is in this context; the notion of private investment through public-private partnership (PPP) is coming up gradually in Nepal. It may take some time more before it becomes palatable to Nepalese policy makers, planners and investors. As far as Kathmandu Metropolitan City is concerned, it did come out boldly with a policy paper a couple of years ago. In the policy paper, KMC set forth a strategy for Private Sector Participation (PSP)/ Public-Private Partnerships (PPP), and defined a policy to achieve its goals (Annex I). Today, Kathmandu Metropolitan City has become one of the leading institutions to enter into PPP in order to meet the growing demand for better services. Of the various public services provided by KMC, environment services related to water supply and waste water treatment is one such sector where the role of private investors through PPP is desirable. I, therefore, would try to confine myself to the discussion of the present situation and our PSP/PPP experiences that we have had during the last couple of years. I hope our own experience coupled with the valuable experiences gained by fellow participants of the present seminar would be a good lesson for the improvement and promotion of PSP/PPP programme in Nepal.

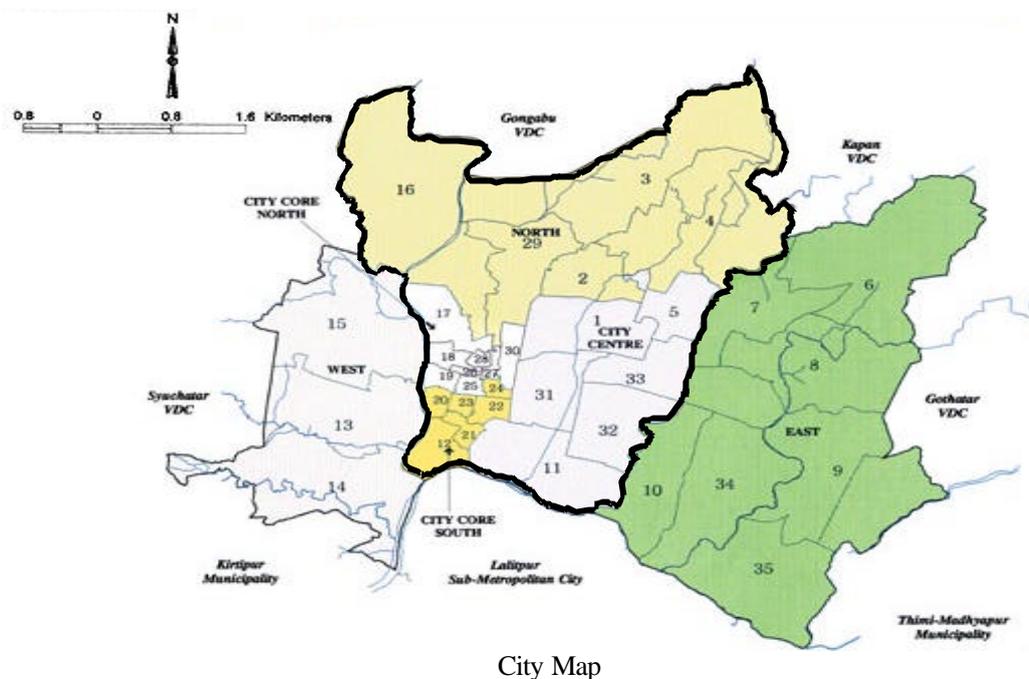
1. Kathmandu Metropolitan City

a) City Characteristics

Kathmandu, the only metropolitan city of Nepal, is the capital of Nepal. It was, is and is going to be the centre of all socio-economic and political activities of the nation. Surrounded by green mountains, this is a beautiful city situated at an altitude of 1350 meters above the sea level and was founded by King Guna Kama Dev 723 A.D. Initially, the valley itself, in which the city of Kathmandu grew, was believed to be a big lake. Geologists are of the opinion that the water of the lake drained out in three stages several million years ago. But according to the myths and legends of Kathmandu valley, a deity named Manjushree who is credited for making it habitable by cutting open the hill on the southern side of the valley and allowing the water of the lake to flow out. Kathmandu is well known all over the world as an open air museum rich art and architecture, historical monuments, ancient temples and shrines, golden pagodas and inspiring deities. In Kathmandu city only, there are four World Heritage Sites duly recognized by UNESCO.



Some 50 years ago, Kathmandu Municipality premise was a very small, quiet and peaceful place inhabited by nearly 50,000 ever-smiling people (Area surrounded by bold line). Today it has swelled up to nearly 700000 permanently residing people. This however does not include the floating population of nearly 50000 per day.



City Map

Kathmandu Metropolitan City at a Glance

Position:	85 ⁰ 20' E, 27 ⁰ 42' E
Elevation:	1350 m
Area:	5076 hectare (50.67 sq. km)
Population:	701 962 (Census 2001)
Growth rate:	6%
Household size:	5.2
Per capita income:	US\$ 430
Principal Language:	Nepali, Newari, English
Main Rivers:	Bagmati, Bishnumati, Dhobikhola
Literacy rate:	
Male:	90.94%
Female:	66.31
Drinking water Supply per day:	60 MLD
Drinking water Demand per day:	86 MLD
Solid waste produced /day:	350 Metric tons
Liquid waste Produced/day:	25 Million Liters

b) **Main Features of the Municipality**

Organizational Structure:

An office by the name **Saphai Adda** (**Saphai** means **cleaning** and **Adda** means **Office**) was established for the first time in Nepal in the year 1919 A.D. The office was renamed as **Municipality office** in the year 1931 A.D. The first elected municipality board consisting of 21 elected members was formed in the year 1946 A.D. According to the Municipality Act 1990, the municipality board consisting of elected Mayor, Deputy Mayor, 35 ward members and two nominated members was formed. In Dec. 15, 1995 Kathmandu Municipality was upgraded to the status of a metropolitan city; and was named as **Kathmandu Metropolitan City Municipality**, in short, **KMC**. **KMC** now consists of 35 wards committees each is headed by a chairperson and four members. The present organizational structure of Kathmandu Metropolitan City Municipality consists of 12 departments under which there are 32 sections (Annex II). The total number of staff of KMC is about 2200.

In the existing organizational structure, KMC has *water supply and sewerage section* under Public Works Department and *urban environment section* under the Environment Department. Water supply and sewerage section of KMC is presently taking care of the drainage construction and maintenance only. This department and KMC, as a whole, will have to consider seriously the problem insufficiency of water supply and the rapid growth of the city. To this effect, KMC has planned to initiate a mini Water Supply Scheme under its PSP/PPP programme. After the establishment of the Environment Department a couple of years ago, KMC has made a humble beginning towards the study and treatment of waste water generated in Kathmandu. KMC has constructed one model waste water treatment plant of its own at Teku, Kathmandu. It has a good demonstration effect for the promotion of public awareness and the interest of individuals or parties in investing jointly under PPP in environmental services such as waste water treatment.

c) **Financial Structure**

The sources of income of the city municipality are mainly from land and housing tax, business tax, advertisement tax, vehicle tax, rental tax, local development fee, land revenue, rental income, fees and penalty, government subsidies and some miscellaneous income. The overall income of Kathmandu Metropolitan City office in the fiscal year 2000/2001 was US\$ 7,017,307.7 and over all expenditure was US\$ 6,018,410.26. The contribution of Environment Department to the income of KMC is comparatively low, They are from septic tank service, container service, solid waste management service, public toilet service, penalty and sewage opening service. In the year, 2001/2002, this amounted to US\$ 64,103. The total expenditure of Environment Department as a whole is about 20% of the total KMC expenditure. It includes the annual operational cost of the model waste water treatment plant at Teku also.

d) **Domestic/ Industrial wastewater:**

In Kathmandu, waste water is produced from households, hospitals, hotels, educational centres, commercial complexes and industries such as carpet industries, garments industries, battery factory. The idea of waste water treatment in Kathmandu started to come up some 25 years ago. Binnie & Partners, U.S.A, after a survey of Kathmandu Valley, recommended the method of *stabilization pond system* for the treatment of waste water in Kathmandu. On the basis of the recommendation, treatment plants were built with a total design capacity of about 17 million litres per day. Unfortunately, all of them stopped functioning after a couple of years.

Today the amount of wastewater generated in Kathmandu city has increased tremendously. A study in this connection is urgently needed. The actual amount of waste water generated in Kathmandu has been ascertained. Partial reports of certain industrial districts and north eastern region of Kathmandu city inhabited by about 200,000 people are available. Although treatment of waste water was expected during the establishment of industries, hotels, hospitals and educational institutes, nobody seemed to have worried about it. Waste water from a large number of hotels, various small and large industries, households etc. are more or less directly discharged into nearby streams and rivers without any treatment. Information about the waste water thus discharged is also not available. The only authentic information available is that available from the Guheshwori waste water treatment plant constructed by the central government through the Bagmati Area

Sewerage Construction/ Rehabilitation Project and Teku waste water treatment plant under KMC Environment Department.

e) Water Supply In Kathmandu City

Waste water produced in KMC depended mainly on water supplied and used by the households, hotels, hospitals, educational institutes, industries etc. In KMC, water is supplied by Nepal Water and Sewerage Corporation (NWSC) and private tanker services. In addition to that, many industries, hotels, hospitals and a large number of households use a huge amount of ground water extracted by pumping. Water from stone spouts, ponds and wells are also being used for domestic purposes in many places.

Water has become a serious problem for the people of Kathmandu both in terms of quantity and quality. Current water demand of the city has increase tremendously because of the rapid growth of population and urbanization. According to one study Kathmandu city alone needs 86 million liters of water per day for drinking purpose only. Nepal water supply corporation (NWSC), the major supplier of drinking water, is providing 60 MLD to the Kathmandu Municipality. It supplies water to KMC through four water supply systems. They are Mahankalchour, Bansbari, Balaju and Maharajgunj water supply systems. Out of the total water supplied By NWSC, 30% to 40% loss due to leakage and wastage was reported by NWSC itself.²



Mahankalchour water supply system at Kathmandu

Tremendous socio-economic, political, commercial, educational and other activities are going on every moment. For all such activities, water is essential. But the rate of increase of supply of water is very low as compared to the rate of population growth and urban expansion coupled with hectic social, industrial, commercial and other activities. More than that, it is heart breaking to know that the total amount of water that can be harnessed inside the Kathmandu Valley in no way will be able to meet the future demand of Kathmandu. Insufficiency in water supply meant further deterioration of the problem of wastewater. So, any delay in finding a solution for the water supply and waste water treatment could lead to a serious *environmental disaster in Kathmandu*.

f) Jurisdiction or Legislative powers

According to local government decentralization acts, KMC, the only metropolitan city of Nepal, supposed to enjoy special legislative powers to govern its people and manage the resources available. But, in practice, it is not so. Kathmandu, being the capital city and functional center of most of national and international institutions, has to abide by many conflicting laws, rules, regulations and agreements some of

which are local while others are national and international in character. All these have made and are making the situations very complicated and too much involved.

2. National and Local Policies for PPP:

Policy makers and planners in Nepal did realize the inadequacy of government investment in public services some decades ago. They tried and are trying to encourage or involve private sectors in various ways. Through various policies, programmes and laws HMG/ Nepal acted as a facilitator. Even government owned institutions were handed over or sold completely to private sectors in the name of privatization or with the objective of encouraging private sector. But things did not improved as was imagined. It is probably because of this reason, policy makers and planners in Nepal slightly changed their mind and began to plead for the importance of the role of private investment through PPP. They further came to the important conclusion that the role of HMG/N in PPP should not be only as a facilitator but it should participate as a stakeholder. Five years ago, HMG/ Nepal specifically came out with the following commitment in Ninth Five year Plan ((1997 - 2002):

"Public private partnership will be encouraged for urban development services. In order to encourage private investment in integrated development of the infrastructure of the urban area, policy based on build, own and transfer (BOT) principle will be adopted and laws, rules and regulations will be framed"

In the same document, HMG/N categorically mentioned that

" In matters of conservation of local environment including Waste Management and Pollution Control, the role of HMG/Nepal will be spelled out clearly: and clear mandate together with well-defined functions, duties and responsibilities will be given to the institutions entering into public- private partnership".

In the mean time, Kathmandu Metropolitan City came forward with a strategy on private sector participation and a definition of PSP/PPP of its own. In keeping with the concept of Kathmandu Valley Development Programme of HMG. KMC took a bold step of entering into public-private partnership a couple of years ago. In a short span of nearly four years, KMC achieved remarkable success and is now recognized as one of the leading institutions in the field of PSP and PPP.

In spite of several weaknesses in the formulation of policies and framing of laws and rules at national level, we are not without any institution that would and could support public/private sector investment in Nepal. It is true that we do not have an institution like Board of Investment at national level. We however do have

- a) local banks
- b) joint venture banks
- c) development banks
- d) finance companies

and e) some cooperative societies dealing with the financial transaction

to support public/private investment. They cater different segments of investment and their fields of investment are very much varied and wide. They provide loans to a bankable project against reasonable collateral.

Lack of institution like board of investment at national or local levels has not yet been a great problem. Once a project is developed for public private partnership, the concerned agency can approach one or other financial institution. After a detail financial analysis, which includes technical, marketing, social and managerial capability of the proposed project, the financial institution decides whether the proposed project is viable or not. If viable, the loan is approved. In certain rare cases, they participate in equity investments also. The acceptable debt equity to the financial institution is about 65:35 to 70:30. There is no specific ratio in domestic to foreign investment but 50:50 is the generally acceptable ratio. In the case of public to private partnership, the maximum acceptable ratio is 35:65. Most institutions do not provide international guarantee but the joint venture banks do provide such guarantee in bankable terms.

3. Promotion of Private Sector Investment in KMC

Private sector investment in KMC has local, regional and national character. KMC has its own vision and conviction about Public-Private Partnership. The highlights of Public Private Partnership Programme put forward by KMC are given in Annex III. As far as the situation and scope of private investment in water

supply and waste water treatment in Kathmandu City is concerned, some idea can be had from the following accounts

a. Water Supply

Water is supplied by NWSC not only for Kathmandu City. It supplies water to seven municipalities and several village development committees inside the valley. So, whatever private investment is done through PPP comes under one or other of the categories mentioned above.

In KMC, the major water users and the percentage of water used by them are as follows:

Consumer types	Domestic	Commercial	Institutional	Industrial	Public stand posts	Others
Percentage (%)	79.2	11.7	5.2	2.2	1.5	0.2

Source: HMG/N, MOPE, 1999

Water supplied by NSWC or private tankers or extracted and used by various institutions or households are neither controlled by a uniform law nor well managed by the existing institutions. It was nationally and internationally accepted that the problem of water supply both in quantity and quality are basically due to the organizational and functional weakness of the major supplier of water, namely, Nepal Water Supply and Sewerage Board which was reorganized as Nepal Water Supply Corporation in 1989 (NWSC). In order to improve the situation, donors expressed the opinion that HMG/Nepal should bring in a *private operator* (PO) to manage the water system assets and made this a condition for loans and grants. Taking this fact into consideration, His Majesty of Government of Nepal (HMG/N) then proposed three major reforms and decided

- To bring in private company to manage the water supply staff and equipment
- To repair, upgrade and expand the present water supply network; and
- To construct a tunnel from the Melamchi valley to bring in more water.

All these reforms required a huge amount of money. The total cost of the reform was estimated to be around US\$ 468 million and is expected to be financed by loans (59 %), grants (11%) and HMG/N (30%) to be spent between 2002 and 2007. This appears to be a very expensive project (US\$ 300 per person in the valley).

The roles of public and private sectors in the above reform process can be understood clearly from the following allocations of funds:

- For private company US\$ 4 million to be spent under certain condition
- For system upgrading US\$ 136 million
- For Melanchi tunnel US\$ 328million

To comply with the conditions set by donor, HMG/Nepal constituted a High level Private Sector Participation Committee (PSPC) in 1997 to select the PO. Public-Private Participation/ partnership in water supply and waste water management was given special priority in the ninth plan (1997-2002). We find the continuation of this policy in the tenth plan, which is now at the final stage. National Water Supply Sector Policy was prepared on the basis of the ninth plan. Urban Water Supply and Wastewater Sector Strategy for Kathmandu Valley was formulated in Nov 2000. This is followed by the formulation of Water Resources Strategy Nepal quite recently.

As of now, there is a belief that more people will get more and better quality water. It will be possible to ask people to pay a reasonable price for the water used. This would then make the recovery of the cost of loans and investments in addition to the running cost, maintenance cost and a reasonable earning for the private investors. To achieve the above objectives, the dearth of an efficient autonomous management free from political interferences has been utterly felt.

In this connection, the decision of HMG/N to involve private sector managers (PSM) including some from Nepali Business community in the management of water supply system in the valley can be regarded as a positive step. More encouraging is the fact that a ten-years contract is going to be sign by the end of this year. According to the contract, there will be six high level managers who are expected to be internationally recognized experts in the field of urban water supply. They are supposed to introduce modern technology of leak detection, repairing, operation and maintenance and revenue collection. They are supposed to train NWSC staff in such technology.

Melamchi Water Project may thus be considered as an ambitious PPP project which could change the face of Kathmandu Metropolitan City. Unfortunate enough is the fact that Kathmandu Metropolitan City has very little or no say in this and other projects concerning water supply. But this does not imply that there is no other prospect for private investor in improving water supply services under PSP/PPP. Since Kathmandu Metropolitan City is the sole authority of its water resources, it can develop a massive water supply project in which private investment through PSP/PPP can play a significant role in harnessing and management the huge quantity of underground water that is being extracted and supplied by tankers or used by hotels, household, hospitals, commercial and industrial institutions at no cost.

b. Waste water treatment

Waste water treatment had been a neglected issue in the past. Some twenty-five years ago, attempt to treat an estimated amount of 16.5 MLD (Dhobighat plant 15.4 MLD and Kodku plant 1.5 MLD) from the two cities Kathmandu and Lalitpur was made. They became not operational decades ago due to operational inefficiency, poor financial management, lack of trained personnel, lack of clear concept of cost recovery through quality services and so on. Huge amount of money and efforts have been wasted. Because of our sad experiences, the question of wastewater treatment has become a topic of idle gossip, a subject of academic discussion and a programme of model experiments.

Today, waste water of all kinds is discharged directly into the two main rivers Bagmati and Bishnumati and their tributaries. Nearly 60% of the households are estimated to have direct connection with the sewer system. Septage from the sewer canals are also directly discharged into the above rivers. Grey water and other fluid from an estimated number of 40,000 septic tanks also flow directly into the rivers. Water of the two rivers, once considered as pure and sacred, is now highly contaminated and polluted. In such a situation, every household, every industry, every hospital, every hotels, every educational institution, every commercial complex, every industry should have paid attention and realized as a serious problem. But, unfortunately, this is not so. We thus seriously lack PUBLIC AWARENESS regarding waste water treatment. More public awareness activities will be fruitless if it is not accompanied by a substantial investment from the local and central government and compulsory participation of all sectors responsible for the generation of waste water. This can be a good starting point for private investment through PPP in waste water treatment service.

Presently, whatever we have now are the Guheswori Waste Water Treatment Plant built basically under a great pressure from religious community and one model waste water treatment plant of KMC itself. We have given below a short description of the two plants.

a. Guheshwari Wastewater Treatment Plant:

Guheshwari wastewater treatment plant is located at the bank of the Bagmati river on the northeastern part of Kathmandu City. It is constructed at the initiative of the government to clean up the Bagmati river. The Guheshwari wastewater treatment plant consist mainly of grit chamber for screening, aeration tank with activated sludge and a settling tank. The treatment plant site covers an area of 5 hectares. The plant treats the untreated wastewater generated by the household, industries and other institutions of Gokarna, Chabahil, Bouddha and Jorpati. It serves an estimated population of around 198,000.



Guheshwari waste water treatment plant

The operation cost of the plant is around NRs 10 million (US\$12820) a year and is currently being funded by the government. The plant intends to implement the polluters pay principle and expected to be self-sustaining after three years of support from HMG/N and DANIDA. The plant from its inception days has been facing many problems and the plan to implement polluters pay principle and become self-sustaining seems to be a distant dream. New rules and regulations that would encourage private investment and participation could be and must be a solution of the problem. Assessing the multidimensional activities going on in this region and population growth, there is a strong possibility in this direction.

b. Teku Waste water treatment plant:

In Kathmandu, there was a high demand for cleaning of septic tanks (nearly 40000). One of the major problems associated with septic tank cleaning services was the pollution caused by the disposal of liquid waste from septic tanks. It was in this connection, Kathmandu Metropolitan City constructed waste water treatment plant based on constructed wetland technology in 1998 with the following objectives:

- To demonstrate and promote the **constructed wetland technology (CW technology)** for waste water treatment
- To make available the septic tank cleaning service to the public demonstrate
- To improve river environment
- To make it a component within the waste management park, which will be a tool for public education
- To utilize it as a better source for revenue generation.



Teku waste water treatment plant

The major components of this plant were: settlement tank (200 m³), three units of sand and gravel filter beds (each unit 75 m³) and vertical reed bed with 362 m³.

Settlement tank:

The settlement tank removes large particle and grease which would clog the system. Heavy solids settle to the bottom where they undergo anaerobic decomposition. Grease floats to the surface and is trapped. The tank consists of three chambers. The first chamber accumulates 100 m³ of waste water and each of the next two chambers accumulates 50 m³ of waste water. tank is designed for 48-hours hydraulic detention line.

Sand and Gravel Filter Bed:

The sand and Gravel filter bed. It consists of fine sand on the top, coarse sand, fine gravel and coarse gravel at the bottom in three 75 m² chambers. The filter bed reduces the turbidity of the settled water and removes substantial amount of BOD and COD.

Vertical Reed Bed:

The vertical reed bed consists of a bed planted with common reeds and plastic liners used to prevent seepage. It covers an area of 14m by 30m. It has gravel at the bottom as a drainage layer and clean sand on the top. Suspended solids, Nitrogen, COD, Phosphorus, Heavy metals and Pathogens are absorbed in this bed effectively.

The capacity of this plant is about nearly 50 cu. meters per day. The total cost for constructing this treatment plant was Nepalese Rupee 26,00,000 (\$ 45,000). The annual operation and maintenance cost for this plant is about NRs.10, 00,000 (\$12,800) without vehicle operation expenditure. The annual income from this project has come up to NRs. 15,00,000 (\$19230.8) from this plant. It does not include the income earned by private septic tank cleaner services.

Waste water treatment through Constructed Wetland Technology has gained wide popularity in various parts of Nepal. Role of private investment through PSP/PPP are increasing. This is obvious from the construction and operations of increasing number of such waste water treatment plants. To name a few, they are

- a) Dhulikhel Hospital CW System, Dhulikhel municipality
- b) Malpi International School CW System
- c) Septage and Leach ate Treatment system for Pokhara Submetroploitan City, Pokhara
- d) Kathmandu University Wastewater Treatment Plant
- e) Tansen Municipality Sewerage Treatment Plant.

4. General Conclusions

In Nepal, Public-Private Partnership in various economic, commercial, educational environmental and other public services are coming up side by side with the process of privatization. KMC's experiences, although very little, cannot be under estimated. Kathmandu is a growing city and is expected to extend beyond its present boundary. The fact that KMC's activities can be replicated in other parts of our city and also in other cities have been proved from the projects mentioned above.

As far as the existing and future problems are concerned, very few new projects can be initiated with the foreseeable resources of its own. Rehabilitation of non-operational treatment plants need additional financial resources, training of personnel, efficient management and leadership with strong decisive powers. Private partnership could be definitely helpful in this respect.

One of the serious problems is the lack of laws, rules and regulations concerning private investment through Public-private Partnership. Whatever available are parts of some other laws, rules and regulations are either overlapping or conflicting. So, appropriate and well defined laws, rules and regulations at local government level or central government level are to be framed.

The major areas of cooperation between Kitakyushu Initiative Network cities and our city could be a living contact, exchange of experiences, visits, training of personnel, transfer of technology, framing of laws, rules and regulation.

Acknowledgements.

I would like to express my grateful thanks to Mr. Shanta Ram Pokharel, Department Head, Environment Department of KMC, Dr. Roshan Raj Shrestha, Executive Chairman of ENPHO and A. N. Regmi, Former General Manager of Nepal Industrial Development Corporation for their encouragement and valuable help in the preparation of this paper.

Last but not least I express my sincere gratitude to Ms. Christine Pearson, Division Chief, Urban Environmental Management Project, IGES for giving me the opportunity to participate in this seminar.

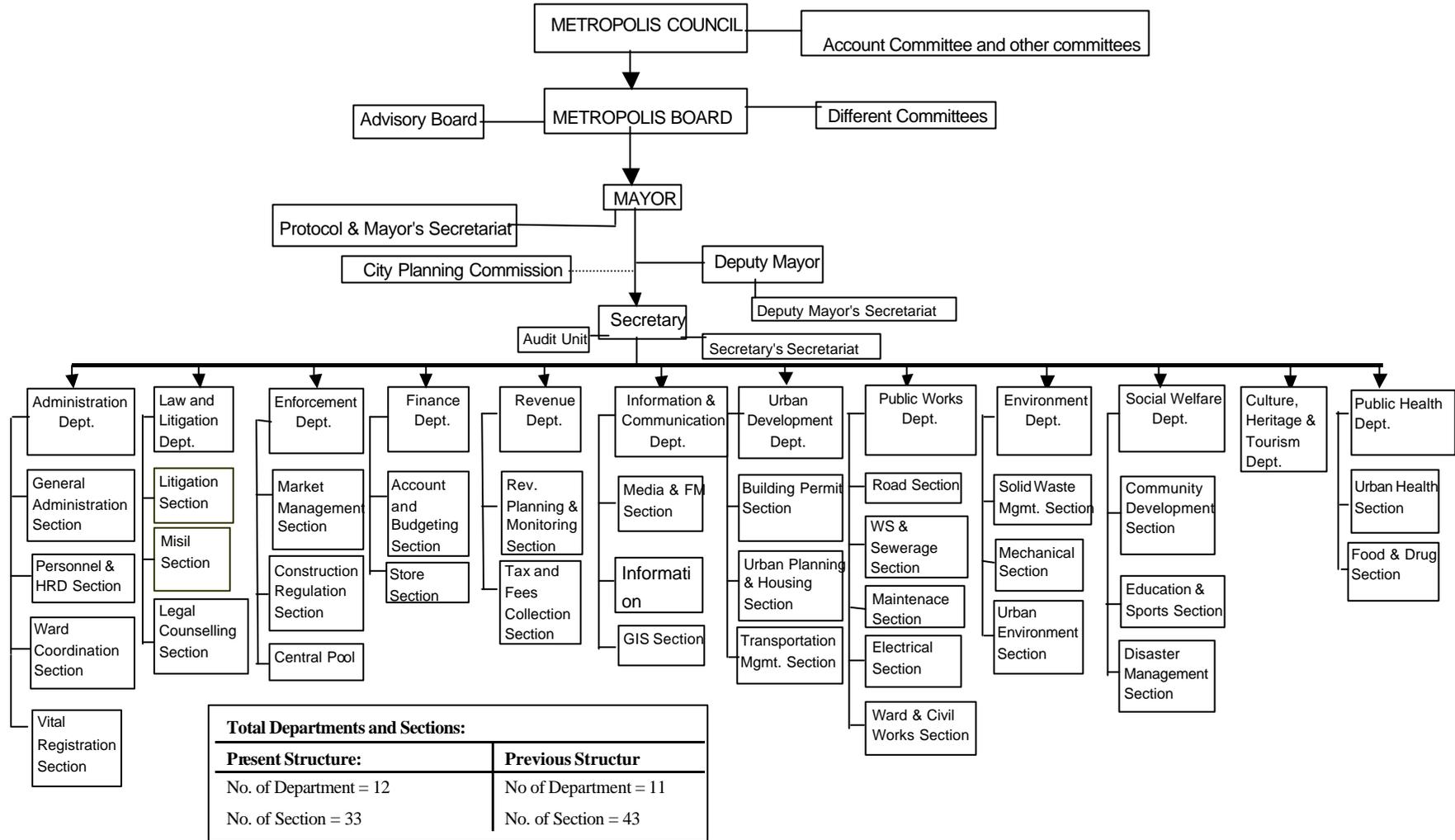
References:

1. NPC. 1997. Ninth Five-Year Plan (1997-2002). National Planning Commission. Kathmandu.
2. HMG/N, MOPE, 1999. Environmental planning and Management of the Kathmandu Valley. Kathmandu.
3. HMG/NPC/N 2000. Central Bureau of Statistics. Statistical Pocket Book Nepal
4. ENPHO. 2000. ENPHO a decade. 10th Anniversary Souvenir, Kathmandu
5. Adhikari, D.R. 2001. Water Management and future opportunities, Kathmandu
6. KMC/WB. January 2001. City Development Strategy and City assistance programme. Kathmandu Metropolitan City, Kathmandu
7. Kathmandu Metropolitan City office/Kathmandu, 2001. Private Sector Participation in Kathmandu.
8. KMC. Chaitra 5, 2058. Estimate budget journal for the fiscal year 058/059 of Kathmandu Metropolitan City, Kathmandu
9. HMG/N, Water and Energy Commission Secretariat, 2002. Water Resources Strategy Nepal.
10. ENPHO. March 2002. ENPHO Magazine. World water Day, Kathmandu

Urban Environment Section,
Environment Department
Teku, Kathmandu Metropolitan City Office
Kathmandu, Nepal

Annex II

ORGANIZATIONAL STRUCTURE KATHMANDU METROPOLITAN CITY OFFICE



Total Departments and Sections:	
Present Structure:	Previous Structure
No. of Department = 12	No of Department = 11
No. of Section = 33	No. of Section = 43

Annex III

Kathmandu Metropolitan City's Public Private Partnership Programme

Kathmandu Metropolitan City(KMC)'s vision for Kathmandu is a city which is beautiful, well, managed full of life: a city where citizens are proud of their natural and cultural heritage and look forward to a bright future. The task of turning this vision into reality is not easy for anyone to tackle alone. It is KMC's conviction, however, that if the public and private sectors come together amazing results are possible. A coordinated effort by these stakeholders, beginning with a shared vision and joint commitment, would benefit the city to a degree impossible to attain individually. KMC has thus launched the Public private Partnership Programme (4P) to create an environment where the private sector can work together with KMC and to encourage the private sector to invest in building a beautiful Kathmandu. 4P will create a forum for KMC and the private sector to share all costs, benefits, risks and opportunities of joint projects.

The 4P will be operated by secretariat under the Mayor's office. A steering committee chaired by the Mayor will provide policy guidelines and secretariat will implement them with the active participation by the private sector. The main functions of 4P are as follows:

- Act as a bridge between the private sector and KMC by communicating the vision and plans of KMC to the private sector and the interest of various private parties of KMC
- Encourage private sector to participate in building and beautifying the city
- Identify suitable projects and prepare detail technical and financial proposals together with interested private parties
- Prepare agreements for partnership between KMC and private sector
- Assist private parties and KMC in implementing mutually agreed upon projects by providing managerial support and project monitoring
- Coordinate efforts between various departments of KMC and relevant agencies in addressing the needs of the private parties
- Solve any problems that private parties may have in working together with the city
- Organize gathering and seminars to share experiences and promote communication between all relevant agencies
- Prepare regular progress reports and financial reports on all major projects to ensure transparency

In the first phase, 4P will focus on winning the confidence of the private sector and implementing joint projects aimed at beautification of the city. Projects of this nature include construction and management of gardens and parks and improvement of cityscape. In the second phase 4P, will on involving the private sector in the delivery of urban services and building of city infrastructure. KMC is committed to meet the private sector half and join hands in building a beautiful Kathmandu.

Contact: Protocol and Liason office, Mayor's Secretariat, Kathmandu Metropolitan City, P.O. Box: 8416, Kathmandu, Tel: 977-1-231477. Fax no.: 977-1-268509