

## Memorandum of Understanding

### To Implement a Water Operator Partnership between Maynilad Water Services, Inc, (Philippines) and the Department of Water Supply and Sewerage , Nepal

This Memorandum of Understanding (MoU) among Maynilad Water Services, Inc (Maynilad), the Department of Water Supply and Sewerage (DWSS), Lekhnath Small Town Water Supply and Sanitation User Committee (LSTWSSUC), and the Asian Development Bank (ADB) (collectively the Parties) affirms the commitment of the Parties to implement activities under the agreed joint work plan developed through the Maynilad -DWSS collaborative Water Operators Partnership (WOPs) Program to help achieve DWSS's goals of improving its training capabilities in operational efficiencies of small-scale urban, semi-urban and rural water services in Nepal.

DWSS is the national water and sanitation agency in Nepal. One of its responsibilities is to establish and support small-scale water supply and sanitation systems managed by users in semi-urban areas of which 29 are currently in operation. DWSS plans to establish another 265 of these systems in the next 15 years. The DWSS' Resources Development Unit (DWSS-CHRDU) is responsible for building the capacity of all water services providers, including the small-scale systems. It envisions to be transformed as Nepal's Water Supply and Sanitation Support Centre (WSSSSC). DWSS seeks technical assistance from an established water operator to help improve CHRDU's training in the field of operational efficiencies of small-scale systems. DWSS proposes to develop and implement a training curriculum for a priority topic that is based on the actual needs, and that will directly benefit small scale water systems.

LSTWSSUC is one of the frontline utilities that provide water and sanitation services to the semi urban population of Lekhnath municipality in Nepal. It currently provides water services through 6,100 connections in the town of Lekhnath. It is willing to serve as the pilot operator for capacity building initiatives for improved water and sanitation service delivery. LSTWSSUC will actively participate in the training and implement the recommended improvements.

Maynilad is the private water and wastewater services provider for the 17 cities and municipalities that comprise the West Zone of the greater Metro Manila area in the Philippines. Through its Maynilad Water Academy, Maynilad is willing to train personnel from DWSS-CHRDU to help improve operational efficiencies in LSTWSSUC.

ADB facilitates WOPs to enable the transfer of best practices, expertise and technology through peer-to-peer exchanges. ADB also promotes scale-up and replication of knowledge transfer. In this arrangement, ADB is supporting a WOP between Maynilad and DWSS that will focus on developing and implementing a curriculum for non-revenue water (NRW) management and water quality management of small-scale water systems like LSTWSSUC.

To achieve the stated objectives, Maynilad, DWSS and LSTWSSUC have developed a joint work plan that includes remote consultation, study visits, and training of trainers. In implementing the work plan,

Maynilad, DWSS, LSTWSSUC, and ADB will co-fund the activities. Maynilad will provide in-kind support through its technical services and administration of selected events. DWSS, through CHRDU, and LSTWSSUC will fund any related capital investments and provide support in-kind for workshop venues, local transport and administration. ADB will provide facilitation support and targeted financial assistance to support the WOP activities.

While the linkage between Maynilad and DWSS may lead to further cooperative opportunities that benefit the parties involved in the twinning partnership, ADB will only support those activities defined in the joint work plan.

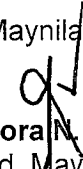
This MoU signifies the agreement to implement activities in the joint work plan.

Signed this 20<sup>th</sup> day of May 2013 at Maynilad Water Services, Inc, Quezon City, Philippines

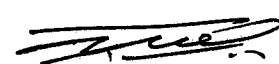
For DWSS

  
**Ishwori Paudyal**  
Director-General

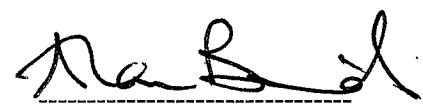
For Maynilad

  
**Rodora N. Gamboa**  
Head, Maynilad Water Academy

For LSTWSSUC

  
**Chandra Krishna Karmacharya**  
Chairman

For ADB

  
**Alan Baird**  
Senior Water Supply  
and Sanitation Specialist

27/6/13