

Nepal Country Statement

Final Draft – April 19, 2010

A. Political Prioritisation:

1. **Plans to attend future High Level Meetings**

To be drafted based on the level of participation decided

2. **Plans to Join Sanitation and Water for All and agree to the Guiding Principles**

A day-long national level preparatory meeting organized by Ministry of Physical Planning and Works on Feb 05, 2010 is a testimony on the importance that Government of Nepal accords to Sanitation and Water for All (SWA). The meeting, which was attended by more than 50 stakeholders with representations from the Government, donors, (I)NGOs and civil society, was very well received - in support of SWA key concepts.

The timing for SWA-Nepal engagement is excellent as Nepal is seeking to improve sector performance and is embarking upon many of the actions that SWA is advocating on a global scale, such as improved coordination, development of one actionable national plan, strengthening of monitoring systems, and making the sector more transparent and accountable.

3. **Specific increase in budget allocations (%)**

The Three Year Interim Plan (2008-2010), Government of Nepal accords water and sanitation sector a high priority for poverty reduction. Accordingly, the investment in the sector has witnessed 40% increment over the past year and now stands at 3.6% of the national budget. It is important to sustain increased financing to ensure that the national target of realizing universal access to safe drinking water and sanitation is achieved by 2017. For this to happen, external support will be required to contribute towards enhancing sector performance. Sanitation used to be politically neglected but not any more – not only has it been separately budgeted for two successive years including allocation of a dedicated budget line by the Ministry of Education for school sanitation, but also driven further by the development of a master plan, and more collaborative framework, financing mechanisms and innovative approaches.

4. **Improvement of government-led sector coordination**

Given continued fragmentation and duplication of institutional roles and responsibilities, the sector has increasingly realized that it needs an effective coordination and collaborative framework for improving sector effectiveness and efficiency. The stakeholders therefore have begun working towards a “programmatic approach.” To take this approach forward, a Sector Efficiency Improvement Unit has been recently established whose main objectives is to improve functional efficiency of plans, programmes and services and to contribute to the establishment of a transparent, accountable, service oriented and responsible sector. For this, the sector has decided that an immediate task would be to have a first Joint Sector Review in September/October 2010.

B. Evidence-Based Decision-Making:

1. **Plans to respond to future GLAAS surveys**

The sector stakeholders are committed to using GLAAS findings in two ways: (1) sharing the information in sector policy dialogue and agreeing priority actions forward, and (2) feeding key conclusions of the annual sector reviews and other similar sector-wide research findings into future GLAAS surveys.

2. Use of coverage data in allocation decisions to ensure targeting to the unserved

The sector is characterised by specific pro-poor targeting at the project level. Lessons learnt and good practices from these projects provide an evidence base to improve equity and inclusion issues and thereby feed into policy improvements. Rationale allocation of resources that reflect a clear analysis of bottlenecks (inequity, governance, functionality of services, rapid urbanization, contamination and conflict) and priority areas for investment is an area that Nepal will closely look into while formulating future national plans and budget.

3. Improvement of national monitoring systems

The establishment of a Monitoring and Evaluation (M&E) Unit in the sector Ministry and the design of a sector-wide M&E framework is a remarkable progress. Such a framework will not only provide management information system at all levels to take into account functional access and water quality, link services with financial allocations but also the resulting analysis will assess the extent to which sanitation and water projects comply with the sector policy and strategies. In this process, clear monitoring role of central, local government and communities will have to define clearly to reinforce and reflect coherent sector performance. In addition, Independent monitoring of national plan is also encouraged to ensure transparency in the assessment of sector performance.

C. National Planning Processes

1. Identification and cross-sectoral analysis of key bottlenecks

Safe water and basic sanitation are human rights which underpin health, education and livelihoods, forming the essential step in overcoming poverty. Access to safe water and sanitation has been incorporated as a human right in the draft Constitution of Nepal, and it will go a long way to put water and sanitation high on the national development agenda. Formulation of corresponding legislative and devolution framework including a clearer separation of policy making, regulatory and service delivery roles and responsibilities are priority actions.

Institutional mechanism for working across the various sectors (health, education and local development) has advanced resulting into progressive budget allocation in their respective plans, engagement in the development of health sector plans, linkages in water quality surveillance surveys and cross-sharing of information – all these provide an entry point towards developing a coherent picture for sector development.

2. Creation of accountable institutions where they are lacking

Nepal's sector policy makes service providers accountable to the users. Civil society networks are better able to capture the local voice, inform sector policy and hold service providers to account. While District Water User Groups (in rural areas) and NGO networks (in urban areas) are strengthening users' capacity, much more needs to be done to institutionalize mechanisms for users' voice in policy-practice fissure.

The Sector Stakeholder Group, and its corresponding thematic sub-groups, are multi-stakeholder platforms established to allow for a meaningful engagement of all relevant stakeholders, including NGOs and civil society, in sector dialogue, critique and decision-making processes. Media engagement and dissemination of information to enable public debate is an important hallmark of transparent sector development in Nepal.

3. Creation or strengthening of strong actionable national plans and planning frameworks

It is generally accepted principle that “no credible national plan should fail due to lack of finance.” With next fiscal year approaching, development of a national plan is being tabled for discussion. Such a plan is not about new conditionalities but is about reaching a solid understanding between the government, donors, (I) NGOs and civil society allowing for a more coherent and engaged planning process to reduce fragmentation and duplication. By setting out how the sector will organize resources to meet its policy objectives with commonly agreed targets and strategies for implementation, the national plan will contribute towards shared responsibility and mutual accountability. To roll out this process well in future, continued dialogue and consultation would be very essential. As a first milestone, the sector players have made firm commitment to conduct a first Joint Sector Review in September/October 2010.

4. Addressing of human resource capacity gaps

Identification of sector capacity gaps and human resource development are crucial aspects but have lagged behind. Local capacity is especially weak emerging from a decade-long armed conflict and is recognised by development agencies as a strategic entry point to improving sector effectiveness. Municipalities too are significantly under-capacity with urban reforms limited to the overcrowded capital city and selected urban towns. Nepal recognizes the importance of systematically identifying capacity gaps of sector institutions at various levels and strengthen institutional and technical capacity against their mandated functions.

5. Leadership on bringing coherence to the sector’s plans and strategies

The sector in Nepal is now geared towards embracing a programmatic approach through the formulation of a national water and sanitation development plan with clearly defined objectives and strategies for implementation. Recent developments - such as strengthening sector coordination through the establishment of Sector Efficiency Improvement Unit, development of sector wide monitoring and evaluation indicators, willingness for Joint Sector Review, improving sector financing while ensuring equity in resource allocation, increased cross-sectoral linkages and partnerships, and on-going initiatives for ensuring accountability, transparency, governance, sharing and learning that promote innovation - demonstrate political will and leadership to improving sector performance so as to enable Nepal reach universal access to sanitation and water by 2017.

6. Other key outcomes which address context-specific obstacles not listed

While Nepal has tremendous water resources, it is also highly vulnerable to floods, natural disasters and climate change. The water sector lacks the adequate investment (when compared to other social sectors), capacity and knowledge to effectively manage its water resources. Inadequate treatment of urban effluent has significantly increased environmental pollution resulting into public health concern. Meanwhile, equal attention will have to be

given for protecting water sources caused by increased upstream settlements. Hence an urgent attention is needed for a development of a pragmatic water resource management plan and resilience to climate change.