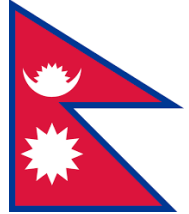


Federal Democratic Republic of Nepal Country Overview



Nepal has made impressive progress during the past two decades in improving access to water, sanitation and hygiene services. This has been possible through government's overarching priority accorded to the sector and its leadership in WASH development, which was catalytically supported by international agencies, civil society and users of WASH services. Mobilization of household level investment and user's participation in decision making and control have also considerably contributed to this achievement.

As a result of past two decades of intensive engagement, Nepal has achieved an impressive nominal coverage of water and sanitation facilities throughout the country. The updated coverage figure for basic water supply stands at above 90% of the total population, and with the country attaining the Open Defecation Free Status in September 2019, the nominal coverage for basic sanitation is close to one hundred percent. Figure-1 shows the availability of water and sanitation services in Nepal with respect to the SDG service ladder.

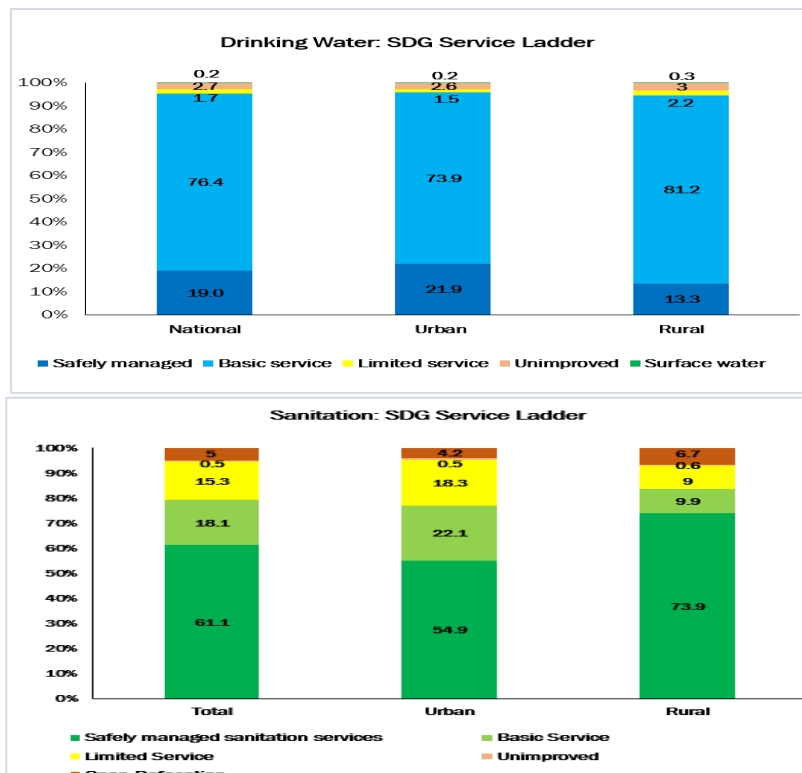


Figure-1. Coverage as per JMP Service Ladder

Besides high prioritization by the government in sector budget allocation, which currently stands at about 1.3% of the national GDP, notable growth in coverage, particularly for the sanitation sector, has become possible as a result of the sector strategy to substantially leverage domestic financing. Water systems are generally constructed with ownership of communities who generally fund between 20-50% capital cost of a new water system and usually the entire cost of regular operation and maintenance without any government subsidy. The household coverage by toilets so far has been achieved entirely on no subsidy basis, which is the demonstration of a highly successful community awareness and support campaign, to reach every household in every community throughout the country in the spirit of “To Leave No One Behind” concept. This was achieved through creating a unified platform that was led by the government and supported for synergy by local governments, development partners, UN agencies, civil society and general public – who were all organized under the umbrella approach of the National Sanitation Master Plan developed and unveiled by the Rt. Honorable President of Nepal in 2011.

Figure-2 shows commonly applied models for construction of water supply with consumer financing in Nepal. Although broader financing policy for sanitation is yet to be formulated, investment of up to the order of 800 million is estimated to have been successfully raised and mobilized, during the last decade, for construction of sanitation facilities, mainly for construction of households toilets through domestic financing which made it possible for the country to achieve and declare an ODF status in 2019.

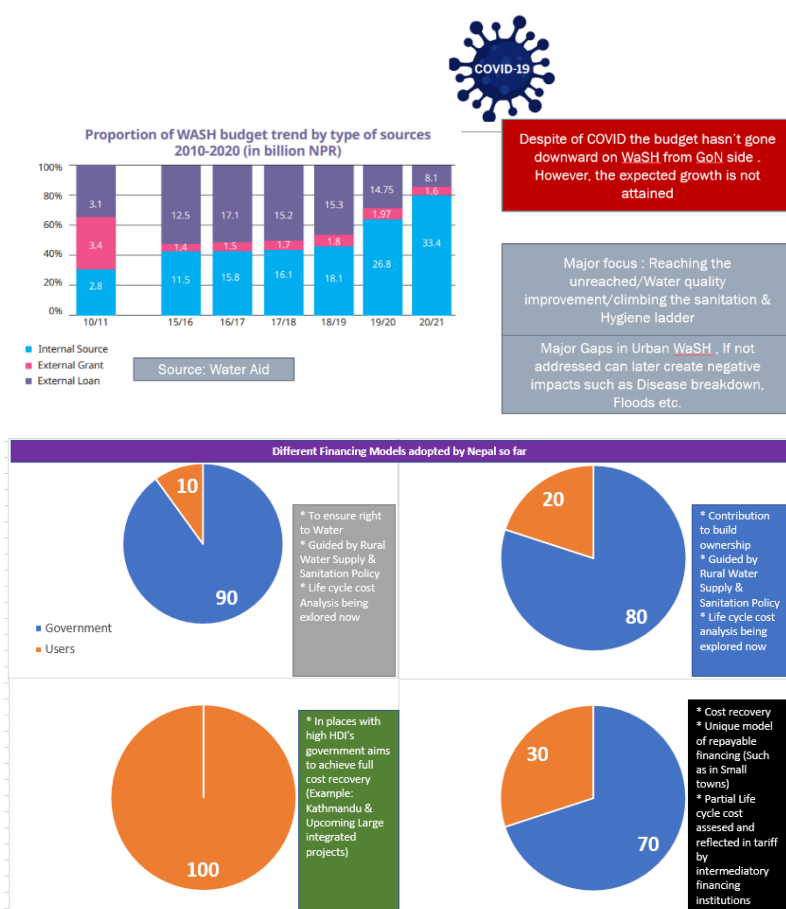


Figure-2: Funding Pattern and Capital Investment Proportions

Nepal has enshrined “access to safe water and sanitation” as fundamental rights of citizens in its new federal constitution promulgated in 2015, thereby showing unprecedented commitment to ensure that no one is left behind from these essential services. This will provide opportunities for better quality of life, health and prosperity to every individual in an equitable manner through the engagement of all the three tiers of the national, provincial and local governments.

Nepal’s commitment to fulfilling the SDG is reflected in its national target of providing every citizen with safe water facility and 90 percent of it’s population by safe sanitation before the end of 2030 AD.

Increasing the ease of access, quality, reliability, affordability and sustainability of water and sanitation facilities falls under the priority strategies of the government. This is being turned into action by promulgation of a National Water Supply and Sanitation Act, which is already tabled in the parliament for discussions. A Sector Development Plan to guide the water and sanitation development, which will identify gaps in technical skills, human and financial resources, define monitoring and review framework, and layout the roadmap to 2030 and beyond is towards reaching completion. Standards and guidelines on water quality, wastewater discharge, fecal sludge management, etc. are being prepared or revised and updated as needed.

Improved water supply, sanitation and hygiene in Nepal is showing that investment in WaSH is not only an issue of providing basic citizen services, but such investment makes prudent sense to effectively capitalize the investments made in several other interlinked services like health, nutrition, education, etc. Studies have shown that clean water and safe sanitation bring multiple benefits related to health and well being of people, reduce national and family health expenditures, improve nutrition, reduce stunting in children, enhance productivity and increase attendance as well as learning ability of children in schools. Figure-3 shows examples of such benefits documented in Nepal.

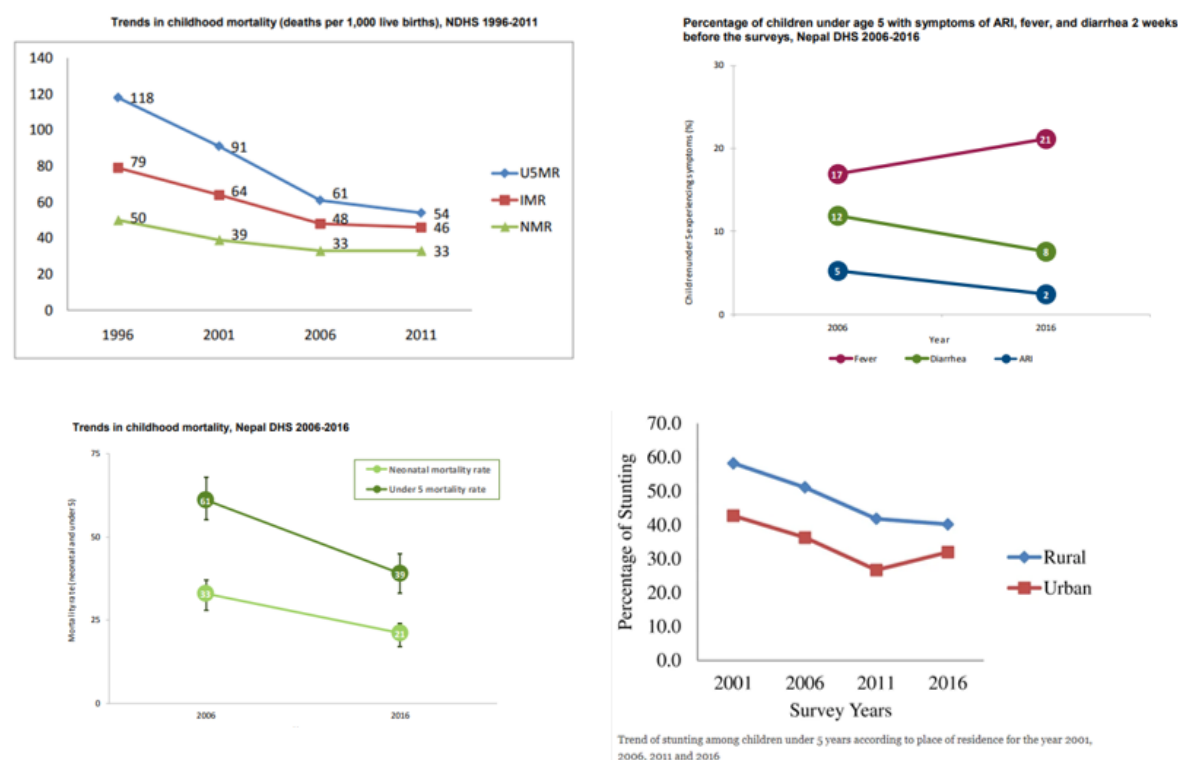


Figure-3: Multisectoral benefit of WaSH sector

The COVID 19 pandemic has further highlighted the necessity to extend safe and reliable WaSH services, not only at the community levels, but to make them available to every household and every place and instance of public gathering. This demands a comprehensive review of facilities available at this level, their reliability and the requirements for their expansion.

The pandemic of COVID 19 has brought to surface the underlying gaps in providing these services at sustainable levels to everyone at all times without disparity based on economic levels, geography or disability, in order to ensure that quality of service delivery and easy access of facilities are available to every individual and family. Despite impressive household coverage data, early surveys have shown a dire shortage of public level facilities, which if not properly acted upon to alleviate, can result in costly results of inaction.

WASH

12% have difficulty in purchasing hygiene products.
22% in Sudurpaschim Province.
22% earning no income.
Soap and other detergents are the hygiene products difficult to access.

Child tracker results indicating COVID

This has created requirements to new shift in policy so that family water taps and family non-shared toilets must be promoted, as a basic minimum, to ensure a sustained outcome from the coverage in these facilities. Nepal is now promoting “one tap, one toilet for every household” policy. Actions towards realizing this theme and aggressively promoting handwashing facilities in public places including in health service points and schools are being implemented.

Positive signs to deal with the gaps are observed as Nepal not only maintained but also improved the sector allocation in national budget by 24%. Although it is early to assess the impacts of COVID 19 on in social and economic fronts, some early good examples of emerging self-help groups, community cooperation, innovativeness and entrepreneurship have been observed where communities have gathered to manufacture soaps, sanitizers, face masks, etc.



COVID-19 has created income opportunities for women from handmade liquid soap.



Mayor of Lalitpur Municipality inaugurating feet operated hand washing station innovated in Nepal in support of WaterAid

COVID -19 pandemic has also stressed the need to review the available facilities for water, sanitation and hygiene, particularly in schools, in health places, in religious centers, and in times and areas of larger public gathering like market places, so that such facilities are easily and reliably available for general use.

JMP Report	
7.3% Hospitals do not have water facility	23% Schools do not have water facility
8.1% Hospitals do not have proper sanitation facility	18% Schools do not have proper sanitation facility

Nepal is facing a second generation of challenges in continuing reliable access to safe water, sanitation and hygiene facilities, which are related to functional efficiency and adequacy of these services, rapid rural urban migration and issues of climate change and competing uses of water.

MICS ,2019	
19% have safely managed water services Only 15% people have coliform free water at point of use	
61% have safely managed sanitation services	
Disparity in hygiene facility 71% rural,86% Urban	

Although Nepal's nominal coverage figures stand high with near achievement of universal access, there are issues related to the functional status of the systems, maintaining safe water quality free from bacterial and other contamination as well as capacity of local levels to effectively manage the systems.

Nepal is facing one of the fastest urban growth in South Asia, with over 7% growth annually in urban population and over 60% of the country's population now living in areas classified as urban municipalities. This is creating pressures on the infrastructure for water and sanitation, with facilities created in the past becoming quickly inadequate to cover the rapidly growing demand. The human and domestic waste collection and management systems require substantial upliftment to conserve personal, family and community health as well as to maintain quality of water in the waterbodies.

Modernization of the existing facilities to enable better monitoring for easy maintenance, enhanced use of digital technology to ensure efficient use and allocation, tracking of facilities and services as well as creation of updated data base to support planning and strategy formulation are in priority for Nepal's WASH sector. Nepal has developed a N-WASH platform of water and sanitation database system to support these actions towards ensuring that "no one is left behind" and that "constructed services are improved, are functional and are sustainably used and maintained at all times". This will also support in Nepal's tracking of actions to meet the SDG and national targets by linking local actions with national efforts. Nepal is also swiftly undertaking to prepare local WASH plans to provide services to 2030 and beyond in all of the 753 municipalities of the country in the next three years so that gaps are identified, participatory planning are ensured and appropriate facilities can be installed and maintained through use of appropriate solutions and technologies in a manner that are affordable to local communities and local governments. Some of the initiatives that have been undertaken in this regard include national adoption of ISN 24521 for "Activities relating to drinking water and wastewater services — Guidelines for the management of basic on-site domestic wastewater services" to promote quick coverage of efficient domestic human waste management systems, improved linkages with health and education sectors to ensure better use of provisioned facilities in water, sanitation and public hygiene, etc.

With the promulgation of the new constitution and the new act under preparation, role of provincial and local governments in provision of WaSH services has moved closer to the citizen and the consumer levels, which promotes accountability and transparency in governance systems. Surveillance of water quality, regulation of service and citizen engagement for continuous feedback and improvement are being addressed in these documents.

Nepal's roadmap to sustainable provision of WaSH services is well defined, but the country is facing substantial gaps in financing and advanced skills necessary to achieve these targets. Continued national prioritization and international support are key to successfully implement this roadmap and minimize the fallouts of under-action.

Despite the best national intentions backed with budgetary allocations to meet the aspirations of Nepal's economic growth by investing in preventive health services like water and sanitation, Nepal is posed with a risk of considerable shortfall in mobilization of financial resources. The Sector Development Plan for water and sanitation has shown a funding gap to the level of US\$ 1.12billion (at the base price of 2017), over the next ten-year period, towards meeting the sector targets to 2030. For this Nepal's annual financial resources allocation in the sector with respect to its GDP will need to grow substantially to about 2.5%, which is not possible without more prioritization and enabling environment to loop-in private sector financing. Nepal is trying different models to support WASH investments to meet its SDG and national targets, including repayable and full cost recovery financing, blended financing, annuity models, etc. particularly for urban areas. Performance based grants to municipalities, climate financing and use of a strong cooperative network existing throughout the country, are also being explored as viable alternative financing sources for increased sector financing.

Commitments 2021:

Nepal's innovative approaches towards achieving National commitments with respect to SDG and beyond sector include:

- Service Benchmarking of Water Supply & Sanitation Facilities
- Development of Capacity Development Master Plan
- Establishment of National WASH Account using Track Fin
- Web based GIS enabled WASH-MIS system implementation by using "NWASH" apps which will also act as DSS for local governments in localizing the SDGs
- Federal large WASH projects into National Project Bank Management System (NPBMIS)
- Formulation of National Roadmap for HH4A in consultation with multi-stakeholders' platform-NSHCC
- Complete WASH Plan of 300 Palikas and initiate in additional 400 palika