

# WaterAid Nepal: Position Paper on Sanitation (2005-2010)

This paper has been prepared as one of the thematic position papers for WaterAid Nepal.

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## Situation Overview

- Seventeen million people defecate in open places every day causing loss of 4% GDP in Nepal.
- Millennium Development Target on sanitation can be reached if additional 14,000 households are served every month but to accomplish this US\$6 million resource gap is to be met.
- Financing in sanitation is heavily external resource dependant (65% external vs. 35% internal) and low disbursement rate (60% against the committed amount). Need to search option on debt relief and domestic resource mobilization.
- Rich people are eight times more likely than poor people getting access to the services.
- Lack of Urban sanitation policy hinders to properly address complex urban sanitation issues.
- Tarai is the least benefited by sanitation programme. Coverage is only 26%.

## Call for Action

- More and better financial disbursement with separate sanitation budget line.
- Development of urban sanitation policy.
- Publication and dissemination of sanitation progress for public scrutiny and improving water and sanitation governance.
- Equitable distribution of resources.

## WaterAid – water for life

The international NGO dedicated exclusively to the provision of safe domestic water, sanitation and hygiene education to the world's poorest people.

## 1. Introduction

- 1.1 Sanitation coverage is lagging far behind in Nepal. Seventeen million Nepalese defecate in the open air every day (three-quarters of the population). The latest UN Millennium Development Goals report indicates that in rural areas 70% of the population does not have basic sanitation facilities, and in urban areas the figure is 19% (United Nations/National Planning Commission, 2005). Access to sanitation is not only low but also inequitable, with 42 of Nepal's 75 districts having sanitation coverage below the national average (WaterAid Nepal 2005).
- 1.2 Improvements in access to sanitation can result significant benefit to individual families and the nation as a whole. The proper use of a latrine can alone reduce morbidity by 35%, and in addition proper hand washing practices make a further significant contribution to health, reducing morbidity by 43% and mortality by 33% (UNICEF 2003). The health expenditure resulting from the burden of water and sanitation related diseases costs Nepal 4% of its GDP each year, which is as high as NRs3.60 billion



(US\$5.1 million) (NSSR 2001). Average annual economic loss due to water and sanitation-related morbidity and mortality is minimum NRs1.50 billion (US\$2.1 million) and can reach as high as NRs6.0 billion (US\$8.4 million). Economic valuation of water and sanitation benefit conducted by WaterAid UK shows substantial economic gain: every US\$1 invested would yield economic return of US\$2.5. This has been reconfirmed by WHO study and Copenhagen Consensus, 2004.

- 1.3 WaterAid Nepal and its partners support initiatives to improve sanitation through service delivery targeting of poor and vulnerable groups. These activities, together with research and advocacy activities aim to contribute 2.5% of the MDG target by 2015. Learning experiences are drawn from its research and service delivery approaches, which are shared through publications, dissemination and interaction workshops.
- 1.4 WaterAid Nepal firmly believes that it is ultimately the responsibility of the state to provide sanitation services to people and INGOs/NGOs role is to contribute to experiment innovative and replicate lessons to support the state's role. As a result WaterAid Nepal continues to place pressure, through advocacy and lobbying activities, on the Nepal Government to translate its National Water Plan into reality in order to meet commitments made in the Millennium Development Goals, Nepal's Poverty Reduction Strategy and the SACOSAN declaration.

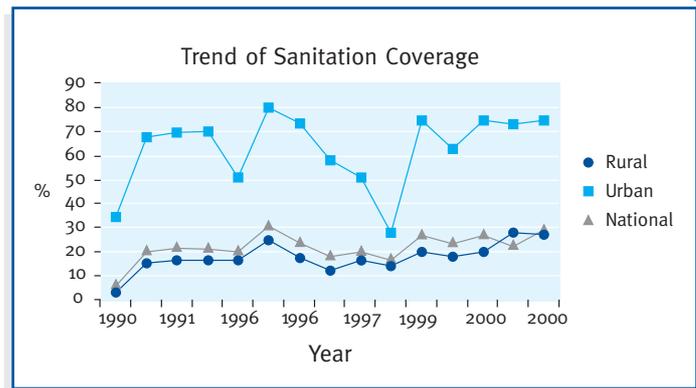
## 2. Key Issues in Moving Forward on Sanitation

The past two decades have seen a number of efforts by government and civil societies to accelerate coverage and quality of basic sanitation facilities in Nepal. However, the experiences of WaterAid Nepal and its partners gained through implementing sanitation programmes, as well as various research projects, have raised a number of issues that are yet to be satisfactorily addressed by government and major sector players.

### 2.1 Sanitation coverage

2.1.1 The national sanitation coverage figures are published by Government of Nepal. There are many different estimates available and are inconsistent in reporting. Between 1990 and 2001 Nepal's government had produced 20 national survey figures on sanitation coverage mainly from National Planning Commission, Ministry of Physical Planning and Works and Ministry of Health. However, due to the lack of coordination among them there is no single document that compiles and compares progress on coverage. This has allowed statistics to be presented to suit the specific agenda of different parties rather than assessing exact coverage, and also made it almost impossible to monitor progress made toward MDG and PRSP targets.

2.1.2 In 2004, WaterAid Nepal made an attempt to compile all the available statistics in one document and review the progress made in sanitation coverage. WAN used the UN recommended method of estimating sanitation coverage. The compiled statistics showed fluctuating figures year on year, but despite the graph showing an inconsistent pattern, it clearly represented an upward slope. The low gradient implied that sanitation



coverage is increasing over the years but at a rate which is not sufficient to achieve national and international targets.

2.1.3 The duplication of measuring coverage and the resulting inconsistent figures is a considerable barrier to meaningful and measurable progress to sanitation targets. WaterAid Nepal recommends that the Government of Nepal consider establishing a single unit for the collection and analysis of sanitation data at the government level and ensure that legislation is in place to facilitate this. The Federation of Water and Sanitation Users Group (FEDWASUN), a network of grass root level water and sanitation users group, can be a catalytic local institution to support the government with the collection of coverage figures at the local level and monitor coverage figure produced by the government.



## 2.2 Financing for sanitation - inadequate and inefficient

2.2.1 The current level of investments being made in sanitation in Nepal is inadequate to meet various national and internationally commitments and targets. Where financing is available, disbursements are slow and the absorption of funds is low. WaterAid Nepal estimated that only 60% of the committed amount had been disbursed. The sector financing calculations for Nepal estimate that only 8% of sector expenditure goes to sanitation, despite the fact that sanitation coverage lags behind that of water (39% vs. 73%) (HMG, 2005), and there is an additional annual financing gap of US\$6 million for household sanitation only if the Millennium Development Target is to be met (WaterAid Nepal, 2004). The figure rises to US\$15 million if PRSP target is to be met. Moreover, the cost dramatically increases further if the costly urban environment components, such as solid waste management, sewerage treatments and others are included in sanitation.

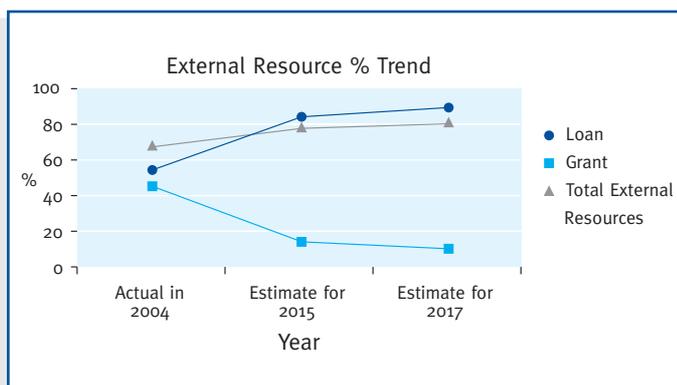
2.2.2 The Rural Water and Sanitation Policy/Strategy (HMG, 2004) and National Water Plan (HMG, 2005) are two important documents addressing sanitation issues within Nepal and providing directions to sector actors on the need to work more on sanitation.

However, the National Water Plan is still limited to a planning document and it has not being endorsed for implementation. The National Water Plan envisions that investment in the WATSAN sector will be increased by around 8% as it moves from 10th plan (2003-07) to 14th plan (2023-27), excluding the case of Kathmandu Valley Water Supply Reforms and Melamchi project. Sanitation is included within the water sector with the planned expenditure as:

- 10% of total rural water supply and sanitation programme
- 25% of Small Towns water supply and sanitation programme

2.2.3 The contribution of external resources in drinking water and sanitation has been increasing over the years. In the fiscal year 1975/76, external resources contributed 19% of the total expenditure on drinking water and sanitation. By 2017 - the target year for universal coverage, external resource contribution will reach to 80% if this trend continues (WAN 2004).

2.2.4 The statistics generate a number of issues - the most obvious of which is in order to adequately address the sanitation problem and achieve the targets on sanitation coverage, the government's budget on sanitation has to be increased substantially. The successful implementation on the National Water Plan will contribute towards reducing financing gap in sanitation. Donors also need to prioritise sanitation in their water and sanitation programmes, as well as explore options on debt relief as Nepal is already highly indebted. However, Nepal Government also needs to think about reducing the dependency on external resources and explore/use opportunities of domestic resource mobilization (e.g. pro-poor cost recovery approach, municipality internal resource



investment in sanitation and involvement of national private sectors), in order to reduce the growing burden.

## 2.3 Sanitation services are not reaching the poorest people and marginalized communities

- 2.3.1 Despite increase in the national sanitation coverage, sanitation services are still not reaching the poorest and most vulnerable people. The National Living Standard Survey, 2004 reported that richest quintiles are eight times more likely to have improved sanitation (79% vs. 10%) than the poor.
- 2.3.2 The subsidy approaches adopted by the government and other agencies, with the aim of targeting the poor, have failed to actually reach the poor. In reality it has been the rich rather than poor people who have capitalized on, and benefited from, the subsidy that have been made available. Bangladesh's Community Led Total Sanitation (CLTS) approach which has promoted no subsidy has inspired Nepal to also trial this approach. However, the availability of subsidies from the Bangladesh government, as in India, has seen agencies and communities leverage this financial support and led to a retreat from no subsidy approach. Within Nepal there has been a mix of experiences and programmes, ranging from the subsidy approach to targeted subsidy and graded subsidy, and recently no subsidy. Having diverse social settings, a combination of different approaches needs to be explored for reaching the poorest, vulnerable and excluded communities than recommending a single blanket approach.
- 2.3.3 Another constraint in reaching the poorest people is cost recovery principle being adopted in urban

centers. Service providing agencies ignore the poor people in providing water and sanitation services in the pretext that poor people can not afford the cost of loan repayment and on-lending loan interest (NGO Forum Case study of Small Town, 2005).

- 2.3.4 WaterAid Nepal's partners are implementing its service delivery through both demand creation and demand responsive approach. It has been well documented that a demand responsive approach alone cannot reach the poorest and most vulnerable people (Dalits, Janajati and poorest people), since these people are not in a position to place demand before service providers. An environment has to be created where the poorest people are given the opportunity and space to put forth their demand. Additionally, WAN will continue to support FEDWASUN in strengthening and institutionalizing their relation with local level bodies through citizens action programme to advocate and lobby for better sector planning and disbursement especially in addressing poor and marginalized groups.

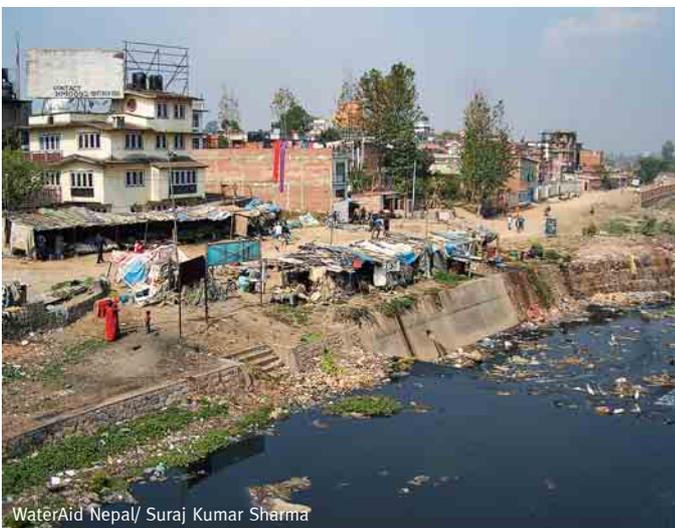


## 2.4 Urban sanitation problems are not properly addressed

- 2.4.1 The growth of urban centres and their populations is increasing at an alarming rate. Conservative estimate shows that 25% of the population of Nepal will live in urban centres by 2017 (CBS, 2005), compared to 15% in 2000. An increasing number of Village Development Committees are being declared as Municipalities largely based on their increased population size rather than their accessibility to infrastructure.
- 2.4.2 The problems of urban sanitation are multifaceted and complex than rural. Solid waste, human excreta disposal, improper handling, storage and use of food, household and environmental sanitation including high risk behaviors on handling of blood pathogens, syringe and others are critical challenges (WaterAid Nepal, 2005). Nepal urban centres produced more than 400,000 tonnes of solid waste with more than 60% bio-degradable each day (ICIMOD 1999). High composition of bio-degradable waste allows production of organic manure production, but in absence of recycling plants, organic waste becomes threat

to environment due to production of toxic leachate and bacteria/virus generation. People living around waste transfer sites or landfill sites can then be adversely affected (Shrestha R.L & Bajracharya S., 1999). Mixing municipal waste with hospital waste (500 tonnes of hazardous waste produced per year) is another serious challenge to health.

- 2.4.3 Drainage of wastewater is a serious concern in urban centres. Pools of stagnant water can be a health hazard that aids the transmission of disease causing pathogens. They can act as a reservoir for mosquitoes that spread diseases as Malaria and Japanese Encephalitis (UNICEF, 2006). Furthermore, drainages are directly connected to river and streams. Industrial wastes are also discharged directly into river system causing more threat from liquid waste.
- 2.4.4 The poorest and most vulnerable sections of society, who inhabit the slum and squatter communities, are often located in such vicinities. Such communities are legally denied access to basic water and sanitation facilities as they don't have legal land entitlement document. The irony is that these are often blamed for source pollution, despite only producing a fraction of the pollution, which mostly comes from polluters living far from the polluted source (Lumanti 2003, Central Development Regional workshop, August 11, 2005).
- 2.4.5 Most donors are not interested in investment in urban sanitation and the government assumes that Municipalities can manage by domestic resource mobilization, which is not practically realistic. This result in many Municipalities facing problems in financing any improvements in sanitation services (Regional interaction on Sanitation, WAN and



WaterAid Nepal/ Suraj Kumar Sharma

partners 2005). Urban centres excluding Melamchi had received only US\$100 million during the period 1990 to 2005, whereas rural sector received about US\$300 million.

2.4.6 WaterAid Nepal and its partners have been raising these issues with government and pushing for governments to formulate specific sanitation policies for urban areas; highlighting the need for more realistic urban sanitation coverage figures; and researching the effectiveness of Multinational Development Banks (MDB) projects in serving the poorest with sanitation. Considering the growing urban population and looming urban sanitation crisis in the coming years WAN will also gradually increase its proportion of investment in urban sanitation. WAN continues to conduct research, as well as engage in advocacy and lobbying activities, to achieve a better performance in the sector.

## 2.5 Variations and challenges in rural sanitation

2.5.1 Topography is a significant factor for sanitation. The tarai has considerably lower sanitation coverage (26%) than other areas in Nepal. As the altitude increases sanitation access in general is better although some districts are exceptional, where sanitation is low despite of their high altitude. On average hill districts have higher sanitation coverage 39% (13% higher than Tarai). Mountain districts still have higher coverage 41% (15% higher to Tarai).

2.5.2 No specific cause-effect analysis is yet available to explain topographic variation in sanitation access. However, causal relation with other social and technical studies possibly will explain this phenomenon. These are:

- Dominated by orthodox Hindu culture in Tarai, status of women is low. However, women of hill regions have higher autonomy, have higher exposure to health education and hygiene behaviour and women runs enterprises. Higher status of women possibly leads to higher accessibility to sanitation facilities.
- The Tarai areas have technical difficulties for the construction of latrines due to high water table, and this has resulted in the cost of technology required being higher in Tarai areas compared to hill.
- Land access is another critical problem for Tarai community. Poor people in Tarai have limited land holding to enable them for latrine in comfortable and safe way.

2.5.3 WaterAid Nepal thus believes that in coming years more investment on sanitation is required in Tarai districts. Consistent with these findings, WaterAid Nepal is supporting universal access to sanitation by 2009 in Chitwan district with joint coordination between stakeholders. WaterAid Nepal and its partners will also implement a scaling up programme in Siraha (Tarai district) for localizing MDGs and reaching to universal access.



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## 3. Call for Action

Nepal's significant lag in sanitation is not an assumption and this reality is not only having an impact on the health and productivity of individuals, groups and communities but is also damaging the environment at the nation level. WaterAid Nepal and its partners call for following action to be undertaken by the government:

- 3.1 The establishment of a separate sanitation budget line is essential to reduce the sanitation gap, and for the effective and transparent implementation of the planned sanitation programmes.
- 3.2 Ensure sufficient budget allocation and full disbursement of committed amount be made to meet MDG target at local level. An additional 5 latrines per VDC per month need to be constructed to meet the MDG target and additional 15 latrines per month to meet the universal coverage target.
- 3.3 Reaching the MDG target on sanitation should be achieved through targeting and serving the poorest and most vulnerable communities.
- 3.4 Develop an urban sanitation policy, adequately resource and implement urban sanitation programmes, recognising the right of all people to sanitation.
- 3.5 Ensure that the national sanitation programmes are actually reaching the poorest and evaluate the mechanisms of targeting the poorest, through the engagement of civil society.
- 3.6 Ensure that targeted subsidy actually reaches to poor through involvement of local civil society group.
- 3.7 Publish estimates of progress on targets and financing required to meet targeted sanitation coverage.
- 3.8 Produce progress reports for public scrutiny and improving water and sanitation governance.
- 3.9 An environment needs to be developed in which Nepal can share, learn, replicate and scale up the many success cases in the sector.



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