

Financing Rural Water Supply & Development in Nepal

The NEWAH Experience

The Philippines
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Ratan Budhathoki
Nepal

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Presentation Outline

- Overview of the WATSAN situation in Nepal
- The NEWAH GAP Approach
 - Strategies
 - Financing Scheme
 - Successes and Learning
- Implications to the MDG Targets
- Need for Innovative Approaches

MDG 7 & 8:

Goal 7: Ensure environmental sustainability

Target 10 : Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation

Target 11 : By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers

Goal 8: Develop a global partnership for development

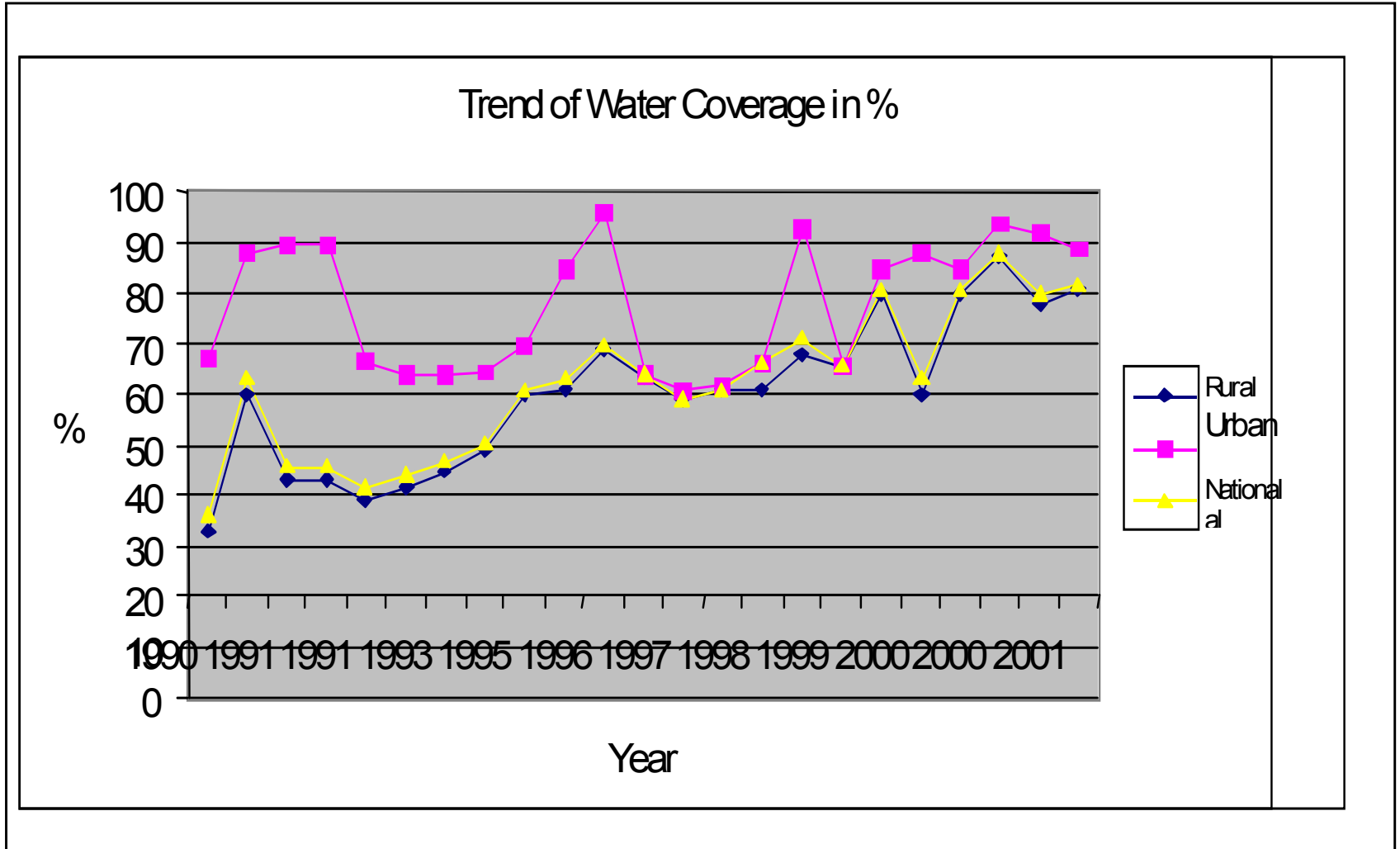
Target 13: Address the special needs of the least developed countries

Target 14: Address the special needs of land locked countries & small island developing states

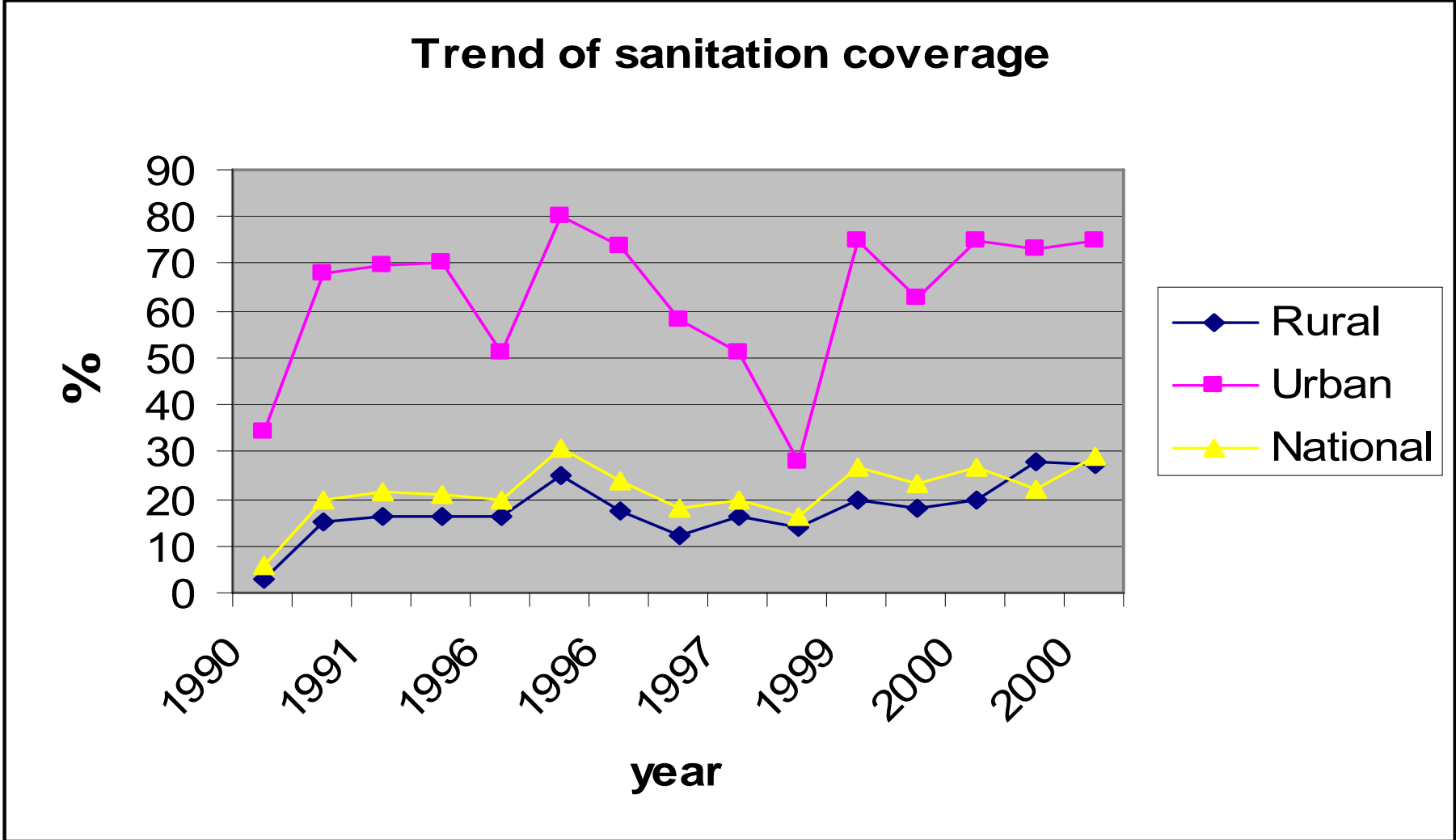
Data Source in Nepal

- About 20 national survey data produced in between 1990 and 2001 by the government of Nepal
- Data are not consistent with each other
- Smoothing of data is required

Glimpse of data – Drinking Water



Glimpse of sanitation data



Smoothing of data – Regression technique (adjusted for 15 minutes accessibility)

Year	1990	2000	2015 (MDT)
	Drinking water coverage in %		
Rural	25	42	63
Urban	70	78	85
National	30	48	65
	Sanitation coverage in %		
Rural	12	19	56
Urban	60	67	80
National	18	27	59

Estimating MDG Target on Water

What do we need?

Coverage of 1990 and Population projection up to 2015

Drinking water – 25%. R

Un-served population = 75%.

Half of the un-served = 37.5%.

- MDG target is $25\% + 37.5\% = 63\%$ of 2015 population
- Absolute population getting service in 2015
= 17 million
= 87% of 2001 population

Estimating MDG Target on Sanitation

What do we need?

Coverage of 1990 and Population projection up to 2015

Sanitation – 12%. R

Un-served population = 88%.

Half of the un-served = 44%.

- MDG target is $12\% + 44\% = 56\%$ of 2015 population
- Absolute population getting service in 2015
= 15 million
= 77% of 2001 population

What do Nepal needs to do to achieve the Water Target?

Nepal's Rural area needs to serve additional 17 million population by now and 2015

= Serve additional 8,000 households every month against the current rate of 6,000

= Progress upgrading by 33%

What do Nepal needs to do to achieve the Sanitation Target?

Nepal' Rural area needs to construct additional 15 million toilet by now and 2015

= Serve additional 10,000 households every month against the current rate of 3,000

= Progress upgrading by 233%

Does Nepal have enough resources?

- Available resources based on commitments by government and donors = US \$ 170 million
- (Government = 35% and external support = 65%)
- However disbursement is only 60% of the commitment
- Required resources to meet the MDG = \$ 490 million
- Additional Annual resource gap = \$21 million

The NEWAH GAP Approach: Equity and Social Inclusion

NEWAH's GAP approach has been instrumental in increasing women's and poor's:

- Access to water supply & sanitation services
- Awareness on health issues and hygiene education

Conti..

NEWAH's GAP approach has been instrumental in increasing women's and poor's:

- Participation in decision making processes and skills training, particularly in relation to the planning, implementation, management, operation and maintenance of the water supply, sanitation and hygiene projects

GAP Strategies: Supporting the needs of the poor & marginalized

- Well being ranking to identify poor households
- Graded rate system of O & M tariff payments according to socio-economic status of groups
- Skill based training for women and poor
- Paid job opportunity to women and poor

GAP Strategies: Supporting the needs of the poor & marginalized

- Women and poor involvement in decision making process
- Gender balance in WSUC
- 50% unskilled contribution to poorest HH
- Flexible policy to address social exclusion (water points)
- Women involved in fixing the water point location & design to meet their practical needs.

GAP Strategies: Supporting the needs of the poor & marginalized

- Free latrine components to the poor
- Training on kitchen gardening
- Health and hygiene education to women, men and out of school youth
- Savings and credit initiatives

The NEWAH Financing approach

- NEWAH uses grant funding: cost recovery scheme not assessed in the rural water supply but saving & credit initiatives have been introduced,
- Community contribution (share): in terms of unskilled labour for pipeline digging, local material collection within a distance of one day round trip, time to participate in meeting, trainings & social mobilization.
- Based on well being ranking results: poorest were provided with 50% cost of unskilled labour contribution, free latrine component, paid job opportunities,
- Utilization of time saved in other income generative activities e.g. kitchen gardening,

NEWAH project cost

Gravity flow /SP projects

- Average cost per project (NRs): 1,609,814
- Population per project: 1031
- Cost per Tap: 81, 978
- Cost per household: 8,793
- Per capita cost: 1,561
- A) hardware: 990,
- b) software: 571

- Source: Aid under stress: 2004

Project cost: July 04 - June 2005

- Average cost per project: 1,854,128
- Population per project: 810
- Cost per HH: 17,174
- Per capita : 1,867
- Cost share:

Donor: 85%, community: 15%,

VDC: less than 1%

SUCCESS of GAP Approach

On the basis of NPA:

- Increased Access to water supply, sanitation and hygiene services
- Effective participation in decision making processes
- Water system management
- Gender balance in WSUC

Important Learning

- Desegregation of data by gender, socio-economic groups and caste/ethnicity
- Innovative approaches for health and hygiene promotion
- Specific support to the poor and marginalized to increase latrine coverage
- Organizational commitment: NEWAH, donor, partner, community & government

Implications –to meet MDG Target

- The target must address equity - - reaching to un-reached districts and communities (42 districts out of 75 districts are below national coverage either in water or sanitation)
- Resources requirement will increase over the years if to reach the poor and remote areas
- If quality of water and environmental sanitation also to be addressed, the cost of meeting MDG will be tremendously high

Improving WATSAN Governance through FEDWASUN

- Network in 18 districts with > 500 users groups & > 50,000 HH.
- Monitoring performance of service providers
- Constructive engagement with local bodies and service providers
- Member of national sanitation steering committee & district water resource committee
- Real community participation at grass root level

Need of Innovative Approaches

Realising the huge gap in resource requirement following points also need consideration:

- Political commitment to localise the MDGs
- Alternative and Appropriate technology search to reduce per capita technology cost
- Innovative operational modalities to reduce overhead cost

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- Government and donors must disburse fully the committed amount
- Government also need to update coverage figure regularly
- Separate sanitation budget line required.

THANK YOU