

State restructuring and water, sanitation and hygiene (WASH) in Nepal: Lessons learned

Nepal's turn towards federalism in 2015 and the subsequent transition of all national and local governance structures since the promulgation of the constitution in 2015 signified new changes in policy and working mechanisms in all sectors, including the water, sanitation and hygiene (WASH) sector. Federalism has devolved wider powers to provincial and local governments, allowing them to work directly with international and national nongovernmental organizations, private sector actors and constituents. While this shift creates real opportunities for bottom-up and inclusive WASH services and decision-making, restructuring has led to staffing shortfalls

and capacity gaps in governance structures, including the WASH sector. Also, while gender equality and social inclusion (GESI) has been enshrined by the constitution, studies show that post-federalism, GESI has not been prioritized (World Bank 2019; Khanal 2019; Bhurtel 2019).

This brief outlines how this transition to federalism has affected inclusive discourses within the three tiers – the federal, provincial and local levels – and how this has trickled down to the WASH sector, and provides ways forward to address how to adapt to the new federal system.



A woman drinking from a piped water supply at Gurans Rural Municipality in Dailekh district, Karnali province, Nepal (photo: Onion Films Nepal).

Background

Nepal embraced a three-level governance structure with 761 governments (1 federal, 7 provincial and 753 local governments) following the enactment of the new Constitution in 2015. The country's turn towards a federal system in 2015 signified a major shift in all governance structures and policies, including the WASH sector (MoF and UNICEF 2018; WaterAid 2017).

Nepal conducted its first local, provincial and federal elections in 2017, thereby paving the way to a smooth transition. The most significant achievement has been the emphasis given to GESI in the process (The Asia Foundation 2018). Nepal witnessed the highest number of women representatives ever elected – out of a total of 35,041 elected representatives, 14,352 (40.79%) were women (Tamang 2018; The Asia Foundation 2018). This is significant because it illustrates the progress in female political representation in Nepal (The Asia Foundation 2018). Despite this progress, however, studies show that the meaningful participation of women representatives is still a work in progress, and that this would not have been possible without a mandate that specified representation (World Bank 2019; Democracy

Resource Center Nepal 2017). Also, with the Government of Nepal transitioning to a new system, structural adjustments have taken precedence. So, at present, the provincial governments do not have a strong GESI strategy or framework, and they have not done a GESI audit (World Bank 2019). However, 80% of the local governments have GESI policies and have integrated GESI in their budgets, but they have yet to conduct a GESI audit (World Bank 2019).

Considering the WASH sector in the federal context, Nepal's water sector previously relied on gender mainstreaming approaches to achieve gender equality – it was a key marker in making advancements towards inclusive WASH. However, post-federalism, while the local levels have been keen to design and implement inclusive WASH programs both independently and in collaboration with other externally-funded projects, this is not the case with the provincial government.¹ State restructuring under federalism and lack of effective planning have led to confusion in roles and responsibilities, as well as capacity gaps in all three tiers (Bhurtel 2019). These issues are discussed further in the section *Findings*.

Definitions

Water, sanitation and hygiene (WASH)

Universal, affordable and sustainable access to WASH is a public health issue as well as a basic human right (Water Governance Facility 2015).

Gender Equality and Social Inclusion (GESI)

Refers to a concept that addresses unequal power relations between women and men and between different social groups. It focuses on the need for action to rebalance these power relations and ensure equal rights, opportunities and respect for all individuals regardless of their social identity (United Nations Development Programme 2020).

Power dynamics

Describes the relations of power among various individuals such as resource users, owners and managers. These relations may be one of conflict, cooperation, complementarity or coexistence (Rocheleau et al. 1996).

Devolution

Devolution is defined as the relocation of power away from a central location (Adhikari 2020, 19).

¹ This is based on key informant interviews conducted with a few key stakeholders from federal, provincial and local governments.

Findings

Fiscal federalism: There are benefits, but challenges to meeting socioeconomic development persist

As a result of post-federal restructuring, provincial and local governments now receive “revenue-sharing grants, fiscal equalization grants, conditional grants, and a portion of natural resources royalties, in line with the recommendation of the National Natural Resources and Fiscal Commission (NNRFC), a permanent constitutional body responsible for the grant design in Nepal” (Bhurtel 2019, 10). Provincial and local governments can use this budget at their discretion. Specific to WASH, they can plan and develop their own drinking water programs, which includes carrying out repair and maintenance of projects within their jurisdiction without issuing a request to the central government (Interview, Department of Water Supply and Sewerage Management [DWSSM], Kathmandu, Nepal, January 2021).

However, while fiscal transfers have alleviated the problem of resource insufficiency and ‘fiscal de-equalization’, capacity deficits such as the lack of knowledge, skills, and the willingness to efficiently utilize fiscal resources in development projects and programs persist (Bhurtel 2019, 11). Interviewees at the provincial level were critical that, at present, fiscal resources were mostly targeted towards infrastructure development projects. One interviewee opined that “more than development work, infrastructure projects are receiving more priority. The WASH sector has become secondary to infrastructure” (Interview, DWSO², Province 2, January 2021). This included the construction of roads and government buildings (Interview, Province 2, January 2021; Interview, Rural Water Supply and Sanitation Fund Development Board (RWSSFDB), Kathmandu, Nepal, January 2021). It was opined that the budget allocated for WASH had decreased in previous years as it is not a priority sector anymore (Interview, RWSSFDB, Kathmandu, Nepal, January 2021). This is debatable, however, because almost 3% of the Government of Nepal’s total budget is allocated to the WASH sector, which amounts to USD 249 to USD 431 million from FY 2015 to FY 2020, illustrating a significant increase (USAID Nepal 2020; FMM 2020). However, studies confirm that a major portion of the budget is allocated for large infrastructure development projects in urban areas and Kathmandu (USAID Nepal 2020; Khanal 2019; Bhurtel 2019). Studies also show that infrastructure expansion has taken precedence in development projects, such as the construction and maintenance of roads (Bhurtel 2019; Khanal 2019; World Bank 2019).

Furthermore, another officer highlighted that the budget allocated at the local level has not been utilized properly. A major reason for this is the inability of staff at local levels to implement and complete WASH programs on time (Interview, District Coordination Committee [DCC], Dailekh, Nepal, January 2021). Bhurtel (2019) argued that the inefficient use of fiscal resources arises from the lack of proper planning and not having a strategy to “efficiently and effectively mobilize and channel the funds to meet overall socioeconomic development goals” (p. 13). Thus, it has been argued that



A woman at ward 6 of Chandranagar Rural Municipality in Sarlahi district, Nepal, carrying a container used to collect water for household use (photo: Onion Films Nepal).

while fiscal federalism is a necessary condition, it is not sufficient to successfully integrate inclusivity into their development programs (Bhurtel 2019; Khanal 2019).

Human resources: Shortfalls and lack of capacities

Key informant interviews conducted at all the federal, provincial and local levels highlighted the ongoing challenge of a lack of human resources, especially at the provincial level. While there has been progress in terms of the deployment of staff, setting up of key institutional structures and strengthening of the regulatory environment for federalism, significant gaps still exist between the needs and existing capacity at all levels of government, especially at the provincial and local levels (World Bank 2019). This is because the federal government lacks clarity on how to transition from a centralized to a federal structure in a strategic manner (Bhurtel 2019; World Bank 2019). This is demonstrated by the shortage of civil servants at the provincial level, issue with civil service adjustments and the frequent transfer of the chief administrative officer in local governments (Bhurtel 2019, 17).

Furthermore, there is an overlap in the roles and responsibilities between the three tiers, creating confusion and conflicts (Bhurtel 2019; Interview, DWSSM, Kathmandu, Nepal, January 2021). When power is devolved, these issues can arise because there can be dissatisfaction in sharing

² Drinking Water and Sanitation Office (DWSO), Nepal.

power, as officers could hint that they do not want to let go of the power they had under the previous system. However, this assumption requires further detailed study on the nuances of the power dynamics after implementation of the federal system.

In the case of the WASH sector, the previous governance system had a separate division office for WASH-related activities in each district. However, restructuring has created confusion and difficulties for provincial officers to navigate the WASH sector in their jurisdictions (Interview, Ministry of Physical Infrastructure and Transport (MoPID), Karnali, Province 6, January 2021; Interview, DCC, Dailekh, Nepal, January 2021). In contrast, local governments seem to be happy as they are able to exercise their rights as deemed by the constitution. Moreover, they have the freedom to formulate, implement and monitor WASH plans, and carry out repair and maintenance work and handover programs to user committees (UCs). It was suggested that offices have also increased, so issues of short staffing were not discussed in detail as done at the provincial level (Interview, Chandranagar Rural Municipality, Sarlahi, Nepal, January 2021).

GESI prioritization: Has inclusivity taken precedence post-federalism?

Information collected from the interviews conducted shows that elected women representatives are active and continue to do good work (Interview, MoPID, Karnali, Province 6, January 2021). GESI has technically been mainstreamed and the provision remains the same even post-federalism. For example, mainstreaming is done through affirmative action,

with at least 33% of women representatives elected for WASH UCs (Udas and Zwartveen 2010). Interviewees claimed that at present, they encourage for 50% representation (Interview, RWSSFDB, Kathmandu, Nepal, January 2021; Interview, DWSO, Province 2, January 2021).

Nonetheless, studies show that women and individuals from disadvantaged communities and marginalized groups continue to have limited opportunities for meaningful participation (Wali et al. 2020; Udas and Zwartveen 2010). For example, the officer at the DCC argued that while female elected officials are active, they need to be trained, for example, on budget allocation and implementation (Khanal 2019; Bhurtel 2019; World Bank 2019). This is because, in many cases, budget documents are not drafted by them. Rather, it is drafted by another staff member, and the deputy mayor simply signs the document (Interview, DCC, Dailekh, Nepal, January 2021). In some instances, women leaders are expected to “sign a register to agree with all the decisions made by the head, who is most likely male” (Khanal 2019, 12). Khanal (2019) argued that these instances are more common among women members belonging to marginalized communities such as Dalits, who are further disadvantaged due to the lack of formal education.

Likewise, women leaders requesting a development budget for the capacity building of women and other marginalized communities are patronized by their male colleagues, because they prioritize infrastructure development projects over those that are focused on capacity and skill building of the marginalized (Interview, Rural Village Water Resources Management Project (RVWRMP), Dailekh, Nepal, January



A woman at ward 8 of Gurans Rural Municipality, Dailekh district, Nepal, filling household water collection containers at a community water tap (photo: Onion Films Nepal).



A young man collecting water for household use at ward 8 of Gurans Rural Municipality in Dailekh district, Nepal (photo: Onion Films Nepal).

2021; Khanal 2019). For instance, an officer from RVWRMP expressed that, many times, women leaders were asked “*Why do you need a separate budget for women? We are building the roads, and women are going to use those roads too. So, that way, women would have access to the roads too.*” (Interview, Dailekh, Nepal, January 2021). This highlights that even though Gender Responsive Budgeting (GRB) was implemented in Nepal in 2007, little has been achieved in terms of noteworthy results (World Bank 2019). Also, to achieve positive results after federal restructuring, GRB must be accompanied by an expenditure tracking system to ensure that budgets are spent wisely (World Bank 2019). This lack of gender sensitivity in utilizing the allocated budget highlights that the needs of marginalized women and disadvantaged communities are underestimated in policy and governance (Shrestha and Clement 2019). It illustrates that despite the intention, commitment to gender equity in budget utilization continues to be underwhelming (World Bank 2019; Khanal 2019).

For instance, Dalit women have been elected as treasurers in WASH committees, but they have no training or skills in managing a treasury (Wali et al. 2020). Technical training or, in this case, financial management or accountancy is not prioritized, even after federal restructuring (Bhurtel 2019; World Bank 2019; Wali et al. 2020; Shrestha and Clement 2019). This continues to support and portray a pattern of attitudes and practices that are deeply masculine and patriarchal in nature, as technical skills continue to be linked to masculinity (Shrestha et al. 2019; Shrestha and Clement 2019; Wali et al. 2020; Udas and Zwartveen 2010). This echoes that despite gender mainstreaming in the WASH sector, there is a wide gap between policy commitments and

outcomes (Wali et al. 2020; Shrestha and Clement 2019). Thus, despite the constitution enshrining inclusion in the governance system by assigning legislative seats by gender and ethnicity, meaningful participation by women and marginalized groups is still limited (World Bank 2019).

Ways forward

Prioritizing GESI is the way forward

Nepal has made major efforts to strengthen GESI within the WASH sector through mainstreaming and operationalization. The 2015 constitution protects GESI as key in achieving equality. While GESI has been technically included in most governance structures, the question of its meaningful integration persists (Khanal 2019; Bhurtel 2019; World Bank 2019). This is because, many times, marginalized groups are considered just a tick in the box (Wali et al. 2020). Thus, the Federalism Capacity Needs Assessment (FCNA) study shows that there needs to be meaningful engagement with women and minority, disadvantaged groups if the new structure of governance is to achieve meaningful results (World Bank 2019). Thus, there needs to be a sustained prioritization of GESI going forward.

Addressing the issue of WASH personnel

A key finding is that at present, due to federal transition, many government structures are lacking in human resources. Provincial and local authorities are relatively newly established, leading to staffing shortfalls, and many have capacity gaps in experience, processes and systems in which

to fully implement their decentralized mandate (Tillett et al. 2019). Thus, the government needs to focus on adequate allocation for sufficient and trained human resources to be involved in WASH-related programs. Likewise, WASH experts from the previous governance system need to be utilized, and their knowledge on inclusive WASH can dictate the future in terms of how WASH-related programs are implemented. Thus, given the situation of institutional reform as well as the formation of new institutions, initiatives to strengthen local government systems are highly relevant (Tillett et al. 2019). Also, there is space for civil society organizations to find new ways of working collaboratively with these new local authorities (Tillett et al. 2019).

Continued capacity building activities

Findings suggest that while GESI has been mainstreamed by the government and endorsed by the constitution, there is a definite lack of policy making, planning, budgeting, and financial management capacities (Bhurteel 2019). For instance, marginalized women from Dalit communities have been elected as treasurers in WASH committees, but they have no training or skills in managing a treasury (Wali et al. 2020). To make the participation of women and marginalized communities truly meaningful, technical training such as financial management or accountancy needs to be prioritized,

especially in the post-federal system (Bhurteel 2019; World Bank 2019; Wali et al. 2020; Shrestha and Clement 2019). To fill the gap between policy commitments and outcomes in the case of gender mainstreaming in the WASH sector, there is a need for continued capacity building activities which should be organized and followed up so that women leaders can exercise their agency.

Nepalese governance systems will take time to adapt to new changes, so transition plans are necessary

It must be considered that federalism in Nepal is still in its infancy, so adjusting to new changes will take time – this includes prioritizing GESI alongside this transition (World Bank 2019; Bhurteel 2019). Studies show that the freedoms achieved by fiscal federalism has been crucial to achieving monetary equality at all tiers (Bhurteel 2019). Likewise, it has also allowed for new institutional infrastructure that demands more human resources (Bhurteel 2019). However, problems arise as there is no effective planning or strategic guidelines to direct exact roles and responsibilities, leading to an overlap of responsibilities between all federal, provincial and local governments (Bhurteel 2019; World Bank 2019). Thus, there is a dire need for planned and strategic roll-out in all three tiers (Bhurteel 2019; World Bank 2019).



A woman at ward 6 of Chandranagar Rural Municipality in Sarlahi district, Nepal, showing the impact of poor quality water withdrawn from a shared hand pump leaving yellow tar on the water collection container (photo: Onion Films Nepal).

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