

# Operationalizing Water and Sanitation Regulation in Nepal: A participatory Reform Journey

Satish Jung Shahi

CWISAN Coordinator, UN-Habitat Nepal Office

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**CWAS** CENTER FOR WATER AND SANITATION  
**CRDF** CEPT UNIVERSITY

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# Presentation Outline



Legal Foundation



Service Operation and  
Institutional Landscape



Regulation Start-up



What Does Success Look Like



Closing

# Why Regulation Matters

Nepal entering implementation phase of national regulation for safe, inclusive, sustainable WASH services

Fragmented service delivery needs credible, fair, transparent regulatory system

Regulation ensures: service quality, financial viability, accountability, user protection

## Regulatory Functions

### 1. Tariff Setting

Regulating tariffs to ensure fair and sustainable pricing structures for both public and private service providers.



### 2. Licensing and Performance Monitoring

Issuing licenses and overseeing service conditions, including quality standard, eg., KPIs and operational efficiency, to enhance reliability and sustainability.



### 3. Sector Governance Enhancement

Strengthening transparency, accountability, and stakeholder engagement while amplifying consumer voices.



### 4. Ensuring Equity

Implementing pro-poor regulatory measures to expand access to safe water and sanitation, particularly for underserved communities.



# Legal Foundation for Regulation



- **Water and Sanitation Act, 2022** – establishes regulatory mandate



- **Water and Sanitation Regulation, 2025** – operationalizes service licensing, tariff, inspection, and compliance



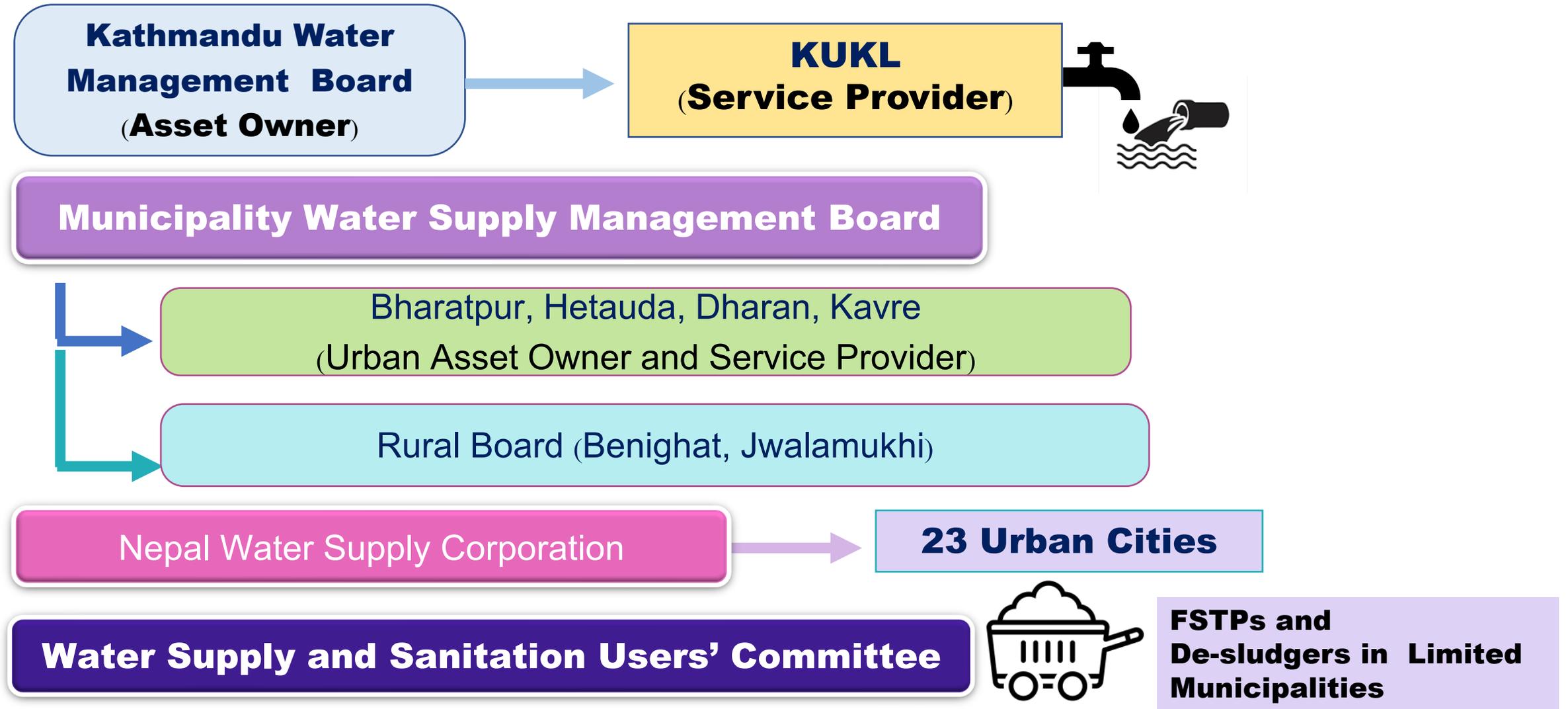
- **WASH Policy, 2023** – principles of equity, inclusion, service quality



- **Water Quality Standard, 2022 & Domestic Wastewater Standard, 2023**

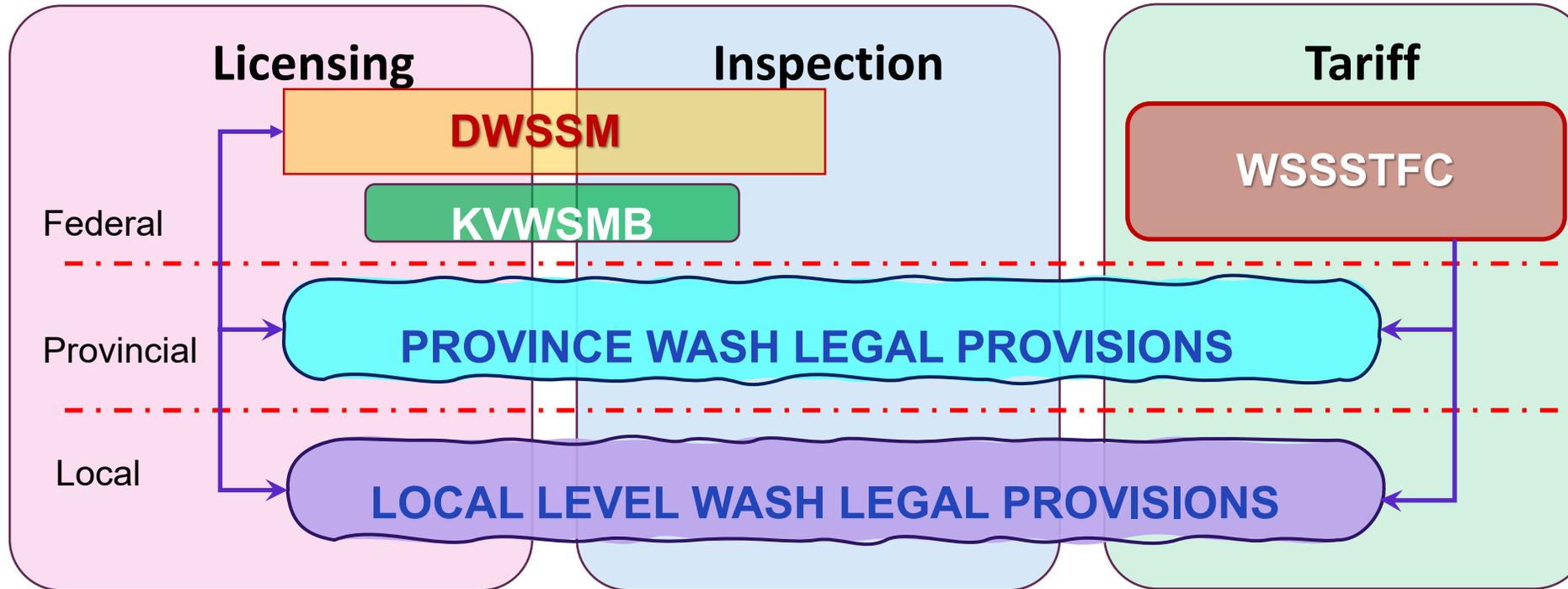


# Service Operation Landscape

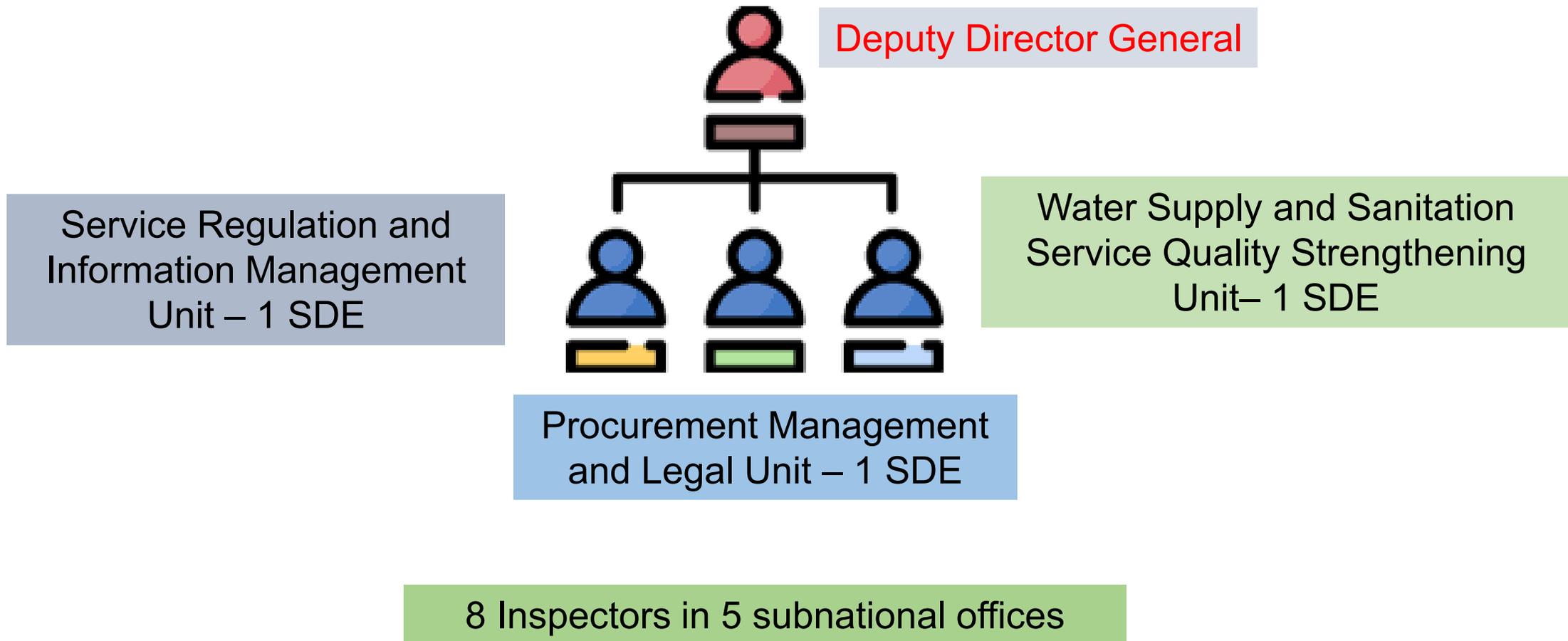


# Institutional and Regulatory Landscape

## Ministry of Water Supply (Governance and Coordination)



# Service Regulation and Coordination Division





## Initial Actions Since Regulation Approval

- 12 pilot service providers selected for regulation roll out
- Regulation Collaboration Committee in DWSSM
- Budget allocated for rollout and inspector deployment
- Working drafts: SPs Business Plan Templates, Tariff Setting Guidelines, Licensing Templates
- Mentor-mentee regulatory partnership between SPAN Malaysia and Nepal regulatory entities to draw from success



# Key Performance Indicators



## Water Supply

- Service Coverage
- Sufficiency
- Reliability
- Quality
- Non-Revenue Water
- Metering Ratio
- Operating Ratio
- Complaints/ Grievances Handling



## Sewered with STP Non-Sewered Sanitation with FSTP

- Service Coverage
- Service Level (Service Standard and Compliance)
- Operating Ratio
- Complaints/Grievances Handling
- Occupational Health and Safety of Sewerage /F/STP Workers

# What Does Success Look Like by 2027?



12 service providers benchmarked and fully licensed



Tariff system institutionalized and reviewed every three years



Inspector compliance monitoring on KPIs



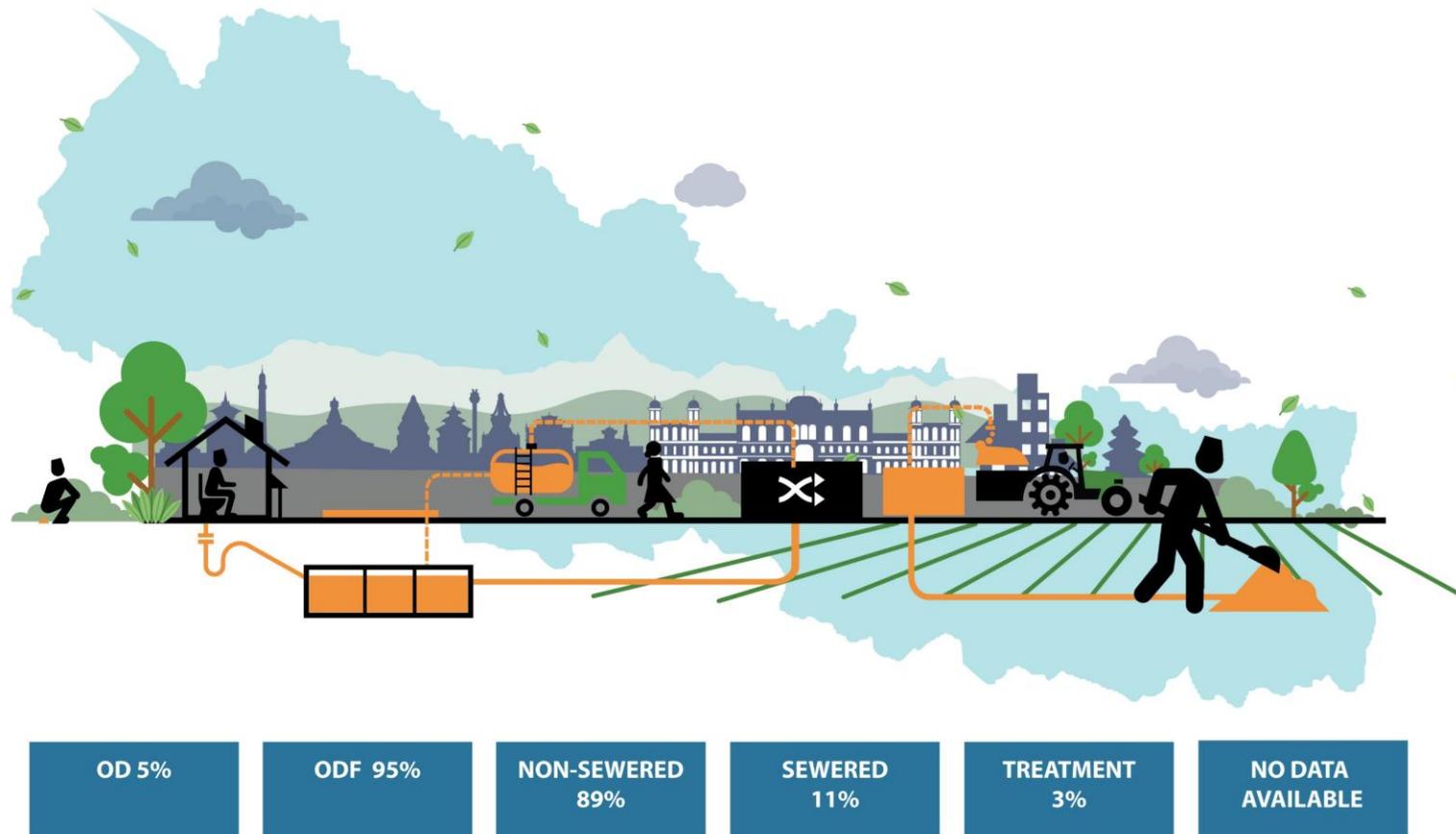
Regulation road map operationalized nationally



Functioning Regulators and Regulated Service Providers



Performance Report Card under regulated environment



# Nepal's Moment



## Accelerate Change

Leverage start-ups & SPAN's experience to fast-track regulation



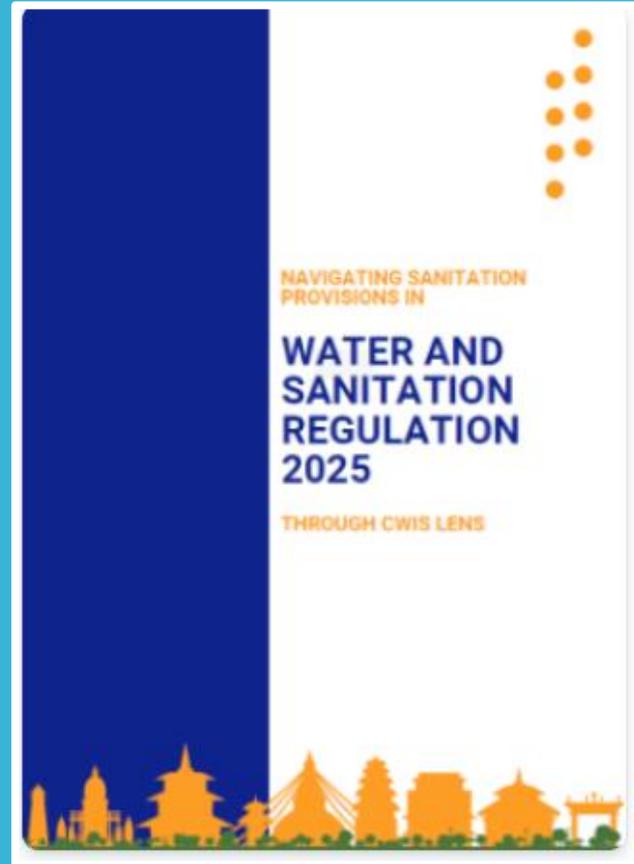
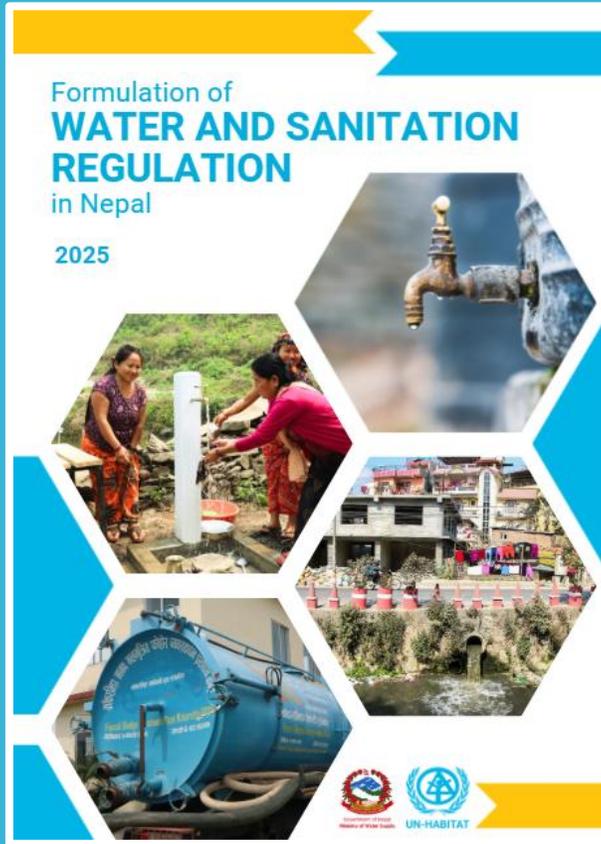
## Turn Law into Action

Transform legal foundations into scalable, tangible progress



## Lead & Inspire

Strengthen governance and position Nepal as a regional beacon



# Global South Academic Conclave on WASH and Climate 2025

For More Details

