

Getting to boiling point

2006 update

This paper is an update to the 2005 report *Getting to boiling point: Turning up the heat on water and sanitation*.

March 2006



Headlines

- Last year national water sectors across Sub-Saharan Africa and South Asia took only the smallest steps to improve their performance
- There is no sense of urgency even though millions of children continue to die of diarrhoeal diseases, while ill-health keeps others out of school or off work
- Of seven key measures to improve sector performance only one – the development of national delivery and investment plans – has seen significant progress
- There are still twice as many countries without national plans as with plans – adopting such plans by 2006 was a key commitment at last year's UN Millennium Review Summit
- Major G7 donors are still failing on their overall aid commitments and do not prioritise water and sanitation despite the sector's role in their own development history
- The deadline for the Millennium Development Goals (MDGs) is now only nine years away, just one year more than the average time taken to spend allocations of aid for water

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.

Background: *Getting to boiling point*

WaterAid's 2005 report *Getting to boiling point*¹ documented the brutal inadequacies in the performance of national water sectors as a result of which 1.1 billion people lack safe water and 2.6 billion are without even the most basic toilet.

The report made seven calls to action together with a baseline assessment of the position in each of the 14 countries where WaterAid has its principal country programmes. The calls to action concerned the priority steps needed from both national Governments and donors in order to accelerate performance in the sector. As far as donor roles were concerned, the calls focused on coordination and alignment with national plans. These factors are widely held to underpin the successful use of aid in general – for example in Botswana² – and are at the centre of the aid effectiveness agenda set out in donors' Paris Declaration.³

The 2006 update

One year on from the publication of *Getting to boiling point*, WaterAid country programmes have repeated the assessment on the key calls to action in order to determine the extent and pace of change in the sector. Table 1 opposite sets out the results of this assessment compared with the 2005 baseline.

Discussion

Getting to boiling point was itself a synthesis report. However, its premise was that the water sector needs to move on from international policy debates and pronouncements and focus on delivery at the country-level. The report was therefore based on a series of individual national water sector assessments.⁴ Continuing this basic understanding that there is no one-size-fits-all solution and that the critical discussions are those at country-level, Table 2 on page 5 summarises the position on the key calls to action country by country. Variations in the factors affecting different countries range from monsoons in Bangladesh to lack of clarity about the roles of different ministries in Zambia to the extent of local districts' compliance with central Government sanitation budget guidance in Uganda.

Several of the calls to action were picked up in the commitments made at the Millennium Review Summit at the United Nations in September 2005. Key elements (and the related *Getting to boiling point* calls) in the outcome document endorsed by member states relevant to the water sector were:

1. For developing countries to adopt by 2006 comprehensive national strategies to achieve the MDGs (Call 1)
2. For developed countries to support them by providing a substantial increase in aid of sufficient quality and timeliness and to increase its impact, for example by ensuring its proper and targeted utilisation (Calls 6 and 7)
3. For annual ministerial-level reviews of progress on these MDGs (Call 4)

An increasing focus on the country level is also being seen for example in the country dialogues between the EU Water Initiative and the African Ministers' Council on Water. But for every step forward there is all too often a step backwards. At the same time as the EU Water Initiative aims to increase the effectiveness of aid for water, one of the principal problems in aid effectiveness – the existence of multiple funding and reporting streams – is repeated with the establishment of the EU Water Facility.⁵

The biggest single problem in the sector, its lack of transparency, is being addressed only slowly. No more countries have followed Uganda's lead in producing proper performance reports although a couple are taking steps towards doing so by collecting data or scheduling round-table discussions. Without the glare of informed public scrutiny the sector and the politicians responsible for it are very unlikely to feel the heat needed to get the sector's performance to boiling point.

Probably the most shocking fact is the continued lack of separate provision for sanitation. The failure to deliver the required increases in access to sanitation will on present trends result in the deaths of an extra 10 million children by the time the MDG target is finally reached in 2026.⁶ But that average masks a much worse position in Sub-Saharan Africa where the target will not be met until 2105, 90 years late and after the deaths of an extra 133 million children from diarrhoeal diseases. For Zambia, without a change of course, the sanitation target will not be met until 2130.

The sector therefore badly needs a sense of urgency about the delivery of the MDG targets. Their deadline is now only nine years away. The OECD has reported⁷ that it will take eight of those nine years to deliver fully any extra donor funds agreed now. Some donors are beginning to show signs that they are aware of the need to build a momentum about delivery – the UK Department for International Development (DFID) for example has begun producing six-monthly reports on its engagement with the water sectors of key partner countries.⁸ But generally any such urgency or momentum is totally lacking. For example not one of 25

Table 1: 2006 assessment of the position of national water sectors on *Getting to boiling point* calls to action

Call to action	WaterAid countries		Change on 2005	Comment
	With	Without	With	
National water sector investment and delivery plan	5	9	+4	Improved position reflects new sector programmes and frameworks in Bangladesh, Madagascar, Nepal and Nigeria.
Separate budget for sanitation	2	12	0	Bangladesh has ring-fenced 20% of its Annual Development programme to ensure a separate provision for sanitation. However, Uganda's advice that 10% of funds should be allocated to sanitation is being followed by just one in three districts.
100% utilisation of water sector budgets	0	14	0	It continues to be very difficult to assess this because of an absence of information. It may be very delayed as in Ethiopia where the latest data is for 2000/1 or it may be scattered among different project documents as in Ghana. Restrictive procedures especially among donors (eg UNICEF spent only 19% of its funds for water in Nigeria) explain much under-utilisation, but natural causes (eg monsoon in Bangladesh) also have an impact. The best data is in Uganda where utilisation rose from 53% to 60% although the actual spending increase was smaller because of budget reductions.
Annual reports published on water sector performance	1	13	0	There are some one-off performance reports as preparation for national plans or some high-level data included in national poverty reduction progress reports. However, a culture of performance reporting – and more particularly of publishing such reports to facilitate participation in sector decision-making – is far from being embedded.
Major donor behaviour in countries where WaterAid works				
Unified single interaction with Government	3	11	0	Donors are beginning to 'talk the talk' on coordination. In Zambia donors have harmonised their inputs into key sector meetings. But formal harmonisation arrangements, as seen in Uganda, remain rare. Ghana's multi-donor budget system, designed some years ago, will be put into effect this year. But in Ethiopia it is not realistic to continue assessing this issue positively: there is continued evidence that the donor advisory group's (DAG) water thematic group is very weak and that donors are operating outside the national plan which is in any event not disaggregated to the regional levels where donors work.
Alignment with national water plans	2	12	0	Too often there are no national plans with which to align. In some countries edging towards such plans (eg Ghana and Zambia) there are signs that donors are prepared to work in accordance with the plans. But Governments will need to be coordinated themselves and assert their authority over donors. Elsewhere (eg USAID in Madagascar) donors appear content to continue following separate plans although occasionally this may be justified, for example by democratic deficits as in Nepal.
Partnership for development – providing 0.7% Gross National Income (GNI) in Overseas Development Assistance (ODA)	0	7	0	For G7 countries only – overall they provided 0.22% of their wealth as ODA in 2004, up marginally from 0.21% in 2003. However, water and sanitation's share of this is declining – from over 8% in 1997 to less than 5% in 2004 – and Iraq accounts for much of the increased allocations which were made: \$872 million or 60% out of \$1.45 billion in 2004.

donor or recipient Government representatives interviewed could point to any policy or practice change introduced as a result of the EU Water Initiative in the first three years of its existence.

Donor commitment generally remains poor. Although aid overall has increased, the share allocated to water and sanitation has fallen from 8.1% in 1997 to 4.96% in 2004. Of the cash increase of \$1.45 billion in 2004, some \$825 million or 57% was for Iraq. Excluding Iraq, water and sanitation spending has actually fallen by 3% since 1997.⁹

Outlook

It is difficult to conclude that the prospect of water sector performance increasing to the levels needed to achieve the MDGs – and more particularly to fulfil people’s human rights – is anything other than bleak. Nonetheless there remains nothing intrinsically difficult about any of the actions required. Only political will is required to set plans and budgets, to coordinate sector players, to get work done, and to make annual reports on all of this to citizens. WaterAid will report again on its calls to action in 2007.

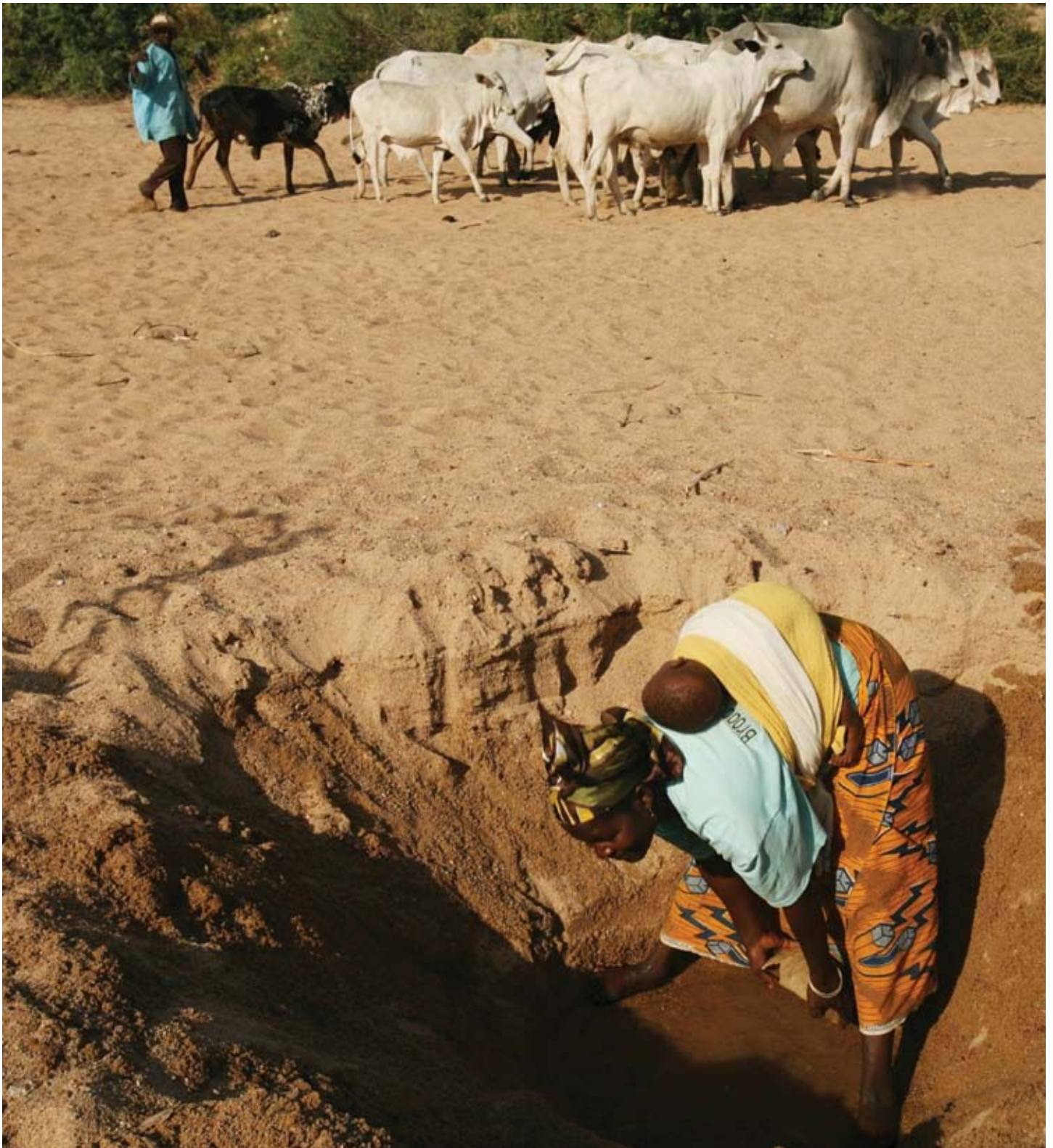


Table 2: Summaries of national water sector positions

Country	Summary of position
Bangladesh	A sector development programme (SDP) was agreed in January 2006 for \$5 billion of investments over the next 10 years, 50% financed by donors. However, donors are still only discussing with Government how to improve the way they work together. There is no evidence yet that donor plans are aligned with the SDP. The deadline for introducing sector budget support and other elements of a sector-wide approach is 2008. Continuing bureaucracy in donor disbursements and procurement therefore appear likely to lie behind the slower funds utilisation rate (75%) in the first five months of the present fiscal year compared to the previous year's figure of 80%. However, difficult monsoon conditions have also had an impact. There is evidence of increasing political will for better water and sanitation both nationally and regionally. Nationally water and sanitation are one of eight focus issues in the new poverty reduction strategy paper (PRSP) implemented in October 2005 (although the related medium-term expenditure framework and three-year rolling investment plan elements remain to be finalised). Regionally there was also a focus on the sector in the declaration of the November 2005 summit of Heads of State in the South Asian Association for Regional Cooperation (SAARC).
Burkina Faso	The new national water facilities inventory is the first step towards a national sector plan and a review of sanitation policy may result in a separate budget for sanitation. Although donors and other sector stakeholders look likely in future to coordinate their contributions with these national processes once complete, it is for now still too early for real improvements in sector performance to have been delivered. Lack of annual reports on the sector in any case makes it impossible to judge performance issues definitively – it is not clear even whether budgets are fully utilised or not.
Ethiopia	Notionally there are several national sector documents – the Ministry of Finance and Economic Development commissioned an MDG needs assessment which now sits alongside the existing water sector development plan. However, lack of ownership – especially at regional level – means that they have not functioned as genuine plans. The water sector development plan process has now been taken down to regional level (memoranda of understanding have been signed between bureaux of health, water and education in three regional administrations), but donors often continue to operate in the regions without regard to these plans. Meanwhile the DAG's water thematic work continues to be ineffective in getting donors and Government jointly to address such coordination issues. There are some exceptions: the World Bank and UNICEF are coordinating work at district-level; and, the dialogue with the EU is planning a first annual multi-stakeholder review for June. Significant new funds totalling more than \$300 million have been committed to the sector, but the new 2005-2010 PRSP contains no indicators, targets or budget lines for sanitation.
Ghana	There has been progress in the development of a strategic plan for rural water and sanitation and in the implementation of the multi-donor budget system. However, sanitation remains without dedicated funding, information is not easily available to track the use of all funds – there is no comprehensive annual sector performance report – and donors continue to do work in the sector outside of the national planning system.
India	There are some encouraging signs, for example in the 76% increase in the rural sanitation budget. However, the national plan continues to focus on irrigation rather than on domestic drinking water and urban issues are omitted both from plans and from performance reports. Donors do align with Government but account for a very small part – 3% or so – of sector funds.
Madagascar	Investments in the sector are now beginning to be strategically targeted in accordance with the National Programme for Water and Sanitation agreed in June 2005. A lot of ground however needs to be made up on sanitation which has been receiving just 6% of the water and sanitation budget and in practice probably less. Utilisation of funds is increasing with donors mostly aligning their funding with Government. But comprehensive reports on sector performance are still not produced although a start has been made with a national database of waterpoints.
Malawi	Malawi's water sector is in the balance. There are some promising developments: a sanitation policy is under development including the critical identification of which ministry will take the leadership role; the more consultative approach adopted in drawing up the new national Malawi Growth and Development Strategy (MGDS) has resulted in an improved profile for water and sanitation; and, the process of developing Phase II of the National Water Development Programme may yet lead to the adoption of a sector-wide approach. But significant challenges remain: there is no national sector strategy and investment plan, particularly in relation to achieving the MDGs; there is no separate sanitation budget; there is no annual sector performance report; and, coordination between sector players remains inadequate at ground level.

Mali	Mali has a 10 year National Plan for Access to Water to deliver the water MDGs by 2015 but, despite donor endorsement, it remains unfunded (to the tune of CFA 400 billion or \$727 million). There is no plan on sanitation despite there now being a Ministry of Environment and Sanitation. Moves are afoot to introduce a sector-wide approach – including a comprehensive annual performance report – and a sanitation budget. Therefore the position may soon be much more positive. At present though levels of coordination remain low which explains in part why as much as 40% of existing funds go unused.
Mozambique	Effective implementation of decentralisation at province level is the key to further progress. At present only one province is producing its required sector master plan. The sector water and sanitation group is functioning only as a talking shop and the national policy for demand-responsive approaches is being ignored; most recently in an Indian Government project for 800 waterpoints using pumps manufactured in India. A forthcoming audit of sector performance – due in June – for the Ministry of Finance may prompt improvements to be made more quickly.
Nepal	There is a lot of promise – up to 20% of budgets may be spent on sanitation, there is nominally a sector stakeholders group, and sector performance baselines are being established. However, the reality on the ground, complicated by the ongoing conflict and lack of a democratically-elected Government, remains one of uncoordinated action and budget under-utilisation.
Nigeria	A new national sector framework has been developed but it has not been fully implemented. Sanitation in particular remains split between three federal ministries (Water Resources, Environment, and Health) none of which has a dedicated budget for sanitation and two of which are simultaneously producing separate policies. Restrictive implementation guidelines keep budget utilisation rates low and different stakeholders work with different datasets. However there are some early signs that donor coordination may improve under the auspices of Ministry of Finance-hosted meetings and the National Planning Commission's benchmarking process for states. Equally there are proposals for water sector donor coordination aimed at producing an annual report on the sector.
Tanzania	There are some promising signs in the development of a national plan (though to date the World Bank has been overly dominant in this process) and in donor discussions about coordinating their contacts with Government. However, on the ground donors continue to work without reference to other players and none of the Government ministries has a sanitation budget. There is still no published annual report of water sector performance. There was a one-off public expenditure report for water but it considered only whether the money was spent and not what results were achieved!
Uganda	Sanitation remains the weak point in Uganda's generally well-organised sector planning and reporting arrangements with which donor programmes are aligned. Contrary to reports last year there is still no separate sanitation budget set as part of the national budget process (although individual ministries do allocate funds for sanitation). Only 30% of districts are following central Government guidelines about their sanitation and hygiene spending. Nonetheless overall sector spending has increased and some, though not all, recommendations of the previous annual review have been implemented.
Zambia	National sector plans are still required and consequently there remains no proper provision for sanitation nor alignment of donors with a national agenda. However, progress is being made on these issues: for rural areas a national plan was launched in December 2005 with a good focus on sanitation; and, donors have agreed to make a joint appraisal of that plan including examination of issues, such as the precise roles of different ministries. The performance data needed to generate greater openness and public pressure for change remain unavailable to the extent that it is not possible to say even whether budgets are fully spent or not.



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- 1 WaterAid (2005) *Getting to boiling point: Turning up the heat on water and sanitation* available at www.wateraid.org/financingreports
- 2 Somolokae G et al (1998) *Managing Good Fortune: Macroeconomic management and the role of aid in Botswana*, quoted in Claassens M and Van Zyl A (2005) *Budget transparency and participation: Nine African case studies*
- 3 OECD (3 August 2005) *Joint progress towards enhanced aid effectiveness: Harmonisation, alignment, results*
- 4 WaterAid (2005) National water sector assessments for Bangladesh, Ethiopia, Ghana, Mali, Madagascar, Mozambique, Tanzania and Uganda are available online at www.wateraid.org/financingreports
- 5 Tearfund and WaterAid (2005) *An empty glass: The EU Water Initiative's contribution to the water and sanitation Millennium targets* available at www.wateraid.org/emptyglass
- 6 WaterAid (2005) *Dying for the toilet* available at www.wateraid.org
- 7 OECD (2004) *Aid for water supply and sanitation: report prepared by the Development Assistance Committee of the OECD at the request of The International Water Academy (TIWA)*
- 8 DFID (2 August 2005) *Update on DFID's work in water and sanitation since the Water Action Plan*
- 9 Development Initiatives (forthcoming) *Human Development Report 2006: Water for human development – development assistance for water and sanitation*