

Off-track, off-target

United States leadership in ensuring investments in water and sanitation reach those who need it most



The global water, sanitation and hygiene (WASH) crisis is one of today's biggest challenges. Almost 900 million people worldwide live without sustainable access to clean water, and over 2.6 billion are without improved sanitation. This crisis is responsible for nine out of ten deaths from diarrhea – the biggest killer of children in Africa and the second biggest killer of children in South Asia – or 2.2 million deaths globally each year. Without a serious shift in approach, there is no sign that these unacceptable and avoidable tragedies are going to end any time soon. In addition to being a human tragedy, this is a disaster that undermines many other efforts for development and poverty reduction.

National governments in developing countries bear primary responsibility for ending the water and sanitation crisis. However, a parallel effort is required by donors to increase funding to the sector; improve targeting of resources to integrated, equitable and sustainable programming; exert leadership to emphasize the importance of WASH to other key development objectives; and support capacity building for sustainable and inclusive WASH programs.

WaterAid's calls for US leadership on water, sanitation and hygiene:

1. Prioritize water, sanitation and hygiene in US aid and increase resources to the sector to help ensure that global neglect of WASH is reversed.
2. Target WASH investments to the poorest communities and most vulnerable populations, pursuant to the *Senator Paul Simon Water for the Poor Act* of 2005. Greater attention should be given to equitable and accessible basic services in the countries where access is lowest, and to vulnerable and marginalized populations.
3. Integrate WASH across the US foreign aid portfolio, especially in the Global Health and Feed the Future Initiatives, and as an element of the US Administration's focus on gender equality and women's empowerment, and poverty reduction.
4. Mobilize and demonstrate high-level participation in and support for the Sanitation and Water for All Initiative.

WaterAid's new report, *Off-track, off-target: Why investment in water and sanitation is not reaching those who need it most*, is a call to action on critical gaps in funding, effective targeting, and coordination at the local, national, regional and global levels; and makes recommendations of best practices and changes to the water, sanitation and hygiene sector that can help save lives. The report includes case studies on WASH financing from WaterAid country programs that illustrate a range of financial trends, and analysis of the impact of WASH on globally-agreed health and development objectives.¹

According to a recent poll, Americans choose safe drinking water and sanitation as their top priority for US support of international development.² Similarly, people in developing countries cite water and sanitation as among their top priorities. Given that WASH programs are among the most efficient and effective development options available—with a return of \$8 in saved healthcare costs and increased economic productivity for every \$1 invested—and have a positive impact on GDP in poor countries, there is ample evidence to support continued and expanded US leadership on WASH.³

WaterAid's calls for US leadership on water, sanitation and hygiene:

1. Prioritize water, sanitation and hygiene in US foreign aid and increase overall international affairs resources.

The primary responsibility for improving water and sanitation infrastructure, ensuring equitable and sustainable access, and providing hygiene education lies with national governments. However, the influence and resource (human and financial) contributions of donor governments is critical to ensuring sufficient funding and capacity building to meet ambitious objectives. External factors, such as rapid urbanization, are shifting and in some cases concentrating the need for improved access to safe drinking water and sanitation, such that sufficient and concerted investments in the sector are the only way to meet the needs of a growing population and make headway on the Millennium Development Goals (MDGs) and other poverty-reduction objectives. Yet, donor contributions to WASH have not kept pace with increases to overall aid flows, furthering the disproportionate need for water and sanitation services.

The US is the third-largest WASH donor, having increased its contribution each year since 2005 and demonstrating critical leadership and commitment to these most basic of services. For Fiscal Year 2010:

- USAID spent \$643.7 million on water sector activities, including investments in areas such as agriculture and disaster risk reduction. Of this, \$521.97 million was dedicated to household and community water supply, sanitation and hygiene;
- US Department of State and other Federal agencies invested \$55 million; and
- US Millennium Challenge Corporation obligated \$255 million.⁴

Despite these investments and those of other public and private sector partners, the remaining four years to the MDGs' deadline are critical. In the face of urbanization, unpredictable weather patterns, and financial crises that have made aid flows less predictable, WASH targets are both harder to reach and increasingly essential. WASH contributes to poverty reduction and economic productivity; child survival; health; access to education; and environmental conservation.⁵ Furthermore, it is clear that access to clean water and basic sanitation is a critical element of disaster risk reduction at the community level, such as in the Horn of Africa and Pakistan, where drought or flood is wreaking havoc. Yet, despite the need, in developing countries, the spending on WASH is minimal compared to that on health and education and the share of aid flows going to water has contracted over the last 15 years.⁶

In turn, WASH depends upon the success of other health and development programs for its own greatest impact to be realized. Without robust global health, education, infrastructure and governance programs, sustainable access to water and sanitation and hygiene education will suffer or will not achieve their potential impact. **The US must protect investments in foreign aid, and increase available resources for WASH and for all areas of the international affairs budget** to ensure continued progress toward globally-agreed goals, and mitigate vulnerability from natural disasters, financial insecurity, and other challenges that disproportionately impact poor people. In addition, innovative mechanisms for leveraging our investments, such as a Financial Transactions Tax, should be seriously considered.

2. Target support to countries and populations where needs are greatest.

The *Senator Paul Simon Water for the Poor Act* of 2005 (PL 109-121) requires the US to designate high-priority countries for WASH assistance, in which “the need for water and sanitation is greatest” and “in which assistance [for WASH] can be expected to make the greatest difference in promoting good health, economic development, poverty reduction, women’s empowerment, conflict prevention, and environmental sustainability.” Yet, in Fiscal Year 2010, USAID’s funding allocations for WASH at the household and community levels reflect a mixed bag of pro-poor targeting pursuant to US law:⁷

- 40% of WASH resources went to **Asia**, yet the Asian countries with highest need for WASH services, such as India and Bangladesh, aren’t among the top-ten recipients of USG WASH aid;
- 14% of USAID WASH resources were spent in the **Middle East**, with a bias toward middle-income countries, and those with lower need for basic WASH services and a greater demand for transboundary resource management.⁸
- **Sub-Saharan Africa**, the most economically- and WASH-poor region, received 32% of USAID’s WASH investment. Five of the top ten recipients of USAID WASH support are in this region, showing a positive trend; yet, the sub-Saharan African country with the greatest share of the need, Nigeria, is not on this list.⁹

At the current pace, it is expected that sub-Saharan Africa will miss the target for safe drinking water by at least 15 years and the target for sanitation by around 200 years.¹⁰ Yet, it is not just poor countries—but poor communities—that require urgent investment in WASH. Lack of access to safe drinking water and sanitation is increasingly concentrated, and a changing global economy leads to greater income inequality, meaning that the majority of poor people may soon be living in countries classified as middle-income by the World Bank.¹¹ Within countries, inequalities in access to water and sanitation services tend to follow household income, with poorer people lacking access in greater numbers and often paying more for the same services than their wealthier neighbors, despite the fact that the benefits from improved access are the greatest for poor people.¹²

Careful analysis of the populations most in need—pursuant to US law—is critical to capturing the broad benefits that access to WASH can yield. Funding streams should be proportional to the population in need and the potential for broader impacts. Income inequality should be a critical component of how USAID selects the communities targeted with WASH support. All donors should undertake careful analysis to ensure WASH investments have the greatest impact.

3. Better integrate water, sanitation and hygiene in health, economic development, gender equality, education and environment programs, and increase attention to equity and inclusion.

Water, sanitation and hygiene directly and indirectly affect the ability to reach all the Millennium Development Goals.^{13,14} In most countries, the consequences of the lack of access to WASH disproportionately impact women, children, the elderly, the disabled and the chronically ill. WASH is one of the most critical challenges to women’s empowerment: lack of access prevents girls and women from getting an education, entering the labor force, growing sufficient food, and protecting themselves from disease and sexual violence.¹⁵ Research suggests that meeting the MDG targets for water and sanitation would yield a gain of 272 million school days per year in the developing world;¹⁶ an education, in turn, positively impacts upon economic growth and poverty reduction. Poor sanitation is estimated to cause approximately 50% of all undernutrition in the world, and diarrhea kills more children than AIDS, tuberculosis and malaria combined.¹⁷ While WASH is a key program area in the US President’s Global Health Initiative, it is not a priority target and, while it is an indicative activity in many USAID missions’ health strategies, rarely is WASH emphasized as critical to USAID’s broader impact or success. The *Senator Paul Simon Water for the World Act*¹⁸ offers solutions to these gaps in overall US WASH strategy. However, the *Water for the Poor Act* requires USAID to develop a comprehensive WASH strategy, which presents immediate opportunity for the Administration to prioritize effective integration. **Six years after this requirement became law, there is still no strategy. This should be urgently rectified, to ensure alignment with foreign aid effectiveness principles and evidence-based best practice for WASH as a cross-sector issue.**

4. Mobilize and demonstrate high-level participation and support for the Sanitation and Water for All (SWA) Initiative.

SWA is a partnership of donor and recipient countries, multilateral agencies, and civil society, working together to achieve the goal of sustainable access to sanitation and drinking water for countries that are most off-track, with a special focus on conflict and post-conflict countries. SWA is an important tool for demonstrating aid effectiveness in the sector and improving donor harmonization. The goal of SWA is to raise the political priority of water and sanitation, improve focus and impact of resources invested, and strengthen mutual accountability between donors and development partners. The US government has been active in SWA, but has not yet formally joined the partnership.

By joining SWA and sending a high-level representative—such as Secretary Clinton—to the High-Level Meeting in Washington, DC, in April 2012, the US Government can further leverage the financial and capacity-building resources of its partners, and demonstrate what it already knows: that water, sanitation, and hygiene are effective and efficient means of reducing poverty and saving lives.

Endnotes

¹ *Off-track, off-target* is available at www.wateraidamerica.org/offtrack.

² Findings from an online survey of 1,015 respondents age 18 and over, conducted by IPSOS Public Affairs, between August 26 –30, 2011. Individuals were interviewed via a U.S. online household panel. The data was weighted to 2010 U.S. Census data. Statistical margins of error are not applicable to online polls. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error and measurement error.

³ Lack of safe water & sanitation costs sub-Saharan Africa around 5% of its GDP each year, while inadequate sanitation costs India the equivalent of 6.4% of its GDP, or US\$53.8 billion.

⁴ United States Department of State: The 2011 Senator Paul Simon Water for the Poor Act (P.L. 109-121) Report to Congress (2011).

⁵ See, for example, www.wateraidamerica.org/what_we_do/impact_of_our_work/default.aspx#social.

⁶ WaterAid (2011) *Off-track, off-target: Why investment in water and sanitation is not reaching those who need it most*.

⁷ United States Agency for International Development (USAID) (2011) *Safeguarding the World's Water: 2011 Report on USAID Fiscal Year 2010 Water Sector Activities*, available at www.usaid.gov/our_work/cross-cutting_programs/water/WaterReport_2011.pdf.

⁸ Funding figures highlighted in this document relate only to USAID WSSH expenditures, which focus on water supply, sanitation and hygiene activities, including at the household and community levels. Watershed and water resources management and water productivity activities, such as those that would address transboundary waterways issues, are a different budget line and are not included in the absolute and proportional dollar amounts reflected here. This text uses the acronym “WASH” for continuity; USAID’s budget and reporting documents describe this line item as “WSSH”.

⁹ In FY10, the top recipients in absolute dollars of USAID WASH funding were, in descending order: Pakistan, West Bank & Gaza, Sudan, Afghanistan, Haiti, Jordan, Democratic Republic of the Congo, Liberia, Kenya and Ethiopia.

¹⁰ WHO/UNICEF (2010) *Progress on Sanitation and Drinking Water, 2010 Update*.

¹¹ Institute of Development Studies (2011) www.ids.ac.uk/go/idsproject/the-new-bottom-billion.

¹² WaterAid (2011), at 13.

¹³ UN General Assembly 65th Session, Keeping the promise: united to achieve the Millennium Development Goals, Sep 17 2010.

¹⁴ Sanitation and Water for All: A Global Framework for Action: Summary by the Co-Chairs of the High Level Meeting on April 23 2010.

¹⁵ www.wateraidamerica.org/what_we_do/women_and_wateraid/default.aspx.

¹⁶ *UNDP Human Development Report 2006*.

¹⁷ WHO/UN Water (2010) *UN-Water Global Annual Assessment of Sanitation and Drinking-Water*.

¹⁸ S. 641, forthcoming in the House at time of publication.



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