

DFID's organisational capacity for support to water and sanitation

1. Background

1.1 DFID's challenge in the future will be to ensure that there is effective capacity to implement its commitments to the Millennium Development Goals in water and sanitation. The challenge is compounded when, though with growing budget (doubling water and sanitation funding to £200 million by 2010 in Africa), there are severe limitations on DFID staff numbers.

1.2 It is becoming evident from WaterAid's policy-influencing role in the countries where we work, that DFID's participation in the sector is contracting¹ and that the loss of the Department's added value is not being replaced, since other bilateral donors are also reducing their WSS advisory capacity. This is having negative consequences across the sector. The reality of many donor-recipient country relationships is that recipients will often deploy their overstretched resources and political will behind sectors known to be prioritised by donors. While this is an unsatisfactory dynamic, the urgency of delivering water and sanitation to the poor requires DFID to re-evaluate how it deploys its resources in the sector.

1.3 And yet there are examples when the strategic deployment of DFID staff has had measurable differences to the performance of country's water sector. DFID needs to match the strong rhetoric around the importance attached to the sector at a senior level with actions in its Country Offices. It needs to reverse the withdrawal of personnel from water and sanitation and to build programmes based on the recognition of the value of discrete interventions and visible political support.

1.5 Also, DFID's policy and programming work and the UK Government's rhetoric on development need to recognise the interdependency of health and education on the water and sanitation sector. The UK government and DFID need to develop a strong policy platform based on the recognition that these three essential services are the most tangible winnables of critical value to the poor.

The following sections point to three areas where organisational coherence can be improved.

2. Stronger links between policy formulation and country programme implementation

2.1 DFID needs to increase coherence between its political and policy commitments, often made at the centre, and the implementation of country programmes through delegated management. There is evidence that there are difficulties getting the Secretary of State's commitment to water and sanitation translated into programme delivery. It is recognised that budget support modalities means that DFID's funds should follow national priorities; the problems arise when national governments' priorities do not always reflect their own citizens' priorities.

2.2 DFID needs to have an attitude to Budget Support which is positive and engaging, and may on occasions challenge the assumptions behind priorities put forward by national governments. This is not

1 This is particularly true in Nepal (where DFID cut its programme and catalytic interventions in policy-making with no notice or consultation with civil society groups) in Nigeria (where DFID has retracted its involvement in the sector and seconded the only official to work in Unicef – an agency with less of a budget and influence in Central Government policy-making) and it's also the experience in Uganda (where one official placed in the Ministry of Finance has been withdrawn).

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about dictating priorities to national governments; it is about a dialogue as a development partner of national governments.

2.3 DFID's periodic country programme reports on the 2005 Water Action Plan can be a useful tool for this, requiring DFID country offices to report on the water sector and the added value that DFID can bring in each country². DFID should continue to publish these reports and invite wider discussion on them. Informal reports from Ethiopia indicate that the DFID strategy to make key staff placements is showing good progress.

Focus on essential services – health, education and water & sanitation

2.5 WaterAid has recently published a report entitled 'In the Public Interest³' highlighting the need for an integrated approach to water and sanitation, health and education. The benefits of each of these essential public services can never be fully realised without improvements being made to all.

2.6 DFID and the most senior level of the UK Government need to strengthen the linkages between health, education and water and sanitation in the narrative around the case for aid. And DFID needs to strengthen how its country programme teams approach the delivery of essential public services and increase the recognition of water and sanitation as one of the three essential and interdependent public services alongside health and education.

3. Working through multilateral agencies

3.1 As DFID's budgets increase and the head counts stays the same or falls, it appears that DFID is providing an increasing proportion of its budget to multilateral agencies like the European Commission, World Bank and regional Development Banks and UN agencies.

3.2 One of the problems noted by NGOs for some time is that the multi-lateral agencies do not share the same objectives as DFID. For example, DFID aims to achieve 90% of its bilateral aid focused on least developed countries; the DFID target for the European Commission is 70% of spend in least developed countries, whilst their actual achievement hovers around 50%. DFID needs to set multilateral agencies clear targets and boundaries on how and where its share of funding ends up. Similarly, DFID's more progressive stance on conditionality is not matched by the World Bank. WaterAid welcomes moves by DFID to suspend its contributions to multilateral agencies that fail to make sufficient progress on the aid effectiveness agenda. In addition, some investments in water supply and sanitation, particularly in African rural areas, are better financed through grants, rather than loans.

3.3 DFID will need to constantly review and demonstrate how increasing amounts of UK government funds allocated to multilateral organisations complement DFID's commitment to water and sanitation provision.

² See WaterAid submission on Financing and aid instruments for more discussion of the Water Action Plan.

³ WaterAid/Oxfam, In the Public Interest: Health, Education and Water and Sanitation for All (2006)

http://www.wateraid.org/documents/itpi_media_1.pdf

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