

A response to the Senator Paul Simon Water for the Poor Act of 2005 (PL 109-121) Report to the Congress, 2008

Limited Progress, Much Work Remains



Some Positive Developments

In June 2008, the US State Department released its third annual report to Congress as required by the Senator Paul Simon Water for the Poor Act of 2005 (WPA).

This landmark act amends the Foreign Assistance Act of 1961 to make provision of safe water, sanitation and hygiene an objective of US foreign assistance. The WPA mandated that the President, through the Secretary of State, produce a strategy for the provision of affordable and equitable access to safe water and sanitation within 180 days of the enactment of the legislation, and that a report on progress toward its implementation be produced every subsequent year until 2015.

The 2008 Report shows that the State Department has taken some positive steps to fulfill its obligations under the mandate of the WPA. Most notably, the report includes a “Framework for Action,” which represents the first time that the importance of provision of access to water, sanitation, and hygiene has been formally identified in a broader US foreign assistance framework related to water. Access to water, sanitation and hygiene (WASH) constitutes one of the three major pillars in this Framework along with wider water resource management programming and productivity. It is a positive sign that—in addition to elevating the importance of WASH within wider US assistance related to water—the framework focuses on contextual factors important for scaled and sustainable impact such as governance and expected affects of climate change.

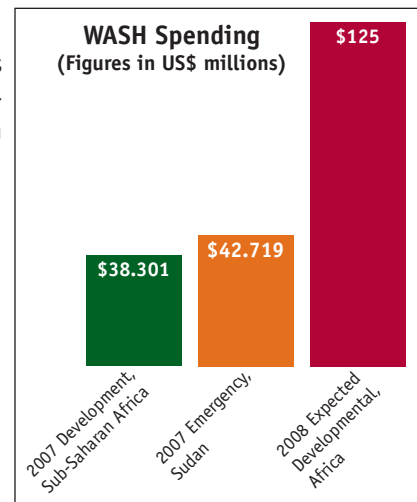
The WPA requires that in developing its strategy with respect to WASH, the State Department consult widely with US government agencies, international organizations, international financial institutions, recipient governments, nongovernmental organizations, and indigenous civil society. For the first time since the passage of the Act, the State Department led meaningful consultations at the US Foreign Service Institute with key US actors, leading to the development of the Framework seen in the 2008 WPA Report.¹ While this represents a positive development, it underscores the need for the wider consultations, particularly with recipient civil society, required by the WPA. Regular and meaningful consultation at this level is critical in truly rooting the US strategy for extending access to WASH in on-the-ground reality and best practice.

Though not mentioned in the report, some new USAID Foreign Service Officers are currently being trained on WASH program implementation. The Economic Growth and Trade Bureau of USAID has also appointed a technical advisor on WASH in Africa. These developments are positive, but only represent the beginning of efforts needed to address the dearth of technical capacity necessary to implement USAID WASH programs. This lack of capacity has led to a vicious circle in which USAID missions have not prioritized WASH activities because they lack significant expertise to do so and USAID has not hired WASH technical experts because the sector has

not been prioritized. As it stands, all but a handful of USAID missions lack significant expertise in water and sanitation.

Increases in Funding

The FY2008 appropriations language passed by Congress allocates \$300 million for increasing access to WASH only for the purposes outlined in the WPA, \$125 million of which must be spent in Sub-Saharan Africa. This strong language is intended to prevent the continuation of a trend seen in previous years in which a majority of WASH spending has been focused



on a few countries, e.g. Iraq and Afghanistan, and short-term emergency response activities (in places like Sudan). The tight appropriations language tying the FY2008 funding to developmental activities in countries facing the greatest need should translate into roughly three times the money spent on sustainable water and sanitation access in FY2007 (see chart—above). Humanitarian spending is vital and should continue, but it is not a substitute for long-term access and does not fulfill the requirements of the WPA.

While stronger appropriations language tying funding to the WPA is welcome,² the Congress also has an obligation to ensure that increased earmarks which create new programming do not strip other vital programs of funding. By not commensurately increasing the overall level of the Development Assistance account while increasing sector-specific earmarks within it, Congress has effectively put USAID in the position of having to cut funding for other essential program areas. Funding for WASH programs should not have to come at the expense of other core developmental activities.

The report cites large expenditures by the Millennium Challenge Corporation (MCC) on extending access to WASH, highlighting the example of Mozambique. The level of expenditure envisioned by the MCC in a given country is on the scale that will be necessary to have real impact. However, the reality to date is that of over \$200 million in commitments in the Mozambique compact over five years, the MCC has so far spent less than \$200,000.³ A focus on MCC funds spread over a small group of qualified countries should not overshadow the need for aggressive action required by the WPA to extend access to WASH

¹ Two meetings were held, in February and April of 2008. CARE participated in both.

² Over 25 countries in Africa and 28 in all other regions are slated to benefit from this earmark, including some of the neediest.

³ “Compact Implementation Status Report, Mozambique Compact Progress.” Millennium Challenge Corporation. July-September 2008.

in countries facing acute need, including ones that would not qualify for MCC compacts.

Three Years On—Still No Strategy

Three years out from the signing of the WPA, there is still no strategy with objectives built on common indicators, benchmarks, needed resources and timetables as called for in the legislation. Consequently, the State Department has also not identified the resources needed to realize the strategy. The Framework presented in this year's report defines focus areas and elevates the importance of access to water and sanitation, however it is not the comprehensive strategy called for by the WPA and cannot be seen as a substitute for one.

In the 2008 WPA report, the State Department seemingly puts the cart before the horse by identifying an expanded list of priority countries for US foreign assistance related to water and sanitation without first identifying a measurable strategic goal. Though the expansion of priority countries is welcome, there is no justification for how these countries have been chosen. They seem to represent a mix of countries with selection driven by US security and diplomatic priorities, interest from US missions, and need.⁴ The country selection process remains largely a black box, making it impossible to place US foreign assistance related to WASH in any sort of a strategic framework.

Many of the choices seem driven, not by strategy, but by current activities and foregone conclusions such as continued high spending in Iraq. For example, Haiti is the only country listed from Latin America and the Caribbean, despite a high degree of need in the region.

The WPA roots US work on access to WASH in the Millennium Development Goal (MDG) of halving the number of people without access to water and sanitation by 2015 with the goal mentioned in the text of the Act. Though the United States is a signatory to the Millennium Declaration, the 2008 State Department report includes an implicit criticism of this MDG. CARE agrees that the measurement of access to WASH is a limited proxy for measuring the impacts that such access can have on health, economic development or governance, but this should not stop the State Department from identifying a more appropriate or rigorous goal. Until such a goal is identified, the MDG related to WASH should be the starting point for defining required resource levels.

Coordination Still a Problem

Coordination between various US agencies in charge of foreign assistance related to WASH and coordination with recipient nations and donors remains inadequate. Authority is spread between multiple agencies and bureaus within agencies. Even if the State Department were to develop a comprehensive strategy as required by the WPA, there would be no single individual responsible for carrying it out. Currently, authority remains split between the Economic Growth and Trade (EGAT) and Global Health bureaus at USAID. The MCC's expansion of its WASH portfolio threatens to further complicate efforts to take a strategic approach. The 2008 report does nothing to address these gaps in the US government structure that have hindered the effective implementation of the WPA.

Required Steps

In order to fulfill the requirements of the WPA and advance provision of access to WASH, the following steps should be taken as soon as possible:

- The State Department should begin immediate work on following the requirements in the WPA to develop a real strategy for provision of first-time access to safe water and sanitation, even if couched within a strategy on larger water issues. Congress should hold them to completing such a strategy as required by the legislation.
- In developing the above strategy, the State Department should undertake a wider consultation process as mandated by the WPA, particularly with recipient civil society. Consultation on this level is critical in truly rooting the US foreign assistance strategy on extending access to WASH in on-the-ground reality.
- In developing the above strategy, the State Department should quickly identify a measurable strategic goal on WASH access and then identify the level of investment in each country based on need and readiness for scaled interventions. Countries should be prioritized first and foremost according to need.
- Congress should continue to emphasize the importance of sustainable, first-time access to WASH with tight appropriations language, while ensuring that this money is well-spent by pushing for enforcement of the WPA.
- In the next round of appropriations, Congress should increase the size of the Development Assistance account commensurate with WASH-related and other earmarks. In the current arrangement, USAID will be forced to scale back spending on other core development priorities to scale up work in others.
- CARE continues to emphasize that the importance of the WASH portfolio merits the creation of coordinating and policy structures within the current and future foreign assistance structures. At USAID, the need is for a new office to coordinate activities related to WASH between the Economic Growth and Trade and Global Health bureaus. In addition, at the State Department, a Bureau of International Water, headed by an Assistant Secretary of State who functions as a global water coordinator, overseeing and providing strategic directions to US global freshwater programs would allow the US to contribute to global leadership in the WASH sector.

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⁴ At the second of the Foreign Services Institute meetings, there was a discussion on priority countries, but it was inconclusive as it preceded the discussion on an agreed strategy.

Required Steps

Required by the Water for the Poor Act of 2005	The 2008 U.S. State Department Report to the Congress	CARE's Recommendation
An assessment of planned and current activities for safe water and sanitation.	Included in the report. The report does not detail how planning decisions are made, and it appears that they are not based on cohesive strategy, but rather generated by US strategic interests, focus themes and USAID Mission interest.	The State Department must begin immediate work on developing a real strategy for provision of first-time access to safe water and sanitation as required in the WPA, even if couched in a strategy on larger water issues.
Specific and measurable goals, benchmarks, and timetables to achieve the objective as added to the Foreign Assistance Act	The report contains no measurable goals or objectives related to water and sanitation, but it does reference the Millennium Development Goals (MDGs)—if not by name. Though the report talks about the importance of sustainability and real impact beyond the insufficient measures in the MDGs, it makes no effort to suggest more meaningful measures of progress towards sustainable access to water and sanitation. The overall goal of US foreign assistance related to water and sanitation—or even to water overall—remains unclear.	In developing a strategy on access to safe water and sanitation, the State Department should identify a measurable goal and a timetable in which to achieve it. In order to measure progress, the State Department should identify indicators of progress based on health and economic impacts, not just on outputs like services delivered.
An assessment of the funding and resources needed to meet these goals within the specified timetable.	The report makes no effort to meet this requirement of the legislation.	Until the State Department identifies a more meaningful target, essential funding and resources should be identified based on the Millennium Development Goal of halving those without access to water and sanitation by 2015.
Methods for coordinating and integrating US assistance for safe water and sanitation	The report states that international water issues are spread across 15 US government agencies, but makes no mention of meaningful efforts to coordinate US foreign assistance spread across multiple agencies.	The importance of the US water and sanitation portfolio merits the creation of structures to focus on the implementation of the Act, as well as to coordinate assistance related to WASH across all US agencies and promote US expertise with respect to WASH internationally. This calls for the establishment of an International Bureau of Water at the State department, and an office at USAID to coordinate WASH programs between the Global Health and EGAT bureaus.
Methods for coordinating water and sanitation assistance programs with those of other donor countries or entities	There is no central high level figure in the US government able to speak comprehensively to US work on water and sanitation internationally.	The above-mentioned head of the International Water Bureau should be the central figure liaising with other donor countries or entities.
An assessment of the commitment of aid recipient nations to reforms that support affordable and equitable access to safe water and sanitation.	The report addresses the importance of contextual issues such as governance, but it is not clear how this ties into the selection of priority countries.	The State Department should make clear its ranking and categorization of countries and demonstrate how this leads to selection of priority intervention countries.
A designation of high priority recipient countries for safe water and sanitation assistance on the basis of need and expected impact.	The report identifies priority countries but makes no effort to present the reasoning behind their choice. More high-need countries are included within expected FY 2008 priority countries, but there are significant regions of the world such as much of Latin America that are in need but not included. Several countries (Egypt, Jordan) that do not match the WPA criterion of facing extreme need are included.	The State Department should quickly identify a measurable strategic goal on water and sanitation access and then identify levels of investment needed in priority countries, based on need and readiness for scaled interventions.