

A response to the Senator Paul Simon Water for the Poor Act of 2005 (PL 109- 121) Report to the Congress, 2007



Rich in facts, but missing a strategy

In June 2007, the U.S. Department of State released its Second Annual Report to the Congress as required by the Senator Paul Simon Water for the Poor Act of 2005 (WPA).

The Water for the Poor Act amends the Foreign Assistance Act of 1961 to make provision of safe water, sanitation and hygiene an objective of U.S. 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 following year until 2015.

The 2007 report continues the practice of the first WPA report, clarifying, in great detail, current expenditures related to water and sanitation. Along the same lines, the report fails to be a proactive policy document setting the bold agenda required for achieving the goals as set forth in the WPA.

Of the seven requirements laid forth in the WPA, (presented in the attached chart) the report fully satisfies only one criterion, and overall, cannot be said to outline a detailed and comprehensive strategy. Continuing a trend from last year, the report continues to focus on water programs as a *whole*, rather than specifically on safe drinking water and sanitation, while the explicit intent of the WPA was to create a strategy for the sustainable provision of safe water and sanitation.

No plan to achieve Millennium Development Goal 7¹

The WPA expressly states that all assistance provided under the Act should seek to address the water and sanitation Millennium Development Goal (MDG Goal 7).

However, the “strategy” laid out in the report is a set of objectives unrelated to a larger goal, the de-

scription of water and sanitation activities does not relate to the U.S.’s role in achieving the MDGs, and does not address either the resources required or the lack of funds to achieve the goal.

Furthermore, a focus on Technical Assistance to water authorities and the creation of appropriate regulatory environments dominates, while there is no identification of direct actions to reach the most vulnerable populations who lack access to improved drinking water and sanitation services.

Still little help for the poor

The FY 2006 funding levels for water and sanitation programming indicate that strategic interests and emergencies continue to dominate in importance over real need and long term, comprehensive approaches. Three countries in Asia and the Middle East (Egypt, Iraq, Jordan) receive more funding than all the rest of Asia combined, and account for 28% of all funding on water and sanitation. Just four countries (Egypt, Iraq, Jordan and Sudan) account for over 42% of all water and sanitation funding.

Overall, while non-emergency funding for sub-Saharan Africa has increased marginally, from \$15 million in FY 2005 to \$20 million in FY 2006, this additional \$5 million pales in comparison to the nearly \$40 million spent on emergency water and sanitation in Sudan alone. While funding for emergencies and relief is important and should be continued, these activities are not explicit objectives of the WPA. The funding breakdown in this year’s report underscores the need for Congress to make specific efforts to significantly increase appropriations for the sustainable provision of water and sanitation services outlined in the WPA.

Some positive developments

A welcome step in the right direction is the State Department/USAID’s collaborative effort with the U.N. – W.H.O Joint Monitoring Plan (JMP) to develop monitoring and evaluation systems to measure the impact of water and sanitation programs. The development of these systems is critical in assessing which interventions have the greatest impact and how programs can be best oriented to

¹ Target 10 under Millennium Development Goal 7 seeks to “halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation”. This is the only MDG written into U.S. law, in the WPA.

address the immense global need for access to water and sanitation services.

In all other instances, donor consultation (as covered in the Report) seems to happen on an ad-hoc, country-by-country or regional basis. In some regions (Africa, Latin America and the Caribbean) there seems to be greater awareness of other donors' priorities and foci. This donor coordination should be scaled up and systematized across all countries and regions.

“Flawed” prioritization results in inappropriate funding

The 2007 WPA report contains a greater elucidation of regional priorities based on a State Department-led process asking USAID missions to identify priority areas for water and sanitation programming in consultation with local actors. While identifying regional priorities is a critical part in developing a comprehensive strategy, the responses of the missions cannot be the only information on which funding decisions are based as the responses tend to reflect mission capacity, rather than the degree of need of the local population.

This limitation is reflected in the resultant country prioritization which indicates the omission of many of the areas of greatest need. Many countries that did not make the list included ones where investment in the water and sanitation sector would create the opportunity to leverage assistance in other sectors including health, as laid out by the WPA.

For instance, it is worrying that only 33 countries are identified overall for action (8 in Asia and the Near East, 13 in Africa, 3 in Eastern Europe, 10 in Latin America and the Caribbean). Furthermore, these 33 countries do not include many of those experiencing the most acute need. For example, Nepal, Vietnam, Cambodia, Yemen—countries that have among the lowest levels of access to water and sanitation—are not among target countries in Asia.

Highly limited consultation process

Outreach in developing the WPA strategy has been limited to U.S. government officials (including embassies and USAID missions), some contact with other donors, organizations able to attend town hall meetings in Washington, D.C. (once in 2006 and once in 2007), and a poorly-advertised email address for submission of written comments in April 2007. The format of the town-hall meetings, in particular has not been conducive to meaningful consultation. As annual, one-off events, they offer no scope for continuous and substantive

inputs and are a poor proxy for a meaningful process to gather stakeholder support, contrary to the vision of the WPA.

The consultation process should be more broadly extended and should take on a more meaningful, substantive, frequent and regularized form to ensure that the U.S. strategy has broad stakeholder support and benefits from the collective wisdom of diverse actors in the water and sanitation sector.

The extensive consultation with USAID missions, a novel feature in this year's report, is a step in the right direction. However, this approach alone does not ensure expanded access to the most vulnerable, hard to reach and poorest populations around the world. As previously stated, the country selection process appears to be largely driven by the responses (based on comparative advantage and technical capacity) of the missions. This means that the countries experiencing the greatest need might not have the required technical capacity for increased programming and therefore are not prioritized for funding—leading to a vicious cycle where lack of capacity begets lack of action. The report does not make an attempt to address this shortcoming.

Coordination continues to be a gap

The section of the Report on “the role of water in U.S. foreign assistance” states the obvious—that most water and sanitation activities fall under the “Investing in People” and “Economic Growth” objectives in the new foreign assistance framework—and highlights the sub-elements and the activities that are classified as water and sanitation investments. The new framework, by spreading water activities over several objectives, reinforces the fragmented approach to water and sanitation revealed in last year's report.² The fragmentation in policy and implementation is paralleled by that in the funding structure, with resources for water and sanitation programming coming from a variety of foreign assistance accounts.³

High-level coordination is necessary to ensure the highest degree of impact in water and sanitation programs, therefore it is especially regrettable that the Report stops short of exploring solutions to harmonize the diffuse responsibilities, funding streams, coordination mechanisms and accounting

² The 2006 Report to the Congress revealed that there are 17 U.S. government agencies dealing with water and sanitation issues.

³ Both the 2006 and 2007 reports highlight that water and sanitation projects are funded through various foreign assistance accounts – Development Assistance (DA), International Disaster and Famine Assistance (IDFA), and P.L. 480 Title II.

systems associated with U.S. water and sanitation foreign assistance.

At several occasions last year, CARE emphasized a need for a central coordinating body, in the form of a Water and Sanitation Secretariat, which would guide the formation and implementation of a water strategy, carry out assessments and analysis, and promote integration and coordination in accordance with the WPA. We reiterate the call for the establishment of such an office in order to create the policy and funding coherence necessary to realize the goals of the WPA.

Recommendations for next steps

In advancing the U.S. government strategy for the provision of safe water and sanitation, the following steps should be taken immediately:

- Using the Millennium Development Goal for water and sanitation as a target, the State Department should take immediate steps to assess an acceptable U.S. financial contribution and communicate this need to Congress. This estimate should be compared to current spending levels and any shortfalls in the financial contribution as well as the geographic targeting should be addressed in the 2008 WPA report.
- The State Department should move forward quickly in fully developing a strategy for safe water and sanitation assistance as mandated in the Water for the Poor Act. This strategy should focus *specifically* on provision of sustainable access to safe water and sanitation within a framework for integrated management of water resources. The strategy should include specific and measurable goals, (not just the results from the previous year), benchmarks and time-tables.
- A second tier of countries—comprised of those countries that were not identified by the missions as being priority for water and sanitation investment, but have a chronic acute need for safe water and sanitation—should be identified. Interventions in these countries should be designed to have a direct impact in providing rapid access to the most vulnerable populations. Activities in these countries should focus on engagement of local stakeholders, situation analysis leading to greater prioritization of water and sanitation, and national and local level capacity building.
- Further development of the U.S. strategy, including the designation of need-based priority countries should be opened widely for consultation. It is recommended that the public be informed of the various stages of development of the strategy by a website with a clear means for parties to provide further input. Additionally, regular round table meetings conducive to meaningful conversations and the exchange of expert opinion should be held in the United States with relevant stakeholders. All of these mechanisms for consultation should be widely advertised.
- The U.S. Government (via the State Department, and the “F Bureau”) should take steps to ensure that assistance for safe water and sanitation is not lost among the various “sub-elements” in the new Strategic Framework for U.S. Foreign Assistance. A Water Secretariat should be established to provide an institutional structure within USAID/State to act as the single point of contact for people in the U.S. and in other countries regarding U.S. water and sanitation activities. The new Secretariat would be charged with coordinating U.S. resources for the greatest impact and with mobilizing the ideas, efforts and resources of governments, business and civil society groups by forging alliances. The creation of such a Secretariat would go a long way towards formalizing the concept that provision of safe drinking water and sanitation is a high-priority, cross-cutting issue and bring about much needed coordination.
- The wider consultation and set-up of the Water Secretariat mentioned above would be well-served by the creation of an external advisory panel on foreign assistance related to water and sanitation. This panel—comprised of experts in the public, private and academic sectors— could serve as a consultative group on the development of an overarching water and sanitation strategy for U.S. foreign assistance as mandated by the Water for the Poor Act. It would also create a forum for shared learning and understanding between U.S. agencies, implementing civil society partners, the private sector, and U.S. knowledge and research institutes. ●

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2007 Report Card: Sizing up the U.S. Strategy for Safe Water and Sanitation

Required by the Water for the Poor Act

The 2007 U.S. State Department Report

CARE's Recommendation

An assessment of planned and current activities for provision of safe water and sanitation

Included in the report. The focus continues to be on all U.S. assistance to the water sector rather than safe water and sanitation.

The U.S. government should produce a strategy specifically geared to sustainable provision of safe water and sanitation as intended in the Water for the Poor Act (WPA).

Specific and measurable goals, benchmarks, and timetables to achieve the objective as added to the Foreign Assistance Act

There is reference to indicators being developed as part of the "F" process, and the start of a U.N. /U.S. joint process to think through water and sanitation monitoring and evaluation systems. There is no reference to goals and timetables.

"F" process indicators should be modified to focus on the effects and impacts of programs rather than simple outputs.

Reference is made to regions' progress against Millennium Development Goal (MDG) benchmarks for the Africa and Latin America and Caribbean regions only.

These indicators should be standardized across programs so that the most effective approaches can be identified and replicated where appropriate.

Timetables should reflect the urgency of the crisis and immediately lay the foundations for a dramatically increased response.

An assessment of the funding and resources needed to meet these goals within the specified timetable

No assessment of funding and resources needed is included in the Report, even in the regions that have seen the launch of new drinking water initiatives, such as Africa and Asia.

In the absence of specific U.S. goals, the MDG for water and sanitation should be used to suggest timelines and resource needs.

A steady increase in U.S. government drinking water and sanitation funding should culminate in a minimum annual investment of **\$1 billion**, representing a reasonable U.S. share of the yearly amount needed to meet the MDG for safe water and sanitation by 2015.

Methods for coordinating and integrating U.S. assistance for safe water and sanitation with other assistance programs

While recognizing the importance of water and sanitation in advancing U.S. foreign policy interests and catalyzing development in other sectors, the report limits the discussion to the scope of water and sanitation activities as prescribed under the "F" framework.

Water is critical in achieving all five foreign assistance objectives of transformational diplomacy. It is basic to all aspects of life and therefore requires an integrated approach. To limit its application to any one objective would lessen the impact and scope of interventions.

The "scattered" nature of water investments in U.S. foreign assistance reflects, in part, the lack of coordination in the sector. It also demonstrates a lack of political will to dedicate an adequate level of attention and resources an issue with clear linkages to all U.S. foreign assistance objectives.

A small dedicated Water and Sanitation Secretariat (along the lines of USAID's Global Development Alliance) with its own budget line reporting directly to the Director of Foreign Assistance should be established. The Secretariat could be charged with coordinating U.S. resources for the greatest impact, including using U.S. resources to leverage other funds.

Methods for coordination of water and sanitation assistance programs with those of other donor countries and entities

There are references to coordination and integration already in place, for example in the context of monitoring and evaluation systems. The examples indicate that U.S. coordination with other players currently takes place through a variety of different formal and informal processes and bodies.

The above-described Water and Sanitation Secretariat should serve as a single point of contact on U.S. water and sanitation activities both among U.S. agencies and with other donor countries and entities. The Secretariat should be tasked with coordinating learning and strategic planning among the U.S. private and public sectors; creating new opportunities for U.S. training and research institutes and the private sector; and promoting U.S. expertise and experience with regards to water and sanitation assistance.

An assessment of the commitment of aid recipient nations to reforms that support affordable and equitable access to safe water and sanitation

The Report describes the process by which USAID made efforts to gather assessments from its missions on priority areas for water programming. Improved governance emerged as a focus area across all regions.

The responses of the country missions reflected the mission staff's experience and commitment to water programming. This mission-level commitment weighed heavily in the designation of priority countries for water programming; in certain cases resulting in the exclusion of the countries where the need for increased investments in water and sanitation is acute, but where the mission did not demonstrate commitment to the sector.

A designation of high priority recipient countries for safe water and sanitation assistance on the basis of need and expected impact

Responses to an August 2006 Department of State questionnaire were used as the main criteria for "where and how addressing water and sanitation issues might most effectively advance U.S. development goals". It is clear from the countries listed as candidates for large-scale infrastructure investment, which dominates the majority of non-emergency funding, that political priorities often take precedence over need and expected impact in targeting water and sanitation investments.

As water and sanitation are not objective or program level goals in the new foreign assistance framework, extra effort is needed to ensure that in the designated priority countries, water and sanitation are adequately funded within Country Operational Plans.

A second tier of priority countries should be identified, solely on the criteria of chronic acute need for safe water and sanitation, in keeping with the needs-based criteria laid out in the WPA.