

More and better financing
is needed to meet the water
and sanitation MDG target



TEARFUND

Making every drop count

Tearfund and the Water Supply and Sanitation Collaborative Council have undertaken joint research on financing water, sanitation and hygiene in Ethiopia and Sierra Leone. From these studies, and previous experience, a number of key messages emerge on the quantity and quality of financing needed if the Millennium Development targets on water and sanitation are to be met.

MORE FUNDING is needed for:

The poorest countries, as they are least likely to meet the MDG target without external help, yet currently less than 50 per cent of donor grants to water and sanitation go to Least Developed or Low Income Countries.

The poorest people, who often find themselves last in line for services and paying more for inadequate services.

Hygiene promotion and sanitation, which are key to promoting dignity and safety, particularly for women and girls, and reducing sickness and death from water-related disease. Money should be targeted at facilitating lasting behavioural change.

Local government, who commonly have the responsibility for delivering services but often not the resources to do so. Funding is generally insufficient, but also unreliable.

Operation and Maintenance, as costs are often not recovered, undermining sustainability and expansion of service.

Rural areas, small towns and informal settlements, as they commonly lose out to urban areas for financing.

BETTER USE OF FINANCE is needed through:

Better sector governance. Because the water and sanitation sector is often weak in coordination, transparency, policy coherence, and monitoring, it is not an attractive sector to give funding to. A Sector Wide Approach, and Public Expenditure Tracking, would help the sector argue its case for public and donor funding.



Photo: Jim Loring

A clearly recognised institutional home for sanitation and hygiene promotion, which is accompanied by a separate budget line and national policy.

Regulation of the water sector, which is currently weak or non-existent in many developing countries. It is particularly important in creating an appropriate environment for private sector participation in the sector.

Inclusion of NGOs in policy making, which is vital if good decisions are to be made. NGOs provide a significant proportion of water, sanitation and hygiene funding and have a wealth of grass roots experience.

Reliable data, indicators and monitoring systems, which is essential for realistic assessment of need and for calculating the cost of meeting the MDG targets at national level.

Spare part availability which is essential for sustainability. Using appropriate technology is vital to affordably accessing spare parts in local markets.

SUGGESTIONS FOR STAKEHOLDER ACTION to meet the MDG targets

NGOs

- Promote locally appropriate and affordable technologies, and user ownership.
- Ensure communities are addressing O&M issues, and support a local market for spares.
- Work closely with local government where possible.
- INGOs should build the capacity of indigenous NGOs to be involved in advocacy.

Users / communities

- Actively contribute to their own water supply, sanitation and hygiene. In rural and peri-urban areas if possible covering operation and maintenance costs, some capital cost (could be in kind), management of the water scheme, and ensuring sanitary conditions in their own household. In urban areas paying water fees if affordable.
- Advocate for the provision of services.



Photos: Jim Loring

Donors

- 70 per cent of ODA should be reoriented to Least Developed and Low Income countries.
- When using Budget Support, WaSH should be included with health and education as the basket of poverty reduction essentials a donor wishes to see funded in a country.
- Money should be in grant rather than loan form to the poorest countries, and to utilities or parastatal companies that haven't firm cost recovery.
- Should not include PSP as a condition or pressure accompanying any funds.

Service Providers

- Aim for financial sustainability through receiving sufficient income from users for operation and maintenance, and capital costs. Those who can pay should pay, and where the poor cannot afford to pay the full cost they should benefit from transparent subsidies.
- Extend services to poorer and unserved areas.

Ministries of Finance

- Water, sanitation and hygiene promotion needs to be recognised as vital for poverty reduction and economic growth, and money should be allocated in the PRSP or similar process.
- Promised funds need to flow smoothly and reliably to the responsible line ministry and local government.

Line ministries, centrally and locally

- Be proactive in coordinating with and consulting all sector stakeholders policy, this may be most effective through a Sector Wide Approach.
- Prioritise sanitation and hygiene promotion through the capacity building of local government health teams, training of community liaison people, hand washing campaigns, and schools.
- Support the scaling up of community managed schemes. Be active not just in the set up, but also in the day to day running of the schemes.
- Ensure an independent and effective regulator is in place.



Photo: Naomi Foxwood