



Water: An increasingly precious resource  
Sanitation: A matter of dignity





Rice paddies, Sapa, Lao Cai Province, Vietnam.  
*Photo: Anna Nileswhar, DFID.*

# Water: An increasingly precious resource Sanitation: A matter of dignity

## Contents

Foreword	2
List of acronyms	3
Executive summary	4
1. Meeting the challenge	7
2. A stronger focus on sanitation	14
3. Improving water resources management	19
4. Advancing water governance	27
5. Financing water and sanitation	33
Bibliography	39

Front cover: Simple sanitation measures and effective education can save untold numbers of lives worldwide. Increased hand washing, for example, is a cheap and effective way of cutting potentially fatal intestinal, respiratory and postnatal infections.

*Photo: Hand washing, DFID Bangladesh.*

## Foreword

Ensuring sufficient water to meet the needs of households, agriculture, industry and the environment is a growing concern across the globe. In all its forms and uses, water is a fundamental requirement for life. Inevitably it is the world's poor who struggle most to gain access.

Half the population of the developing world still lives without basic sanitation and almost 900 million people lack safe and reliable water supplies. These facts must change if we are to press ahead with the fight against poverty and with effective, sustainable efforts to protect the environment and improve health and education.

DFID's new water policy is the UK's response to these challenges. It sets out the steps we think are needed if the Millennium Development Goals (MDGs) on water and sanitation are to be met. It describes how we aim to help countries manage their water resources better – in ways that boost economic growth, avoid conflict and face up to the demands of climate change. And in the International Year of Sanitation, it highlights the need for particular efforts in that area.

The policy reflects each of DFID's four new overarching priority areas: economic growth, fragile states, climate change and the international 'architecture' of aid.

It also recognises that achieving progress towards the MDG targets and beyond is not a task we can tackle alone. Sustained progress will involve working with partner countries, civil society and other donors to achieve our shared goals and improve the lives of millions of poor people.



A handwritten signature in black ink, which reads "Douglas Alexander". The signature is fluid and cursive, written in a professional style.

**Douglas Alexander**  
**Secretary of State for International Development**

## List of acronyms

CLTS	Community-Led Total Sanitation
DAC	Development Assistance Committee
DFID	Department for International Development
DRC	Democratic Republic of Congo
EU	European Union
EXACT	The Middle East Peace Process Executive Action Team
G8	Group of Eight Most Industrialised Countries
GDP	Gross Domestic Product
MDG	Millennium Development Goal
NGO	Non-governmental Organisation
OECD	Organisation for Economic Co-operation and Development
UAP	Universal Access Programme
UK	United Kingdom
UN	United Nations
UNEP	United Nations Environment Programme
UNICEF	United Nations Children's Fund
WHO	World Health Organization



## Executive summary

People cannot live without water, and the daily toil involved in fetching it is a defining feature of poverty. But water is not just essential for life. It is a human right and the cornerstone of development, underpinning every single one of the MDGs. This means that unless we tackle water issues now, development efforts in areas such as health, education and economic growth will not achieve their full potential. In fact, improving water and sanitation services and managing water well are among the most effective ways of boosting economies and reducing poverty.

If we fail to get to grips with water and sanitation, around 4,000 people, mostly children, will continue to die needlessly every day simply because of preventable diarrhoea.<sup>1</sup> Millions of work hours (and billions of pounds) will continue to be lost each year through avoidable illness. And huge numbers of women will continue to trek miles every day just to fetch drinking water – drudgery which robs them of the chance to get an education or earn the money that could lift them out of poverty.

Water resources are vital for supporting economic growth. But most of the world's poorest countries have to cope with high rainfall variability and minimal infrastructure to store and distribute water. Water is central to climate change. As the Stern Review<sup>2</sup> noted, most impacts will be felt through more frequent and more severe floods and droughts. This will increase the vulnerability of poor countries and lead to further economic losses at the national level, and to devastation for those directly affected.



Poor women and children are often the ones forced to carry water long distances for their families, wasting precious time that could be used to grow food, gain an education or earn the income that could lift them out of poverty.  
*Photo: Jonathan Hyams, Uganda.*

<sup>1</sup> Derived from Prüss-Üstün, Bos, Gore and Bartram, 2008

<sup>2</sup> Stern, 2006

## Meeting the MDG targets for water and sanitation

Despite water's importance to development, the world is still struggling to meet the MDG targets for water and sanitation. Worldwide, we are barely on track to halve the proportion of people without access to safe drinking water by 2015. We are seriously off track in our efforts to halve the proportion of people without basic sanitation.

This is partly because the scale of the challenge is enormous. In order to meet the MDG targets, we will need to provide almost 250,000 people per day with safe water and around 500,000 people per day with sanitation.<sup>3</sup>

The message is clear – we need to accelerate progress. But we must focus our efforts, and those of others, on the areas where need is greatest and on the critical problems that are most affecting progress.

## What are the priorities for tackling water and sanitation issues?

DFID has identified three key areas in which our existing commitments need to be strengthened:

- 1. sanitation;**
- 2. water resources management; and**
- 3. governance.**

### 1. A stronger focus on sanitation

The need to provide sanitation has been overshadowed in national and international policy making by a focus on providing clean water. The UK is working hard to put sanitation firmly back on the agenda. We are using the fact that 2008 is the International Year of Sanitation as an opportunity to highlight the issue at the highest political levels.

At the same time, DFID is continuing to work with partners on the ground to promote sanitation and help communities to build toilets. We are also working hard to integrate sanitation with health and education programmes and to understand better what makes communities willing to adopt and maintain improved sanitation.

### 2. Improving water resources management to boost economic growth, cope with climate change and improve security

DFID has made a range of commitments to help developing countries manage their water resources better – helping them to build resilience to the impacts of climate change. We will work with countries and international agencies to address the floods, droughts and chronic water shortages that climate change will bring. This will include supporting efforts to gather and analyse information on water use and availability, allowing better forecasting and more efficient allocation of resources.

<sup>3</sup> Derived from World Health Organization and United Nations Children's Fund. Joint Monitoring Programme, 2008

A key goal is to ensure that water and the benefits from water (for example power and food) are managed in a way that supports economic growth, while also balancing the needs of different water users and the environment. This means supporting governments and households in using water more productively – for example through hydropower or the irrigation of higher value crops. Improved management and more efficient use of water for food production are vital if the world is to meet future demand for food.

DFID is also working to help countries that share rivers to avoid water-related conflict by supporting programmes such as the Nile Basin Initiative and the EXACT programme in the Middle East. These ‘transboundary’ water projects are yielding good results.

### 3. Advancing water sector governance

DFID will work to build the political will needed to tackle water and sanitation issues. We will also stress the need to include water and sanitation in national poverty reduction strategies and budgets. By analysing the ways in which the water and sanitation sector is governed, we will help to identify what changes need to be made.

Where appropriate, DFID will give direct help to states seeking to build their water and sanitation capability. We will work to ensure that those delivering services are accountable for their actions and responsive to people’s needs. In all that we do, we will help to make sure that the voices of the poor are heard.

### Financing water and sanitation

DFID believes that achieving the MDG targets on water and sanitation will mean investing more money, while making sure that funds are spent effectively and fairly. Funding for water resources management also needs to be increased.

Governments, donors and the UN agencies involved in water will also need to co-ordinate their efforts better at both the national and international levels. DFID is continuing to champion the ‘Five Ones’ strategy on water and sanitation to strengthen planning, target financing and monitor progress. We will be promoting the Three National Ones in at least five countries, starting with Ethiopia, Sierra Leone, Tanzania, Mozambique and Bangladesh.

DFID will also work to ensure that financing of water and sanitation services is sustainable, so that operation and maintenance costs are met and services can continue reliably. It is equally important that finance for water resources management is predictable and sustainable.

To support these commitments, DFID will spend £1 billion on water and sanitation in Africa over the next five years. DFID will support at least 30 million more people to get access to improved sanitation in South Asia by 2011. We will provide an additional £30 million over the next three years to improve the management of water resources in Asia and Africa, in response to the impacts of climate change, to support economic growth and avoid conflict. And we will continue to support innovative multilateral initiatives and strengthen our engagement in the development of international policy.



# 1. Meeting the challenge

## Why do we need a new water policy?

DFID's last water policy was published in 2001. While there has been real progress, significant challenges remain and a number of important recent developments have made revisiting our water policy a priority.

Donors, partner governments and NGOs have overestimated the capacity of local communities to manage and maintain their own systems, and recovering user fees from consumers to cover operation and maintenance costs has continued to prove difficult. At the same time, climate change (recognised as the "defining human development issue of our generation"<sup>4</sup>) has led to a renewed focus on the management of water resources.

In addition to these factors, it is clear that current financial commitments to the sector are still insufficient. This is despite the fact that developing countries and donors are now channelling more money than ever into meeting the MDG targets for water and sanitation. This said, the private sector has not invested anywhere near as much in water as was anticipated – something which is unlikely to change in the short term, given global credit conditions. DFID is committed to increase funding to provide safe drinking water and sanitation.

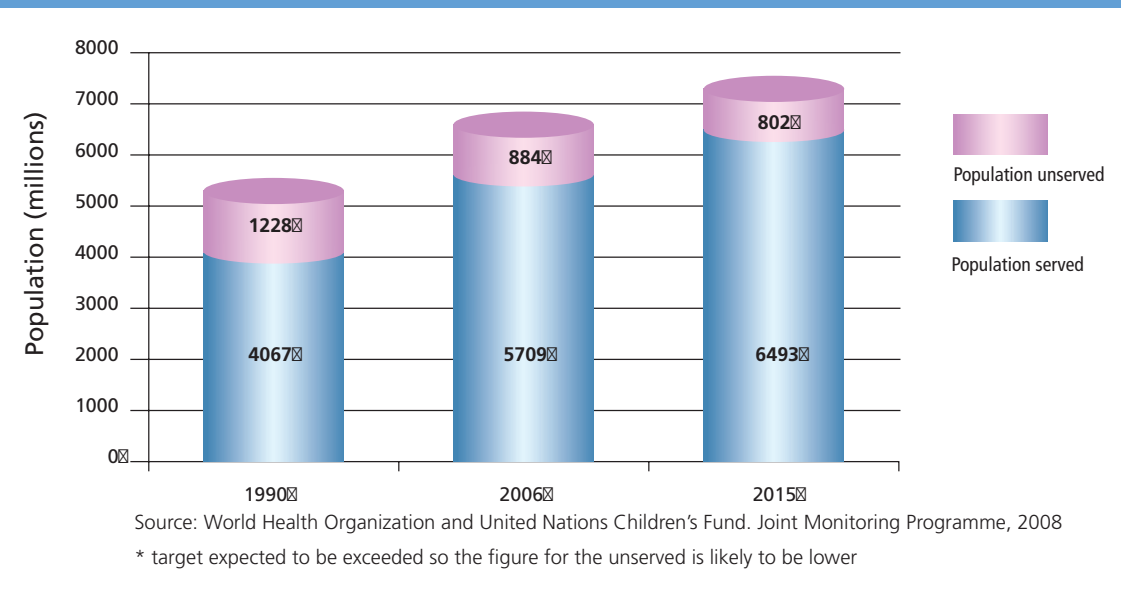
As a result of these factors, progress towards the MDG target for access to safe drinking water worldwide is only just on track, while progress towards the sanitation target is seriously off track. Almost 900 million people still lack safe drinking water, and approximately 2.5 billion still have no basic sanitation (see Figures 1–4).

In sub-Saharan Africa the picture is worse still, with both targets significantly off track. This is because water and sanitation are still low on the political agenda, funding is often insufficient and badly targeted, policy frameworks are weak, institutional capacity is limited, and accountability and transparency need to be improved. If current trends continue, in sub-Saharan Africa the water target will not be met until 2035, and the sanitation target not until 2108.<sup>5</sup>

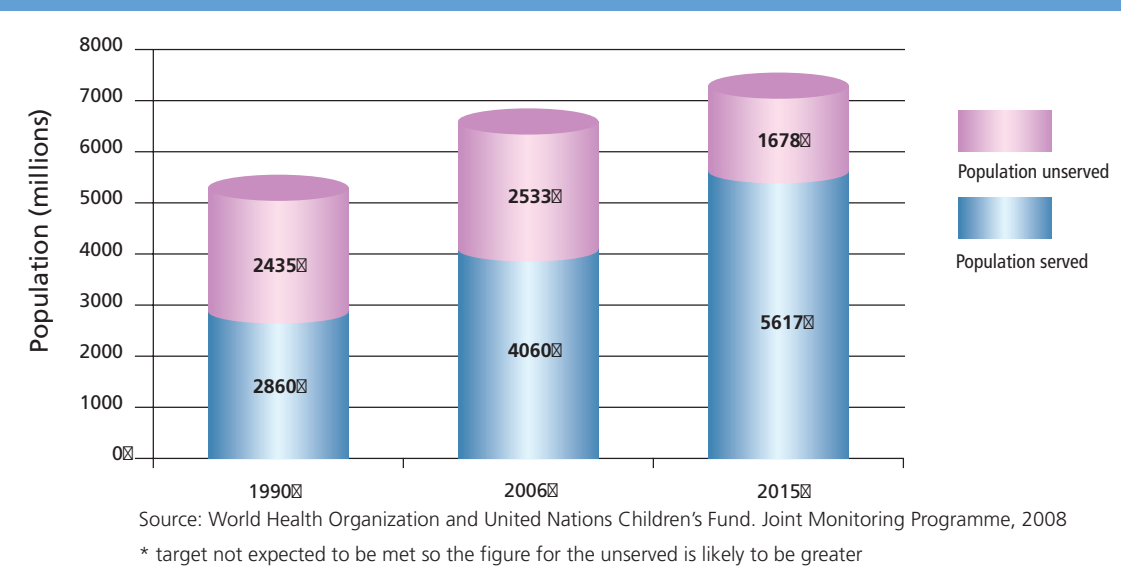
<sup>4</sup> Human Development Report, 2007

<sup>5</sup> Derived from WaterAid and Tearfund, 2008

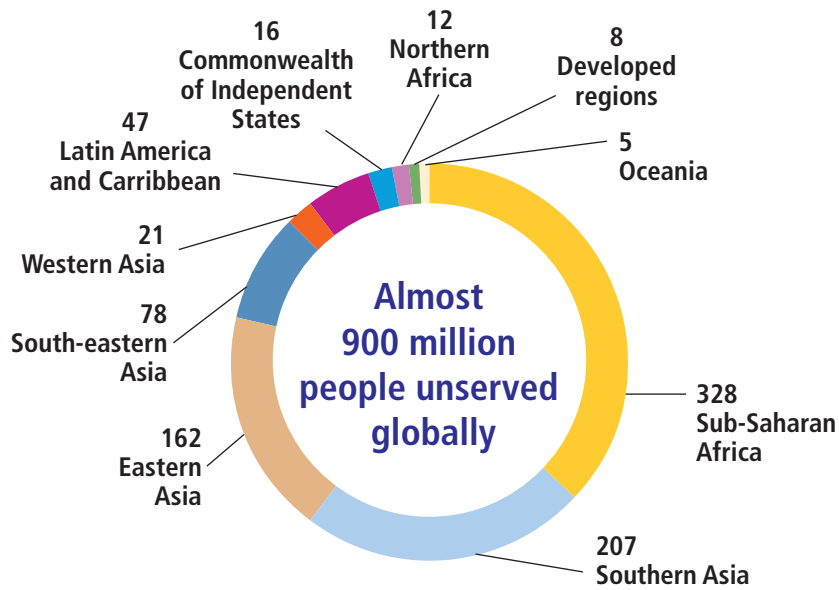
**Figure 1: World population with and without access to an improved drinking water source in 1990, 2006 and in 2015 if MDG target is met\***



**Figure 2: World population with and without access to improved sanitation in 1990, 2006 and in 2015 if MDG target is met\***

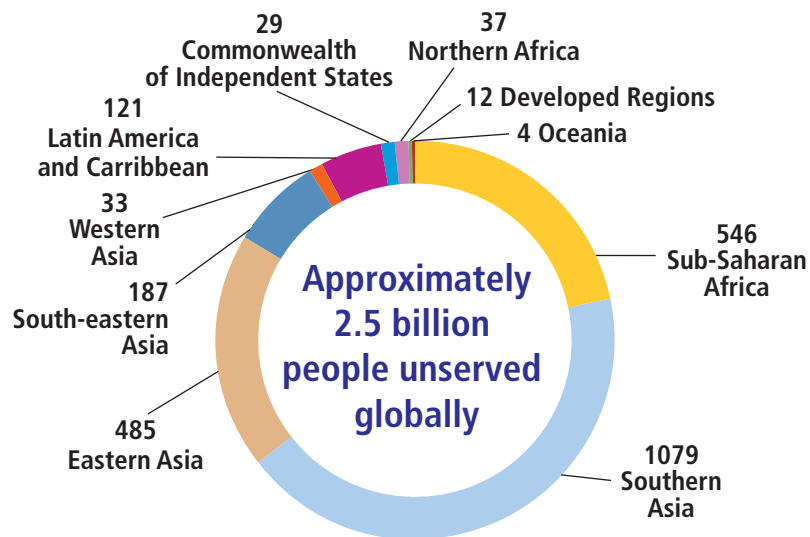


**Figure 3: Population (millions) using an unimproved drinking water source, by region in 2006**



Source: World Health Organization and United Nations Children's Fund. Joint Monitoring Programme, 2008

**Figure 4: Population (millions) without improved sanitation by region in 2006**



Source: World Health Organization and United Nations Children's Fund. Joint Monitoring Programme, 2008



## We need to get water- and sanitation-related development on track

So we need to increase our efforts to get water and sanitation targets on track. This will vastly reduce the huge number of needless deaths caused by preventable conditions such as diarrhoea and greatly improve the lives of billions of poor people.

We also need to improve water infrastructure and water-related planning and management. This will boost economic growth by addressing the water needs of money-earning sectors such as agriculture, industry and tourism. It will also reduce conflict over water resources and help countries cope with floods and droughts. Managing water well will help countries to deal with the increasing variability that climate change will bring.

## The case for investing in safe water and sanitation is extremely strong

Why are the MDG targets for water and sanitation so important? Because achieving them will deliver huge benefits, while failing to achieve them will make it almost impossible to meet all the other MDGs.

The World Health Organization (WHO) estimates<sup>6</sup> that for every 50 pence invested in safe water and basic sanitation, the economic returns will range from £1.50 to £17, depending on the region and the technology. This means that while achieving the MDG targets on water and sanitation will require an annual investment of over £5 billion, doing so will deliver economic benefits of around £42 billion a year. This includes savings of approximately £3 billion a year in the health sector.<sup>7</sup>

Hitting the targets will also save huge numbers of lives. Diarrhoea causes nearly 1.5 million deaths each year, mostly among young children, and is the third largest cause of death from infectious disease. In fact, one child dies approximately every 20 seconds from diarrhoea. About 90 per cent of those deaths could be prevented through safer water, sanitation and hygienic practices, according to the WHO.<sup>8</sup>

## Using the 'Five Ones' to deliver more effective action

Achieving all this will require countries to put in place the organisational structures needed to plan, finance and monitor progress in their water sectors. One way that DFID is tackling this is by promoting the 'Five Ones' framework (see Box 1)<sup>9</sup> to develop national and international planning and to improve the targeting of finance in the sector. The basic thinking is that by pulling efforts together both globally and nationally, work will progress more quickly and efficiently.

<sup>6</sup> Hutton and Haller, 2004

<sup>7</sup> Assuming an exchange rate of US\$1 = £0.5

<sup>8</sup> Prüss-Üstün, Bos, Gore and Bartram, 2008

<sup>9</sup> As set out in our 2006 Call for Global Action entitled 'Why we need a global action plan on water and sanitation'

At the international level, we supported the first pilot annual global monitoring report for water and sanitation – the UN-Water Global Annual Assessment of Sanitation and Drinking Water.<sup>10</sup> And at the country level, we are helping Ethiopia put in place an annual report on its increasingly harmonised water sector. We are also helping Ethiopia implement its seven-year Universal Access Programme (UAP). As demanded by the ‘Five Ones’, the UN is co-ordinating its support to the UAP through a single UN body – UNICEF.

## BOX 1

### DFID’s ‘Five Ones’ framework for more effective global action on water and sanitation

At the international level:

**Produce one global annual report.** Bringing together essential information on water and sanitation in one document will mean that everyone works from the same set of figures. The report shows current levels of access to safe water and adequate sanitation and progress towards the MDG targets. It shows which countries have national water plans and how they are being implemented, how much countries are spending in their water sectors and how much support they are receiving from donors. Most importantly, it draws attention to what countries need to do to overcome barriers to meeting the targets.<sup>11</sup>

**Hold one global high-level annual meeting.** This will allow ministers to consider the findings of the annual report, review what is being done, highlight gaps that need to be filled, monitor progress against commitments and decide what action to take.

At the national level:

DFID is going to support at least five countries (starting with Ethiopia, Sierra Leone, Tanzania, Mozambique and Bangladesh) in their efforts to deliver on the national-level ‘Five Ones’ objectives.

**Draw up one national water and sanitation plan for each country.** Each country plan will describe current access to safe water and basic sanitation, the investment needed to meet shortfalls and the actions that need to be taken.

**Form one water and sanitation co-ordination group in each country.** With representatives from national and local government, civil society and donor agencies, these groups will work to identify and address blocks to progress, and ensure co-ordinated action in support of the national plan.

**Have one lead UN body in each country.** Appointing a single lead UN body on water and sanitation services in each country will help UN agencies co-ordinate their work and ensure a coherent UN response. Currently, many different UN agencies work in each country, each with its own specific mandate.

<sup>10</sup> World Health Organization, 2008

<sup>11</sup> This complements the donor-reporting exercise run by the EU Water Initiative’s Africa Working Group

## DFID's ambitions for the future

Working with partner governments and regional and national development agencies, DFID aims to be a major part of the global effort to achieve the following:

- increase the effectiveness of multilateral and bilateral programmes to get Africa on track towards achieving the water and sanitation MDG targets;
- increase the number of people with access to safe water by over 85 million every year and to basic sanitation by over 170 million every year, to improve health, livelihoods and well-being and reduce infant mortality;
- see sanitation championed globally in a way that leads to sweeping behaviour change and significant progress towards the sanitation MDG target;
- ensure that every school and health clinic has a safe water supply and well-maintained toilets, separate for boys and girls;
- ensure that at least two-thirds of development assistance for water and sanitation goes to low-income countries, and to where the need is greatest;
- ensure that human resources are strengthened to allow countries to develop coherent plans and policies, manage and maintain services and allocate public revenue effectively and fairly; and
- ensure that water resources are managed in an effective and equitable way that promotes economic growth, improves security and helps countries cope with climate change.



Sanitation project, Sapa, Lao Cai Province, Vietnam. Photo: Anna Nileshtar, DFID.



In DFID's own work, we aim to:

- increase investment through our country and multilateral programmes;
- consolidate the contributions of leading international development agencies and improve co-ordination and coherence by promoting the 'Five Ones' strategy;
- ensure water resources are integrated into our support for regional and country programmes on climate change adaptation;
- support governments working to develop national plans for water and sanitation in at least five countries (starting with Ethiopia, Sierra Leone, Tanzania, Mozambique and Bangladesh);
- play a lead role in the five focus countries in co-ordinating a response to the needs of the sector, and encourage UN agencies to co-ordinate their in-country efforts in water and sanitation through a single UN body;
- ensure that national water resources management bodies in at least five countries have the tools and capacity needed to manage their water resources equitably and sustainably; and
- develop a water research programme that helps to fill critical knowledge gaps.

## 2. A stronger focus on sanitation

### The problem: sanitation has been left behind

Water and sanitation are closely linked, and it is often difficult to separate the two issues. We have to make that effort, however, because simply providing clean water does not resolve the many health problems and related issues that arise if sanitation is not available.

For DFID, the fact that sanitation tends to lose out to water in policy and budgetary discussions is a critical issue. Why does it happen? One reason is that sanitation tends to be viewed as an unsavoury topic that is difficult to talk about. Another is that it is much easier for people to see the immediate importance of clean water to survival than it is to see the importance of putting in place sanitation facilities such as toilets.

The fact that most countries do not have a single lead ministry responsible for sanitation also results in the issue being put on the back burner. Lacking political impetus, policies often go un-implemented, and sanitation seldom receives a dedicated budget. The result is a lack of funds for promoting sanitation and hygiene and for ensuring that new schools, clinics and other public buildings have adequate toilets. Even when toilets are in place, the budgets and systems needed to maintain them are usually absent.

### DFID is working with communities to adopt sanitation measures

It is not just at the level of policy that people find sanitation issues difficult to discuss. Within communities, it is not a subject that is easily raised. Overcoming this reluctance is important, however, because entire communities need to change their behaviour for sanitation measures to have an impact.

Even seemingly simple issues such as persuading people of the benefits of using latrines instead of defecating outside are difficult. DFID therefore supports a range of initiatives with health workers, school teachers, religious leaders, advocacy groups and people selling sanitation products. All these groups can help to communicate the benefits of sanitation to communities. DFID will support at least 30 million more people in South Asia to get access to improved sanitation by 2011.

### Understanding behaviour helps us change it

To change people's behaviour, DFID is working through partners to understand better what motivates change – whether it is convenience, or a desire for dignity, security, a better environment or better health (see Box 2).

**BOX 2****Community-Led Total Sanitation (CLTS) – how can we repeat the success?**

CLTS is an initiative that was started in Bangladesh by the Village Education Resource Centre, a local NGO. It uses peer pressure and participatory methods to stamp out open defecation in villages. The programme has been so successful that the Government of Bangladesh and a number of Indian states have taken it up, as has the World Bank's Water and Sanitation Program, which is now promoting it in Africa, as well as in India and other parts of Asia.

DFID is also promoting CLTS and is funding research by the Institute of Development Studies to find out why the initiative is so successful and how its success can be replicated.

**Carrying the costs of sanitation**

Another barrier to improving sanitation is the fact that it is usually households rather than governments which shoulder the costs involved. Whereas water supplies to rural areas often take the form of a communal access point (such as a tap or pump), improved sanitation usually means installing domestic latrines – with the capital costs falling mainly on the householders. In fact, households typically invest ten times more overall in basic sanitation than governments do.

But DFID does not believe that governments should opt out of investing in sanitation. Instead, they should work to create the right policy environment and should support and finance the promotion of sanitation. We also encourage governments to provide sanitation in public places such as markets, health centres, schools and government departments. School sanitation programmes are underway in several countries, including Bangladesh, India, Malawi and Nigeria.

**Sanitation has many benefits – especially for women and girls**

Improved sanitation cuts disease, saves thousands of lives each year and reduces healthcare costs by billions of pounds. However, it also provides a range of less obvious long-term benefits that can improve poor people's quality of life, boost their levels of education and lift them out of poverty.

Women and girls in particular benefit greatly from better sanitation. Currently, a huge number of women without access to latrines have to wait until it is dark before going outside to defecate. This often means they have to go all day without using a toilet and risk damaging their health. And having to go out at night exposes them to sexual harassment and assault.



Installing toilets in schools has been shown to improve girls' attendance – often by as much as major educational reform. In the mid 1990s, for example, UNICEF found that providing toilets in schools in Bangladesh boosted girls' attendance by 11 per cent.<sup>12</sup>

Reduced illness and improved levels of education make it easier for people to work and help themselves out of poverty. As part of our efforts to push sanitation higher up the agenda, DFID will stress all these benefits and spread the word about successful approaches.

### Linking sanitation with health and education initiatives

DFID is also actively searching for ways to integrate water and sanitation components into health and education programmes. Investment in sanitation can often be most effectively delivered via existing programmes in other sectors.

A good example of this is DFID's new multimillion pound programme in Sierra Leone, which links improved health outcomes with water and sanitation provision. Another is the global hand washing project, run by the World Bank's Water and Sanitation Program. The project promotes hand washing in order to cut down the many intestinal and respiratory infections that can be avoided simply by washing hands with soap before eating and after defecating.<sup>13</sup>

### Replicating success

We are also working hard to make sure that once efforts are successful in one area, they can be adapted in others. Programmes we have run with UNICEF and WaterAid are examples of such successes. These focused specifically on sanitation outcomes and have had a major impact – increasing access to basic sanitation in both India and Bangladesh and strongly influencing government policy. Coverage in Bangladesh, for example, increased by seven million people between 2000 and 2005, and is projected to increase by a further 30 million between 2006 and 2010 as a result of this work.

### 2008 – the International Year of Sanitation

The UN declared 2008 to be the International Year of Sanitation. This gives us a vital opportunity to bring sanitation to the front of everyone's minds.

We are working to push sanitation higher up the political agenda through our support to national governments and to regional bodies such as the New Partnership for Africa's Development, the African Union and the African Ministers' Council on Water.

<sup>12</sup> United Nations Children's Fund, 1999

<sup>13</sup> [www.globalhandwashing.org](http://www.globalhandwashing.org)

We are also encouraging people to talk about sanitation in plain language and in the right settings – something which is vital if we are to raise the profile of sanitation issues. The eThekweni Declaration on Sanitation, signed by 32 African ministers during the 2008 AfricaSan conference in Durban and endorsed by the African Union heads of state, is a helpful first step. It sets out a variety of key actions that need to be taken.<sup>14</sup>

DFID is using 2008 as an opportunity to get donors and developing countries to sign up for concrete long-term actions. One major DFID-funded initiative has already been launched in 2008 – the Global Sanitation Fund, run by the Water Supply and Sanitation Collaborative Council. Working within national sanitation plans, this programme aims to disseminate learning and best practice and help communities to build toilets and improve hygiene.



Girl poses by a water pump, Ghana. Photo: Sarah MacGregor, DFID.

<sup>14</sup> See <http://www-usa.africasan2008.net/>

The following Action Overview sets out our plans.

## Action Overview

### A stronger focus on sanitation

#### To raise the prominence of sanitation, we will:

- raise awareness, identify 'champions', and work to make sanitation a priority on political agendas with national governments and regional bodies such as the African Ministers' Council on Water;
- spread the word about how sanitation benefits the poor and share successes with development partners;
- encourage African countries to adopt the principles of the eThekweni Declaration on Sanitation;
- push sanitation issues internationally as part of the 2008 International Year of Sanitation, asking for concrete long-term commitments;
- support international initiatives to promote improved sanitation and hygiene, such as the Global Sanitation Fund;
- integrate sanitation into DFID's health and education programmes and support national policies on hygiene education and sanitation in schools and health clinics; and
- work in fragile states to ensure effective policies on sanitation are supported with technical assistance and funding.

#### To sustain progress beyond the MDGs, we will:

- help governments in five countries to prepare national plans to improve sanitation and water supplies and to address the challenges of rising populations, rapid urbanisation and climate change.



## 3. Improving water resources management

### Water underpins economic growth

Water is vital for economic growth. The way it is managed affects industry, hydropower, tourism, transportation, the environment and agriculture. Good water management can improve people's incomes and living standards while making more money available for development by increasing the amount of tax revenue that governments can collect.

Economic growth is one of DFID's four overarching priority areas. But we also recognise that countries must take steps to protect ecosystems and natural resources in order to ensure that growth is sustainable. This is particularly important for the very poorest, who often rely heavily on natural resources such as fisheries. It is also vital for economic sectors such as tourism which could play a key role in future growth in many countries.

### Poor infrastructure and poor water management hold growth back

A major problem for poor countries is the fact that they cannot predict exactly when rain will fall, how long it will last or how much water will be delivered. To overcome this, they need the ability to store water and distribute it to where it can give the greatest economic and social benefits. Too often, however, they do not have the infrastructure to do this.

This lack of infrastructure, coupled with poor management and poor planning, has wide-ranging impacts. It can limit irrigation, for example, which in turn limits food production. This is part of the problem faced in sub-Saharan Africa, where only 19 per cent of suitable land is irrigated.<sup>15</sup>

Poor management can also mean that too much water is assigned to one sector. For example, pumping too much groundwater for irrigation means that less is available for domestic uses. In some cases, these problems are caused by policies outside the water sector, such as the way energy is priced (as cheap electricity can encourage farmers to pump more water).

Lack of infrastructure and poor planning also make countries vulnerable to the effects of drought and flooding – problems that will worsen as climate change advances. Kenya suffered a 16 per cent drop in GDP as a result of the 1998–2000 drought and an 11 per cent drop as a result of the 1997–1998 floods. This was partly because the country was unable to store or distribute water efficiently.<sup>16</sup>

Some areas suffer from water scarcity because there is a lack of infrastructure despite there being enough water available for all uses (including the environment). This is called economic water scarcity, as distinct from physical water scarcity (see Figure 5 for definitions and indicators).

<sup>15</sup> Lankford, 2005

<sup>16</sup> World Bank, 2005

The Comprehensive Assessment of Water Management in Agriculture in 2007 estimated that a fifth of the world's population, more than 1.2 billion people, live in areas of physical water scarcity and about 1.6 billion people live in water-scarce basins.

It is estimated that three billion people will be living in water-stressed countries by 2025, as water stress intensifies in China, India and sub-Saharan Africa.<sup>17</sup> Such stress will intensify as a result of economic growth, higher population, increasing demand for water and climate change.

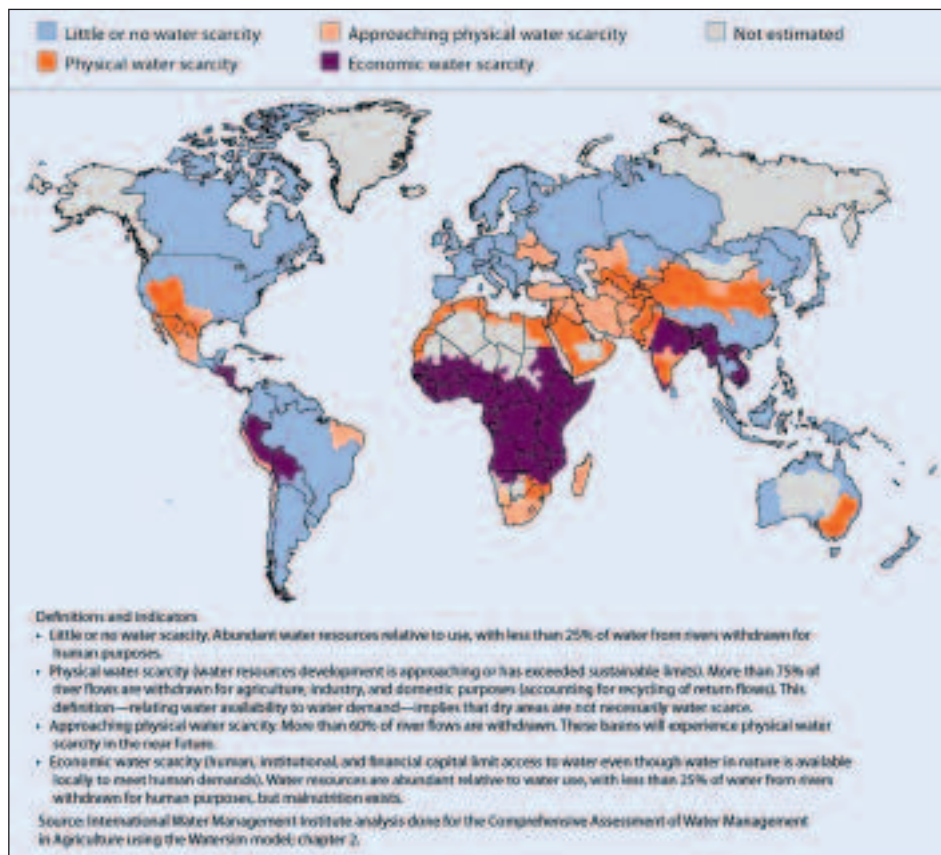


Figure 5: Areas of physical and economic water scarcity.

Source: Comprehensive Assessment of Water Management in Agriculture, 2007.

## Working towards improved water resources management

DFID supports managing water resources and the benefits from water (for example power and food) to enhance economic growth, prevent conflict and reduce the effects of climate change. This includes avoiding the old pitfall of producing poorly designed or inappropriate infrastructure that simply pushes countries deeper into debt. Box 3 gives some examples of our country-level work on managing water resources better. DFID will provide an additional £30 million over the next three years to improve the management of water resources in Asia and Africa.

<sup>17</sup> Human Development Report, 2006

<b>BOX 3</b>	
<b>Examples of DFID's country-level work to improve water management</b>	
<b>Country</b>	<b>Aims</b>
<b>China</b>	DFID supports the improvement of water resources management through five key projects, which will help over two million people living in the poor western part of the country to gain more secure access to water. These projects focus on ensuring poor people benefit from watershed management and fair allocation of water.
<b>India</b>	DFID supports the improvement of water and land management in Andhra Pradesh, Madhya Pradesh, Orissa and Karnataka to support better livelihoods for 15 million people. In Andhra Pradesh, this has lifted one million people above the poverty line.
<b>Sudan</b>	DFID is supporting UNEP to help local government bodies implement more effective water resources management plans. This will ensure more secure access to water for seven million people, including two million people living in camps.

Effective water management is critical to improved food security. Increasing demand for food, particularly for more water-intensive products such as meat, has raised prices and made the need to improve agricultural water management more urgent. This will require expanding, where possible, the land under irrigation. It will also mean improving agricultural practices to increase the productivity of the water used. Since it takes 1 tonne of water to grow 1 kilogram of wheat, for some water-scarce countries importing food continues to offer the best solution. For example, a number of Middle Eastern countries are negotiating for Sudan to grow some of their food for them.

Taking an integrated approach to water management and sharing the benefits from water means taking into account the water needs of a wide range of stakeholders and sectors. It also means taking account of the fact that water use higher up rivers affects downstream areas, and that water used for one sector (such as industry or agriculture) will affect the amount and quality of water available for other sectors. Water must also be integrated into power and food markets, and there must be enough clean water in rivers to keep the environment healthy and productive.

Addressing pollution issues in this way is not just good for the environment. It is good for the economy as well, because polluted water causes sickness and results in the loss of a huge number of work hours. Pollution may also make water unsuitable for agriculture and increase the cost of industrial production, as many processes need high-quality water.

## Improving infrastructure to boost agricultural and industrial growth

In response to increasing food prices the UK has proposed a Global Partnership for Agriculture and Food. This will seek to double agricultural production in Africa and double agricultural growth rates in Asia. More efficient and sustainable use of water resources will be essential for meeting these objectives.

Through organisations such as the Infrastructure Consortium for Africa and the Comprehensive Africa Agriculture Development Programme, DFID works to develop Africa's ability to store water and better manage water resources for agricultural and industrial growth. This includes work to boost the use of hydropower, a critical investment in a continent that desperately needs more energy.

In some cases, this might mean building dams. However, we know that dams can cause problems as well as bring benefits. That is why we encourage investments in water storage, including those made by multilateral agencies that receive funds from DFID, to always take the social and environmental impacts of dams into account. We also encourage investments in water storage to be guided by the principles set out by the World Commission on Dams.

## Water for agriculture – good management is key

Agriculture is a key area for DFID, as it is one of the best options for economic growth in many developing countries. A vital way of supporting the sector is to improve water management and infrastructure. Guaranteeing water supplies, for example, encourages the poor to take the risks involved in growing higher value crops. Work in India has shown that poverty in irrigated districts is half that in un-irrigated districts.<sup>18</sup>

We are also promoting technologies such as the treadle pump, to give households more control over their water supplies (see Box 4).

### **BOX 4**

#### **Treadle pump irrigation reduces poverty in Burma**

Simple treadle pumps, manufactured locally with DFID's support, boosted the incomes of families in Burma that used them by around £230 in just one year, before the country was devastated by Cyclone Nargis. Rural education and marketing campaigns are promoting the pumps across the country, and over 10,000 families have bought them from local shops and outlets. Around half these families use them to provide water for drinking as well as for irrigation.

<sup>18</sup> Various sources cited in World Bank, 2004a





Treadle pump, northern Rakhine State, Burma.  
Photo: Anna Nileshtar, DFID (see Box 4).



## Water management to cope with climate change

DFID is supporting programmes to help vulnerable countries adapt to climate change. These are helping to build resilience to the intense droughts and floods that are likely to occur in the future. Countries will require a range of responses to storms and floods – from early warning systems to enhanced water-storage and flood-control infrastructure. Rainfall changes will happen across the developing world, with some areas like Southern and Northern Africa more prone to droughts and others like parts of South Asia more susceptible to floods.

One sector obviously at risk is agriculture. The recent Intergovernmental Panel on Climate Change *Fourth Assessment Report* (2007) estimates that in Africa, between 75 million and 250 million people could suffer as a result of increased water stress by 2020. Arid and semi-arid areas are likely to get drier, with rainfall likely to decline, for example, by ten per cent in Southern Africa and parts of North Africa. Changing weather patterns could also damage the development of hydropower, while also compromising past investments. Reduced water availability could result in costly dams failing to deliver their potential.

Better data on rainfall and water availability will help countries to plan for these risks. DFID will work with others to improve the quality of the information being gathered. We will support efforts to ensure that countries have the capacity to interpret and use this information effectively. We will also ensure that our water and climate change work is strongly co-ordinated and mutually supportive.

## Conflict over water resources is a real threat

DFID is acting now to help reduce conflicts over water between communities and countries. Such conflicts are likely to increase as population growth and a changing climate makes water more scarce. We are working with partners around the world to find the best ways for neighbouring communities and countries to share water.

But improving co-operation is difficult because there is no lead multilateral agency responsible for water resources. Instead, the issue is fragmented across many agencies and organisations. We are therefore working with others to build a more effective international architecture for water resources management.

We also recognise that preventing conflict between countries means looking beyond water itself and the issues, such as food security, on which it has a direct impact. Water rights link to much wider issues, such as energy sharing and political integration. As a result, co-operation should not focus only on river basins, but should extend towards building relationships beyond the international basin boundaries to share benefits as widely as possible.

DFID's efforts to avoid conflict over water resources include providing funding to regional water management initiatives. Part of our approach is to encourage these programmes to recognise that solutions cannot simply be imposed on countries. Successful examples include the DFID-supported Nile Basin Initiative (see Box 5).



Bangladesh, Munshiganj district. Girl collects clean water from a pump in her flooded village. Monsoon rains in 2004 caused flooding in 40 of Bangladesh's 64 districts, displacing up to 30 million people and killing several hundred. Photo: *Dieter Telemans, Panos*.

## BOX 5

### Transboundary water initiatives supported by DFID

- **The Nile Basin Initiative** has helped to improve water resources management in a region with a history of tension over water. It provides a forum for dialogue and invests in programmes among the ten countries that border the Nile. This has benefits for economic growth and has brought a wider range of stakeholders into discussions. A new treaty is being negotiated. The Nile Basin Initiative has cost an estimated £125 million over eight years.
- **The Middle East Peace Process Executive Action Team (EXACT)** helps the Israeli, Palestinian and Jordanian governments develop common approaches to water pollution management. This is a practical example of how technical issues can be an entry point to wider discussions on common approaches to regional problems in conflict-affected and fragile political environments.
- **The South Asia Water Initiative** promotes dialogue among the seven countries that share the rivers flowing from the Himalayas. It is also supporting analysis of the likely impacts of climate change and promoting regional collaboration in this area.

The Action Overview below sets out our plans.

## Action Overview

### Improving water resources management

**To assist partners to integrate water resources management into their approaches to promote growth, cut poverty and avoid conflict, we will:**

- support improved water resources management in at least five partner countries to help improve livelihoods and build resilience to climate change;
- increase our support to regional initiatives that seek to encourage co-operation over shared water resources – in the Nile Basin, the Middle East, South Asia and elsewhere; and
- support the Infrastructure Consortium for Africa and the EU–Africa Partnership on Infrastructure as vehicles, first, to improve the sustainable development of Africa’s water resources and, second, to improve agricultural water management and develop irrigation through the Comprehensive Africa Agriculture Development Programme.

**To support partners in tackling the immediate impacts of climate change and in preventing the derailment of long-term efforts to reduce poverty, we will:**

- ensure our work on climate change is integrated with our work on water resources management, by ensuring that our water and climate change teams work together;
- work with countries to help them adapt to the impacts of climate change by assessing risks and developing integrated water resources management to reduce vulnerabilities and build resilience;
- support work by international agencies and developing countries to collect and use global and regional information on rainfall, and on surface water and groundwater hydrology, in order to manage water resources better, and to develop regional and national plans for coping with the impacts of climate change; and
- work with the Global Water Partnership, UN-Water and the World Bank to promote a more co-ordinated international approach to water resources management.

## 4. Advancing water governance

### Tackling water governance: the challenge

The countries lagging furthest behind the MDG targets on water and sanitation are those where water governance is poor. In these countries, water and sanitation services tend to be low on the political agenda. In addition, policy frameworks are weak, roles and responsibilities unclear and institutional capacity limited. Accountability and transparency need to be further improved in many cases.

DFID is therefore working to highlight the lack of political commitment which is preventing many countries from taking major steps forward. Where strong political support for water and sanitation has been demonstrated, such as by certain countries in South-East Asia, this has gone hand in hand with rapid economic and social improvement.

### Tackling the lack of skilled workers and guiding frameworks

DFID is also working to address the complex reasons why many developing countries lack the human resources and institutional frameworks needed to expand and maintain water services. We recognise that strengthening capacity within these countries is not merely an issue of providing training and technical assistance. It needs to be linked to coherent policy frameworks, improved management, effective allocation of public revenue and predictable donor financing.

Uganda is a good example of these challenges. It has been estimated that for the country to meet the MDG targets it will have to increase the number of professionals and technicians working in sanitation fivefold, and the number working in water threefold.

### Overcoming poor planning and badly targeted reforms

We are also tackling the issue of badly planned and targeted reforms. Typically, such reforms fail to pay enough attention to the politics of water and sanitation and treat key problems in isolation. The result is that obstacles and drivers of change are both ignored and that links to critical issues outside the water sector do not get taken into account, all of which badly slows progress.

Ensuring that reforms are well-planned requires a comprehensive approach that takes into account underlying political realities and incentives, joins up isolated areas of good practice and links to broader governance reforms.<sup>19</sup> DFID is taking all these key points into account as we champion co-ordinated national plans as part of the 'Five Ones' approach.

We also recognise, however, that if our partner governments are going to take the kind of co-ordinated and targeted action required, they need to have more information and a better understanding of the sector and what influences it. We will therefore be supporting analyses of water and sanitation sector governance in our five focus countries (Ethiopia, Sierra Leone, Tanzania, Mozambique and Bangladesh) in order to:

- understand how water and sanitation governance links to reforms in other sectors and in overall governance;
- identify drivers for change; and
- target priorities for action.

### **Strengthening institutions and boosting subnational governance**

Decentralisation is often seen as the best way to make progress in the water and sanitation sector, because it brings users closer to the authorities responsible for service delivery. However, the local bodies involved are rarely provided with the resources they need to make decentralisation work, and as a result are unable to co-ordinate their efforts. Also, people working within these bodies often lack training and do not have a clear idea of their roles and responsibilities. This can undermine leadership and result in inertia. It can also make the sector vulnerable to interference from powerful interest groups.

Reforming these service providers and ensuring that decentralisation lives up to its promise is going to require analysis and planning at the national level. Again, we are working to provide support for this. One example is the budgetary support we provide to the Government of Mozambique to help it improve the decentralised delivery of rural water and sanitation services.

### **Making service providers more accountable and responsive**

Effective governance requires governments and service providers to be responsive and accountable – particularly to the poor (who often receive no direct service) and to vulnerable groups such as women and children.

<sup>19</sup> Plummer and Slaymaker, 2007





Women collect water from a spring, DRC. Photo: Sarah MacGregor, DFID.

Achieving this depends on making sure citizens have a say in service provision (either directly or indirectly) and demanding that service providers take their complaints into account and manage public funds effectively, fairly and transparently. One way DFID is bringing this about is by supporting civil society organisations that campaign for better services (see Box 6).

## BOX 6

### Strengthening voices: WaterAid citizens' action

WaterAid and partners provide report cards that communities can use to give constructive feedback to their service provider. One example is work done in Nepal, where the use of score cards made it clear that users viewed services as 'very poor' or 'poor'. Faced with this evidence, the service provider agreed to publish annual progress reports, to put up displays giving information on water and sanitation projects and to hold regular discussions with citizens on good governance.

Source: WaterAid, 2006

If systems are not transparent and if citizens have no official way of voicing their concerns, the result can be misuse of funds. Corrupt practices reduce the impact of funding, and are likely to reduce the availability of future funds which could be used to meet the MDGs.

When citizens understand their rights and the responsibilities of the service providers, they are in a better position to take part in decision-making and to demand more effective service delivery. Simple measures such as publishing how much customers should pay for services can be influential in getting better value for money.

To help to ensure that finances are better targeted and accounted for, DFID will help governments to put in place more transparent financial management systems. We will also help them to improve the quality of information available to service users by, for example, providing simple explanations of budgets and service standards.

Another approach DFID encourages is benchmarking the performance of service providers in order to make them more accountable to all users, including the poor (see Box 7). This requires governments to put proper regulations in place and clearly set out objectives for service providers, whether they are publicly or privately owned and managed.



Women in a slum in Dhaka, Bangladesh, share their knowledge of water, hygiene and sanitation services in their area. *Photo: Abir Abdullah, WaterAid.*

**BOX 7****Benchmarking to improve utilities**

DFID has supported the World Bank's International Benchmarking Network for the past six years. This aims to strengthen transparency, accountability and capacity in order to ensure that utilities are better able to deliver water and sanitation services.

Successes to date include the adoption of a five-year performance improvement plan by the Dhaka Water Supply and Sewerage Authority. The authority is now providing six-monthly reports, and is improving key areas based on targets and performance indicators. Another example involves the Rajshahi City Corporation, which greatly increased its water service coverage (from 67 per cent of households in 2004 to 85 per cent in 2007) after it put performance improvement plans in place.

**Working in fragile states requires special measures**

One particularly difficult area is work in countries that are at war, or are just emerging from or teetering on the brink of conflict. These fragile states often need the most help to overcome specific problems in terms of meeting the MDG targets for water and sanitation. Political agreements are often weak or non-existent and governments frequently have few of the resources needed to provide their citizens with universal access to safe and clean water. Water resources may be part of the cause of the tension or conflict.

Improving how water resources are managed helps to support co-operation between communities and between countries. For example, involving conflict-ravaged communities in planning and rebuilding the basic water and sanitation services fundamental to their survival can encourage co-operation within communities. Better planning and management of water resources can also help to reduce regional tensions and act as an incentive for nations to co-operate.

DFID has taken on board the principles for better practice in fragile states set out by the OECD's Development Assistance Committee (DAC) in 2007. These principles demand that fragile or conflict-torn contexts are thoroughly analysed and understood. DFID will then back up such analysis with priority-setting and the long-term commitments needed to prevent future conflict and to build working states.

DFID also accepts that in some cases it may be appropriate for donors to fund infrastructure directly, working with a range of stakeholders including NGOs. It may also be appropriate to provide subsidies to bridge the gap between revenues and costs. DFID considers it important to begin the transition from a relief-focused approach to a longer term development approach as early as possible. In that way, we can help to accelerate the state-building process.

One fragile state where we are putting these commitments into practice is Sierra Leone, where we are supporting a £32 million water, sanitation and hygiene programme to reduce infant mortality and improve maternal health. Another is Sudan, where DFID is providing funds to UNEP to help local government to manage water resources more fairly and sustainably. We are also supporting NGOs in their efforts to deliver water and sanitation through a Basic Services Fund.

The Action Overview below sets out our plans.

## Action Overview

### Advancing water governance

**To improve governance in the sector and ensure that the poor have access to water and sanitation, DFID will take action at both the global and the country levels.**

**At the global level we will:**

- develop a 'sector governance framework' that can be used to improve capability, accountability and responsiveness in the sector – to do this, we will work with multilateral partners including the World Bank and the European Commission;
- work to implement the 'Five Ones' strategy, which is designed to encourage more effective global action linked to national plans for water and sanitation service delivery;
- work with partners through international forums such as the G8, the Commission on Sustainable Development and the African Union to help countries build capacity in their water and sanitation sectors at both the national and local levels; and
- provide support to programmes that encourage benchmarking of the performance of utilities, in order to promote greater transparency and accountability.

**At the country level, we will:**

- ensure, wherever possible, that our country-level governance analysis provides data on governance in the water and sanitation sector;
- analyse water and sanitation governance and support improvements in the five countries chosen for promotion of the three country-level goals in our 'Five Ones' strategy;
- help governments to build capacity for the planning and provision of water and sanitation services at all levels; and
- work to make water suppliers more accountable to all consumers by supporting programmes that help consumers assess provider performance – this will include increasing knowledge of entitlements, and supporting work to make the human right to water a reality.



## 5. Financing water and sanitation

### Not enough is being spent on water and sanitation

Investments need to increase in order to meet the MDG targets for water and sanitation; it has been estimated that an additional \$2 billion a year is required in sub-Saharan Africa alone.<sup>20</sup> As noted in Section 1, the economic returns for basic water and sanitation services are among the highest for any development intervention. But if the economic returns on investments are so great, why is public and private funding not being poured into water and sanitation?

One reason is that providing water and sanitation often requires a lot of money to be invested up front, with a continuing injection of funds for operation and maintenance and a long payback period.

A second reason is the widely held view that water is a basic right for which people should not be charged. This can make consumers unwilling to pay for services and can make governments reluctant to impose charges for fear of alienating voters. The result is that ongoing costs are often at best only partially covered by user charges.

This leaves a shortfall, which cash-strapped governments and local authorities are unable to cover through taxation. In addition, donors often take the view that while they will fund the capital investment costs, it is up to governments and users to pay the ongoing operation and maintenance costs.

But the costs of operating and maintaining systems, and ultimately of replacing capital, must be covered somehow – either through user fees or government taxes or by means of external support. If this does not happen, systems break down and are abandoned.

### More, and longer-term, investment is needed to meet the MDG targets

We advocate that a balance should be struck between developing new infrastructure and investing in systems to manage what is already in place. And as progress is made towards achieving the MDG targets, this balance should tip towards maintenance.

Providers can only charge for their services if they can maintain them properly. For this they need good managerial systems, access to spare parts and support from local and central government. By helping governments to plan and pay for maintenance, we can help to end the situation where about half of the handpumps in Africa are out of action because they need to be repaired.<sup>21</sup>

<sup>20</sup> Human Development Report, 2006

<sup>21</sup> Rural Water Supply Network (RWSN), 2004, quoted in Harvey and Reed, 2006

## Balancing cost recovery

Although more costs need to be recovered by service providers, we have to balance cost recovery against the need to ensure that water supplies are affordable for all. DFID recognises that charging high tariffs can exclude the poor. As a result, they may resort to using water from sources that are unsafe, less convenient, and that may be more expensive in the long term.

We therefore call for a balanced approach, which ensures that the costs of service provision are recovered from those who are able to pay, while subsidies are provided to enable the poor to be served at a cost they can afford.

## Putting in place an appropriate level of service

DFID also believes that putting in place appropriate levels of service – for which users are both willing and able to pay – is key to long-term success. Although this may lead to systems being less sophisticated than planners might choose, it means they will be more sustainable in the long term.

Low-cost solutions are available for water supply, but even more so for sanitation, where they can start from as little as £1 for a simple pit latrine in Asia.<sup>22</sup> However, these solutions often depend on households making their own contribution and maintaining their own systems. So governments will have to invest much more in promoting these simpler and cheaper systems, particularly for sanitation. And they will have to provide some level of support, including better monitoring systems and some funding for long-term maintenance.

## We need to fund the right things

We need to ensure that money is spent effectively, fairly and in those areas where the economic returns for the poor will be highest.

Unfortunately, overseas aid is often not targeted as well as it could be. For example, almost 40 per cent of bilateral aid for water and sanitation provided by members of the DAC goes to nine middle-income countries rather than to the very poorest.<sup>23</sup> And even when funding is targeted at the right countries, it may be used in ways that are not the most effective for meeting the MDGs.

DFID works to address these disparities through initiatives such as a WaterAid study used to map the allocation of funds for water points in Malawi. This has helped the Government of Malawi provide water points where none previously existed, rather than increasing the number of points where people already have access to water.

<sup>22</sup> In Bangladesh, DFID has supported community-led approaches that have devised cheap, local solutions – although these may not be strictly in accordance with WHO/UNICEF JMP criteria, they are locally owned and do dispose of faeces satisfactorily

<sup>23</sup> Organisation for Economic Co-operation and Development, 2007

## Funds need to be allocated according to national plans

DFID is also stressing the need for developing countries to prepare credible long-term plans and to find new ways of capturing funding in order to meet the MDGs.<sup>24</sup> Too often, external funding for capital development is driven by the priorities and plans of donors, rather than by plans developed by the countries themselves. This often results in funds not being spent on the things that would most benefit countries in terms of development.

## Subsidies must be carefully targeted

DFID also recognises that subsidies must be carefully targeted to avoid unintended and perverse side effects. An example is where subsidies benefit better-off households which can actually afford to pay significantly more towards the costs of water services. One way forward is to minimise the need for subsidies by choosing low-cost technologies and arranging credit so that households can afford improvements. This can be backed up by flexible payment arrangements that allow the poor to pay small amounts at more frequent intervals.

Another way is to link the amount of any subsidy directly to performance in relation to the poor. A successful example is the DFID-supported Global Partnership on Output-Based Aid. Recent programmes under this partnership have provided water connections or public taps to 70,000 households in poor communities in Ethiopia, 15,000 low-income households in Indonesia and 19,000 households in Uganda.

## Communities need to feel ownership

The capital costs of just about all rural water-supply schemes require some kind of subsidy. However, evidence suggests that some contribution from communities, whether in the form of cash or labour, helps to provide a sense of ownership that ensures water supplies are maintained (see Box 9).

DFID encourages this type of ownership-building, although we recognise that this is a policy matter that must be decided by governments themselves. We also recognise that, at least in the short term, food shortages and price increases may limit the use of this approach because households simply do not have any money to spend on non-food items.

What is clear is that in all cases more attention needs to be paid to the long-term sustainability of community-managed systems. Too often, the expectation that communities will be responsible for all future maintenance has resulted in these systems breaking down.

<sup>24</sup> Department for International Development, 2006b

## BOX 9

### Cash from the community keeps the water flowing

A survey of 1,050 water points installed in areas affected by arsenic in Bangladesh showed that when communities contributed financially to the capital costs, almost twice as many points stayed functional. Above a threshold contribution of about £15, people cared more about keeping the water points in working order.

Source: Kabir and Howard, 2007

### Where to focus efforts – in urban or rural areas?

Over 70 per cent of people without improved sanitation and 80 per cent of people using unimproved sources of drinking water live in rural areas<sup>25</sup>; a lot of our work will be targeted here.

But we know that with increasing migration to towns and cities, the poorest people in built-up areas are being forced to live in the most unhygienic conditions imaginable – with no sanitation and very little clean water. The distinct challenges of urban areas require solutions appropriate to much more congested conditions. For example, land in cities is at a premium and those occupying it may not have the legal right to be there, discouraging them from investing in sanitation or water supply. Governments often refuse to supply these informal settlements to discourage further inflow of people to these areas.

DFID will continue to support urban initiatives, particularly in South Asia, where we have already had a significant impact. For example, DFID's funding of the Andhra Pradesh Urban Services Programme has enabled one million poor people to get basic water and sanitation services. We currently provide over £25 million each year to urban basic services projects in India.

### Sustaining progress beyond 2015

Even after the MDG targets are met, 0.8 billion people will still be without access to safe water and over 1.6 billion without access to basic sanitation (see Figure 1 and Figure 2).<sup>26</sup> Reaching these people will be extremely challenging. Those left unserved after the MDG deadline of 2015 will include the poorest and the most vulnerable and marginalised, often in the most remote or water-scarce areas, or in areas of conflict or fragility. States should act now to reach the poorest and most marginalised and not simply pick 'easy gains' to meet the MDGs.

DFID also realises that tackling water and sanitation is as much – or more – about governance and reform of the sector as it is about increases in financial resources. Poor governance and lack of reform may hamper the ability of the sector to generate and attract finance. At the same time, increasing the financing of the sector will not be effective unless it is done in the context of these reforms.

<sup>25</sup> World Health Organization and United Nations Children's Fund, 2008

<sup>26</sup> Ibid.



Climate change will cause further stresses on water resources, and additional support will need to be found to assist developing countries to adapt their development strategies to meet increasing demand for water and to tackle droughts and damage from increased flooding. This will require enhanced capacities to assess vulnerability, monitor trends, predict future impacts and provide early warning of possible extreme conditions.

In some places, building climate resilience into water policy and investments will require additional finance. DFID already recognises the significant risks climate change poses for development, in particular to the water sector. We are helping partner governments build climate change resilience into their development plans and budgets through the Pilot Programme on Climate Resilience (part of the £800 million Environmental Transformation Fund), bilateral programmes and support to UN adaptation funds. We are investing £100 million in research on climate adaptation. We are developing guidance to mainstream climate risk management into our own operations. And we are working with other government departments to ensure adaptation is effectively dealt with through the management of the UK Framework Convention on Climate Change Adaptation Fund and the post-2012 climate deal.

### DFID's commitment to funding

DFID has committed itself to greatly increasing the aid it provides to the water and sanitation sector. DFID will spend £1 billion on water and sanitation in Africa over the next five years. DFID will support at least 30 million more people to get access to improved sanitation in South Asia by 2011. We will provide an additional £30 million over the next three years to improve the management of water resources in Asia and Africa.

We recently doubled our total contribution to the African Development Bank to £417 million over three years (2008–2010). Of this, nearly nine per cent is allocated to water and sanitation, while nearly £10 million is provided as technical assistance to the Bank's Rural Water Supply and Sanitation Initiative.

In 2007, DFID also launched a £75 million five-year project in support of the Ethiopian Government's Water, Sanitation and Hygiene programme. This aims to deliver water and sanitation to an extra three million of Ethiopia's poorest people.

Working through partners, we are also providing significant support to water and sanitation in Asia. One example is UNICEF's Child Environment Programme in India, which is providing water and sanitation services to 213 million rural and urban poor in Andhra Pradesh, West Bengal and Madhya Pradesh. And in Bangladesh we are supporting UNICEF's Sustainable Hygiene Education and Water Supply Programme, which aims to improve sanitation and hygiene for 30 million people and water supplies for five million people and 2,500 schools over the next four years.

About half of the funds we provide will be channelled through multilateral finance institutions and international funds. These include the World Bank, the African Development Bank and the EU.

We are also providing significant investments through our direct support to government budgets in countries such as Tanzania and Uganda. Our policy is to encourage the governments we work with to do more on water, and especially sanitation, and to dedicate budgets for these areas.

The Action Overview below sets out our plans.

## Action Overview

### Financing water and sanitation

**To sustain increased funding and ensure that funds are used effectively and efficiently, we will:**

- scale up and improve the predictability of funding in the five countries where DFID will support national plans for expanding and maintaining services to the poor (Ethiopia, Sierra Leone, Tanzania, Mozambique and Bangladesh);
- work with the countries most off track in terms of the MDG targets for water and sanitation (Ethiopia, Sudan, DRC and Nigeria);
- support initiatives that improve sanitation in rural areas (such as Community-Led Total Sanitation), and in urban areas (such as Water and Sanitation for the Urban Poor and the Community-Led Infrastructure Financing Facility);
- support the Global Sanitation Fund managed by the Water Supply and Sanitation Collaborative Council which funds improved sanitation for communities based on national plans;
- support the EU Water Facility, in order to mobilise additional funding (particularly at the subnational level), and support the programmes of the World Bank and regional development banks that target the poor;
- fund studies that seek to find new ways of sustainably operating and maintaining community-managed water and sanitation schemes;
- support innovative funding, such as the use of output-based aid and finance from local banks and micro credit providers;
- work with international partners and NGOs on ways to finance water and sanitation, to get more long-term capital into the sector; and
- work with international partners to assist developing countries to adapt their development strategies and plans to climate change.

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## What is Development?

**International development is about helping people fight poverty.**

This means people in rich and poor countries working together to settle conflicts, increase opportunities for trade, tackle climate change, improve people's health and their chance to get an education.

It means helping governments in developing countries put their own plans into action. It means agreeing debt relief, working with international institutions that co-ordinate support, and working with non-government organisations and charities to give communities a chance to find their own ways out of poverty.

## Why is the UK Government involved?

**Getting rid of poverty will make for a better world for everybody.**

Nearly a billion people, one in six of the world's population, live in extreme poverty. This means they live on less than \$1 a day. Ten million children die before their fifth birthday, most of them from preventable diseases. More than 113 million children in developing countries do not go to school.

In a world of growing wealth, such levels of human suffering and wasted potential are not only morally wrong, they are also against our own interests.

We are closer to people in developing countries than ever before. We trade more and more with people in poor countries, and many of the problems which affect us – conflict, international crime, refugees, the trade in illegal drugs and the spread of diseases – are caused or made worse by poverty in developing countries.

In the last ten years, Britain has more than trebled its spending on aid to nearly £7 billion a year. We are now the fourth largest donor in the world.

## What is DFID?

**DFID, the Department for International Development, is the part of the UK Government that manages Britain's aid to poor countries and works to get rid of extreme poverty.**

We work towards achieving the Millennium Development Goals – a set of targets agreed by the United Nations to halve global poverty by 2015.

DFID works in partnership with governments, civil society, the private sector and others. It also works with multilateral institutions, including the World Bank, United Nations agencies and the European Commission.

DFID works directly in over 150 countries worldwide. Its headquarters are in London and East Kilbride, near Glasgow.

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