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***Towards Water and Sanitation
as Sustainable Basic Social Services for All***

by

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This paper embraces the 20/20 initiative as it supports the development of safe drinking water and sanitation services, basic social services many people still lack. It stresses the need to improve sector efficiency and to set clear objectives and establish key indicators to measure the outcome of efforts that are undertaken. It highlights the need to emphasize the sustainability of basic services and emphasizes the growing challenge to do things differently in the sector.

1. Introduction

The International Community met in 1977 at the United Nations Water Conference of Mar del Plata, and made the following appeal : “All people, whatever their stage of development and their social and economic conditions, have the right to have access to drinking water in quantities and of quality equal to their basic needs”¹. Twenty years later we still need to accomplish this challenge. The same goes for adequate sanitation which is considered to be one of the foundations of a healthy human development. It thus seems that at the end of the millennium, our collective and individual conscience needs to be revived. “We will need to change our way of thinking and our operations, improving coordination²”, enhancing accountability and adopting human-centered and demand based approaches.

Lack of supply of safe water and of adequate means of sanitation is blamed, at least in part, for as much as 80% of all disease in developing countries³. A decent sanitary facility is an unknown luxury for half of the people on earth (2.9 billion people lack access to adequate sanitation in 1997, up from 2.6 billion in 1990⁴). It is widely recognized that the percentage of people with access to sanitation has fallen in the developing world, because of population growth and declining investments. Furthermore, there are important disparities between water and sanitation coverage, showing that the attention given to sanitation is still lagging far behind the one given to water. Different from sanitation, in 1996 it is estimated that 3.3 billion people can count with safe water supplies against a 2.5 billion in 1990⁵.

Still the coverage is far from being satisfactory, with important disparities between urban and rural, and within urban areas between the “poor” and “better-of”. The poor have benefited least and some people living in low-income urban areas are paying as much as 35-40 percent of their income to buy water.

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The rich pay less and consume more. Many households purchase water at considerable cost from local water vendors. Often this water involves a high sanitary risk, being contaminated at the source or during collection or transport⁶.

OECD global figures indicate that ODA funding has decreased from US\$ 43.2 billion in 1991 to US\$ 39.1 billion in 1996⁷. This decrease in funding stems mainly from the lower contributions from the United States, Spain, Italy and Finland, whereas the other countries maintained their funding level. Nevertheless according to the Chairman of the Development Assistance Committee (DAC) of the OECD: "It is hard to imagine that the volume of ODA will increase dramatically in the near future"⁸.

2. Lessons learnt

While **coverage** figures for water supply seem to have increased over the past years, it is false to conclude that we are on the right track. Particularly in the low-income areas coverage figures have not been able to keep up with the pace of **population growth**. The **poor are still marginalized** when it comes to benefiting from sector investments and present approaches do not allow to solve the problem efficiently. Also the coverage figures do provide a rosy picture as many installed systems provide neither the **continuity** nor the water **quantity** or **quality** that is needed⁹. This is partly because the organizations responsible for providing the service have limited management capacity, hardly any back-up support and do not succeed to cover even the cost of operation and maintenance¹⁰. This leads to inadequate functioning and eventually to abandoning of systems, representing a considerable loss of investments. Still the emphasis in the sector seem to remain on enhancing the coverage through the **construction** of new systems, because of political pressure and because doing things as usual is convenient. This approach generates short term results, but does not consider the negative impact of the resulting failures, and the deception of the communities involved.

On the positive side we see that more and more governments and institutions are gradually initiating a **process of change** in which they adopt a more integrated and demand responsive approach to problem solving, and become willing to place more emphasis on **sustainable functioning and effective use** of the systems. We see increasing interest of public sector agencies in **participatory approaches** involving the community in their attempt to do more with less financial resources. Government agencies are searching for alternatives as they begin to accept that "blue print" development strategies have been shown to be ineffective in meeting the basic needs of large numbers of marginalized, vulnerable people¹¹.

It is obvious that this shift is needed and that it is essential to look at the sector in a **holistic** manner, integrating issues of sustainable water and sanitation, waste disposal, water resources management, land and water use, health and nutrition and hygiene behavior.

3. Water supply and sanitation a basic services for all

Originally, basic social services were defined as those services that are a fundamental prerequisite for the sustainable achievement of social development. They encompass : *population programmes and reproductive health; health care; nutrition; environmental health including water supply and sanitation; basic education; and shelter*. Basic social services are of particular importance in reducing the worst aspects of absolute poverty. They yield high returns and are associated with strong positive externalities. Finally, basic social services are characterized by strong complementarities¹².

In October 1995, the United Nations Administrative Committee on Coordination (ACC) established the Task Force on Basic Social Services for All to help coordinate the response of the United Nations System and galvanize the system around priority goals and objectives emerging from the recent United Nations Conferences.¹³

Considering water and sanitation as a basic social service has helped to give this sector a high priority. It underscores the importance of the sector for economic and social development and for poverty reduction as a whole. This however can only be achieved if the services that are established can be sustained.

4. What does the 20/20 Initiative imply for sector financing ?

The 20/20 Initiative was initially conceived in 1994, by UNDP, UNESCO, UNFPA, UNICEF and WHO, as a pragmatic way of accelerating the mobilization of resources from national and external sources, in favour of basic social services, by reallocating 20% of the total government budget and 20% of ODA to these services. This idea as developed so far entails important and very positive implications but also some limitations. Some of the more important ones include:

The initiative may generate additional funding for the sector. The present global ratio is approximately 13/10, which means that an average of 13 percent of national budgets and an average of 10 percent of ODA are used for the financial, human and institutional capacity to deliver basic social services¹⁴. Increasing this ratio to 20/20 would mean generating an important additional source of funding. On the ESA side, in theory there is room for increased funding because the commitment of OECD countries to devote 0.7% of the GNP to ODA is far from being reached for most of them. The economic development however makes this expectation less realistic so as an alternative a reallocation of ODA funds could be strived for. Governments face similar limitations, and some of them are confronted with drastic measures (Structural adjustment policies), which put their spending under pressure. So in this case also a reallocation of national funds needs to be explored perhaps at the expense of military expenditure (see box);

Alternative funding is needed. The 20/20 Initiative does not insist on the need to develop jointly or in parallel the use of local resources, especially at community level, where micro-

credit systems could be introduced; a public/private partnership can very much help to generate additional resources and enhance long term financial sustainability. The idea to draw heavier on private sector funding that is reclaimed through users contributions is quickly gaining ground. User contributions can be increased, provided that reliable services are being provided and users get a better say in the development of the services. Actually it is only fair that users and particularly the better off pay for the services as in the past a lot of subsidized systems have primarily benefited them and not the poor. This is an important addition to the initiative because it would help to redress this balance. This does not imply that the poor should not pay at all. They may not be in a position to pay the full price and particularly the investment cost, but running cost need to be met by the users in order to sustain the service.

If private capital will not cater for the needs of the poor, because of a possible negative rate of return, public and donor funds have to be mobilised for low-cost water supply and sanitation in rural and peri-urban areas, where cost-recovery from users is not (yet) possible, and this is exactly the aim of the 20/20 initiative.

Efficiency, effectiveness and sustainability of investments needs to be increased. Increasing resources does not guarantee efficiency and effectiveness and here a lot of efforts are needed (see box). Whereas the 20/20 initiative indicates the need for human resource development that may help to enhance efficiency, it does not sufficiently stress the need to enhance the sustainability of sector investment. This is perhaps the most important challenge ahead where ESAs can be acting as catalysts and facilitators and implementing organizations should be held accountable for the sustainability of their achievements.

5. Searching for sustainable solutions

So we need to include the search for sustainability in the 20/20 initiative. For the WSS sector the following definition helps to clarify this.

A water supply system is sustainable when it:

*continuous to provide an efficient and reliable service, at a level which is desired
can be financed or co-financed by the users
can be maintained with limited but feasible external support and technical assistance, and
is being used in an efficient way, without negatively affecting the environment, conserving it
for the generations to come¹⁵.*

The search for sustainability implies that a match is needed between four dimensions, the community, the environment, the technology and the legal and institutional context.

In this **the community dimension** includes its capacity to manage, operate and maintain a system; the availability of skills; its capacity and willingness to pay, its cultural and social structure, its health awareness and hygiene behaviour; and its gender balance. The **environmental dimension** includes the availability of fresh water resources (in quantity

and quality), its proper management, protection and conservation. The **technology dimension** includes, the available technology, the capacity to respond to present and future demands and consumption patterns; its capital and maintenance costs; its impact on environment; its complexity and the availability and cost of spare parts.

Putting the bill for sustained water supply and sanitation coverage in perspective

(Extracts from The sanitation Gap : Development's deadly menace by Akhtar Hameed Khan, in : The Progress of Nations, 1997, UNICEF)

So far in this decade, governments in Africa, Asia and Latin America have invested roughly US\$ 2.1 billion a year in water and sanitation services for rural and under-served urban areas - and still they fell behind. The cost for achieving universal coverage would be an additional US\$ 4.7 billion a year (in 1994 dollars) for a decade, bringing the total investment required to US\$ 6.8 billion per year. The figure also includes \$300 million a year for hygiene education programmes, which are just as important as latrines...Operating and maintaining sanitation systems adds another 5-20 percent to the bill.

A bill of US\$ 68 billion over 10 years may sound high. But it is only 1 per cent of what the world will spend on military expenditures in the same period. Given the cost to human health of failing to provide proper water and sanitation facilities, it is hard to understand how a humane society can say no...

Water systems are notoriously leaky in developing countries, where 30 to 60 per cent of the water treated and pumped never makes it to the consumer, because of leaks, illegal tapping (and inappropriate administration of bills). Such losses cost Latin Americans, for example, between US\$ 1 billion and US\$ 1.5 billion each year - the amount needed annually to provide water and sanitation services to all the region's currently underserved citizens by the year 2000.

These dimensions are set within an overall **legal and institutional context** of regulations and availability of technical/financial assistance and support that can best be accessed through a partnership between the community and public or private institutions¹⁶; most of the developing countries today are going through important institutional changes, transferring responsibilities to decentralized and deconcentrated levels. The role of the central government changes *from provider to facilitator and regulator*; this means devolving responsibility for management of water supply and sanitation services to the lowest possible level, while government remains responsible for policy development and the establishment and enforcing of the legislation. This institutional "change", concerns also the involvement of the "formal" or "informal" *private sector*. It may be questioned whether privatization is the universal solution, particularly because the private sector is weak in many countries. Also it is not clear if privatization caters for the needs of the urban and rural poor where profit margins may be small.

Searching for sustainable solutions requires therefore to integrate all the consequences that these institutional changes are inducing, in terms of roles, responsibilities, and capacity. Through an informed **dialogue** with the stakeholders sustainable solutions can be found that are based on a clear understanding of the different perceptions of the problems and demands that exists and the possible solutions that are available, prerequisites of a **demand-driven** approach.

6. Strengthening the 20/20 initiative

The WSS sector can benefit from the 20/20 initiative and can help to make it happen by drawing on some of the lessons learnt. What is particularly needed is to:

Put stronger emphasis on sustainability of investments. This will very much help to reorient the thinking and the action, shifting the focus to longer term objectives instead of short term results. This is crucial as it will place much more emphasis on adequate water resources management, prevention of pollution and ensuring the development of good quality facilities that provide a continuous and adequate service that is effectively used. This will have an additional benefit in that it makes sector investments more attractive.

Setting objectives and indicators together with the stakeholders to clarify expected results and make it possible to enhance accountability. Objectives and indicators need to move away from input and output and focus on sustained outcome. So not just number of people reached with new projects (coverage) but number of people having access to water supply and sanitation systems that are functioning and are effectively used (sustained coverage). Governments and ESA's adopting this approach will be in a position to guide their agencies and make them accountable for results.

Adopting a learning perspective in capacity building and technology sharing, as blue print approaches do not work. It is essential that the different perceptions of problems and solutions are shared in a learning environment in which academic knowledge and community experience are equally valued and shared in a dialogue that allows the adaptation of technologies and methodologies to the local environment¹⁷.

Create or strengthen platforms for decision making and resource negotiation to establish the dialogue between stakeholders and ensure a better management and distribution of resources and benefits. This requires access to information for all and strengthening the bargaining powers of men and women in communities, to make them a better match in the discussion with the other stakeholders.

Enhance community and individual access to local resources and private funding. It is positive that the commercial value of water supply is being recognized and that users are expected to pay a reasonable price for it. If those who can afford and have access to loans

coming from private banking, in order to improve their facilities, these costs could not longer be part of government programmes, hence freeing up resources for the poor. This implies that the bottleneck of access to funding needs to be overcome, by establishing banking facilities, micro-credit schemes, revolving funds, national/international guarantee funds and leasing.

Focusing the subsidies to the poor. At the end of 1995, 1.3 billion people were estimated to live in absolute poverty and if current trends persist this number will be growing. So subsidies will remain necessary but they need to be better targeted to the poor and should be more easily accessed by them. Governments need to develop guidelines for investments giving priority in using public and donor funds to meeting the needs of the rural and urban poor.

Notes

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