

## **Water and Sanitation Initiative**

### ***Design Summary and Implementation Document for Global Programs component***

#### **A. Introduction**

1. The Australian Government announced the Water and Sanitation Initiative (WSI) in the 2008-09 Budget. The WSI provides \$300 million over three years from 2008-09 to improve the living standards of the poor through improved access to more effective and sustainable water and sanitation services, thereby contributing to achieving the Millennium Development Goals (MDGs).
2. The WSI will be implemented through a number of components. One component will be through contributions to various multilateral organisations and trust funds. The purpose of contributions through multilateral channels is to increase the impact of the WSI through global programs, complement activities funded bilaterally and to work with multilateral partners to enhance learning and information exchange opportunities.
3. This Global Program document outlines Australia's proposed approach to working with various multilateral partners under the WSI. It is organised in three parts. Part B provides an overview of Australia's proposed engagement with multilateral partners. Part C outlines all proposed Global Programs considered for funding under the WSI, but only three will be reviewed in this context. These are Australia's engagement with the UNICEF WASH Program, the Water Supply and Sanitation Collaborative Council (WSSCC) and the World Bank Water and Sanitation Program (WSP). These Global Programs are being reviewed now as Australia has existing relationships with these programs and these multilateral partners are ready to effectively use additional Australian funding. Australian engagement with other multilateral partners will be reviewed in the future when design of the programs is finalised and funding decisions made.
4. The second part of this document contains Annexes A – C which detail Australia's engagement with each of the three multilateral agencies and/or programs. The third part of this document contains Attachments A – C which provide detailed proposals for each of the proposed WSP programs.

#### **B. Background**

5. The WSI aims to promote poverty alleviation through assistance for activities aimed at the MDG 7 targets to increase sustainable access to safe drinking water and basic sanitation, MDG 4 targets to reduce child mortality and MDG 2 targets to achieve universal primary education. It will help improve access by the poor to clean water and effective sanitation as well as promote hygiene awareness and improved living conditions through technical assistance, activities and support for infrastructure investments.
6. According to the World Health Organization (WHO)/UNICEF Joint Monitoring Program (JMP) data for 2006, the world is not on track to meet the MDG sanitation target with 38 per cent of the world's population without improved sanitation facilities, mostly in sub-Saharan Africa and Southern Asia. The data also shows that the world is on track to

meet the MDG drinking water target but that sub-Saharan Africa and South Asia are not on track to meet this target.

7. The Global Programs component of the WSI seeks to build on existing partnerships and programs that will achieve results quickly and allows AusAID to participate in global forums with more emphasis on policy engagement. Preparation of the proposed Global Program component of the WSI has taken account of the short lead time and duration of the WSI and the need to demonstrate tangible results within the two year implementation period. At the same time recognition has been given to the strong likelihood of Australia remaining substantively engaged in the water and sanitation sector for several years beyond the end of the WSI in June 2011.

### **C. Proposed program and rationale for AusAID participation**

#### **Proposed program**

8. A range of multilateral organisations and/or programs were considered for funding under the Global Program component of the WSI. Eight organisations and/or programs are assessed as potentially eligible for WSI funding, subject to funding being available; however, only three programs, the UNICEF WASH Program, the Water Supply and Sanitation Collaborative Council and the World Bank Water and Sanitation Program, are proposed for funding at this stage. These three programs are assessed as eligible for funding at this stage due to their being existing programs, their experience and technical expertise in water and sanitation, their complementarity to bilateral AusAID water and sanitation programs, and the niche role of each organisation. Supporting these three programs in these regions will enable AusAID to contribute quickly and effectively to these regions while also building bilateral programs for longer term engagement. The three organisations and/or programs currently considered for funding are:

#### **UNICEF WASH**

Funding of UNICEF WASH will focus on UNICEF programs in Africa, South Asia and East Asia Pacific regions with thematic support provided for the Office of the Chief Water and Environmental Sanitation in New York. The programs in Africa and South Asia will focus on sanitation. In the East Asia Pacific region we propose (conditional on the availability of funds) continuing support for the arsenic mitigation program.

#### **Water Supply and Sanitation Collaborative Council (WSSCC)**

The work of the WSSCC is focused on increasing access to sanitation in South Asia and Africa. AusAID proposes to primarily contribute to the WSSCC's Global Sanitation Fund as well as make smaller contributions to Networking and Knowledge Management, Advocacy and Communications and Governance and Management. The primary reason for supporting WSSCC is their ability to address access to sanitation through the Global Sanitation Fund. Approximately half of the resources of the Global Sanitation Fund are directed toward Africa, enabling AusAID to engage quickly and effectively in the region.

#### **World Bank Water and Sanitation Program (WSP)**

Funding for WSP is targeted to three regional multidonor trust funds (MDTFs) in Africa, South Asia and East Asia Pacific. Contributions to these MDTFs will support AusAID partner country governments and agencies where the WSI is funding individual multilateral development bank and bilateral projects. Support for WSP will also improve

harmonisation of donor support in the sector in all three regions and contribute to sharing of global knowledge in the sector.

9. AusAID's proposed engagement with these programs is further outlined in Annexes A – C.
10. The following programs are at different stages of development and implementation. While they have been assessed as potentially eligible for WSI funding, funding these programs at this stage would be premature. Should funding be allocated in the future separate quality processes will be undertaken.

#### **World Health Organization Water Quality Partnership Project**

The proposed Phase 2 Water Quality Partnership program aims to build on the foundation laid in Phase 1 and scale up the implementation of Water Safety Plans<sup>1</sup> in urban and rural areas in Vietnam, the Philippines, Laos, Bangladesh, Bhutan and Nepal. Phase 2 is currently undergoing more detailed design work and is not included in this appraisal. An appraisal peer review will be conducted separately when Phase 2 is fully designed. If funds are available, support to WHO may also include water, sanitation and hygiene for cholera prevention and drinking water and sanitation in health care settings.

#### **Asian Development Bank Water Financing Partnership Facility**

AusAID has provided AUD10 million to the Water Financing Partnership Facility and has indicated the intention to provide up to AUD25 million more. The Water Financing Partnership Facility is a multidonor trust fund that provides support for demonstration projects in rural and urban water supply; irrigation, river basin management; and for program quality. Subject to the availability of funds, AusAID will provide funding to the Water Financing Partnership Facility from the WSI.

#### **UN-HABITAT**

The United Nations Human Settlements (UN-HABITAT) manages a Water and Sanitation Trust Fund and has two major initiatives, Water for Asian Cities and Water for African Cities. If funding is available, consideration will be given to supporting UN-HABITAT through the WSI.

#### **Global Water Partnership**

The Global Water Partnership (GWP) was established in 1996 with the aim of supporting the sustainable development and management of water resources at all levels. GWP is active globally, operating through 13 regional partnerships. It provides technical assistance to foster Integrated Water Resource Management (IWRM) to ensure the coordinated development and management of water, land and other natural resources including key infrastructure. IWRM is essential for establishing water security and in managing the water related impacts of human development. If funding is available, consideration will be given to supporting GWP through the WSI for the purpose of improving water security in countries where WSI is supporting activity.

#### **Global Framework for Action**

The United Kingdom and Netherlands, supported by a number of international NGO's, have agreed on a Global Framework for Action (GF4A) to pursue greater focus,

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<sup>1</sup> AusAID also supports Water Safety Plans in the Pacific through the Pacific Islands Geoscience Commission (SOPAC).

accountability and coordination in the water, sanitation and hygiene sector. The framework has a number of elements including:

- an annual review of the sector;
- an annual high level meeting;
- development of costed national water and sanitation plans; and
- a commitment that no credible plan will fail for lack of finance.

The GF4A, supported by a £5 million grant (over five years) from the United Kingdom Department for International Development (DFID), plans to hold the first meeting in 2009 or 2010 to be convened by UNICEF. A further joint UK-Netherlands commitment of €100 million over five years has been made to help 20 poor countries develop and implement their own national plans. Australia's WSI objectives are likely to be compatible with the GF4A, although this is difficult to assess given the early stage of development of GF4A. Involvement in the proposed series of High Level Meetings would support the AusAID-DFID and AusAID-UNICEF partnership agreements.

## **Rationale for Australian participation**

### *Objectives of supporting the proposed activities*

11. The rationale and objectives for supporting the proposed global programs are derived from the overall objectives of the WSI, including:

**Increasing access to basic sanitation** – based on JMP figures, sector professionals and UN Agencies advocate that sanitation is the key public health priority for the coming years. Further, Africa and South Asia are lagging behind on reaching MDG 7 sanitation targets. In response to this AusAID proposes to increase its investment in sanitation through the Global Programs component, in particular through the UNICEF Global WASH Program in Africa and South Asia and support for the WSSCC Global Sanitation Fund.

**Increasing access to clean water supply** – While the focus on sanitation is needed, the Global Programs component also aims to reduce the economic and human cost of unsafe water drinking water. UNICEF East Asia Pacific will reduce morbidity and mortality rates, especially for children under five from contaminated drinking water.

**Improve delivery of sustainable water and sanitation services** – The Global Programs component will support partner governments in meeting water and sanitation needs and improving service delivery. In particular, the World Bank WSP program works to build the institutions that provide these services by providing advice, strengthening their regulatory framework, strengthening the ability of governments to track their progress and providing capacity support to decentralised levels of local governments.

**Broaden geographic coverage of WSI** – The broader geographic coverage provided through global programs complements AusAID's existing and planned bilateral engagements in water, sanitation and hygiene, reaches countries not covered by AusAID bilateral engagements in water and sanitation, and allows AusAID deeper and more

substantial engagement in regions such as Africa and South Asia where Australia has not historically had substantial engagement.

**Provide linkages with and build on bilateral programs under the WSI** – The Global Programs component has been designed to build on other components of bilateral support under the WSI. The proposed Africa component of the WSI focuses on water supply and sanitation for towns in Malawi and Mozambique, as well as two regional initiatives that support town service provision. To complement this the Africa WSP program will improve water supply and sanitation service delivery and management in towns in Africa.

**Improve donor harmonisation in the water and sanitation sector** – Partnerships with UNICEF, WSSCC and the World Bank WSP are proposed as these bodies have a proven track record; a growing base of donor support; and a capacity to promote the sharing of experiences and approaches across countries. Through this support, AusAID aims to contribute to better coordination in the water and sanitation sector and focus on building capacity within the recipient countries in line with the principles of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action. This policy of better donor harmonisation and increased aid effectiveness is a priority for the Australian Government. It also responds to the Government's policy that in implementing the WSI there should be more active engagement through partnerships with multilateral agencies and other bilateral donors.

#### **D. WSI goals, objectives and outcomes**

12. From discussions with the key partners involved in the water and sanitation sector including governments in East Asia, WHO, UNICEF, WB and ADB it was concluded that priorities for AusAID assistance are to:

- help expand water and sanitation access through current initiatives of UN and multilateral agencies;
- assist in development of government owned national strategies and WASH initiatives in rural and urban areas in three regions of Africa, East Asia and South Asia;
- support the role of local government in meeting the growing needs of towns and peri urban areas;
- support institutional development and capacity building in developing countries to enable better management;
- promote more sustainable development by helping ensure water supply services in rural and urban areas are delivered and operate on a sound technical and commercial basis, taking due account of the lifeline needs of the poor,
- ensure that operation and maintenance is adequately addressed in the implementation of new schemes;
- increase access to basic sanitation in South Asia;
- promote application of evidence based learning from major global programs;

- increase access to information on effective WASH programs and successful scaling up approaches through regional and global learning programs; and
- improve water, sanitation and hygiene promotion in schools in Africa.

The proposed WSI Program Goal, Objectives with Global Component Outcomes are set out in the table below:

Goal				
<i>Improve access by the poor to effective and sustainable water supply and sanitation services thereby contributing to achievement of the Millennium Development Goals</i>				
Global Partnership	Objectives			
	Expand access to water supply and sanitation services, particularly for the poor and for children in schools.	Make water and sanitation services more sustainable.	Improve the health and quality of life of the poor and vulnerable.	Enhance aid effectiveness and complement other development agencies' programs.
UNICEF	√		√	√
Outcomes shown are global figures for UNICEF. The annual UNICEF WASH budget in 2008 was US\$ 311 million and the WSI annual contribution will be US\$ 2.1 million.	<b>Outcomes</b> number of people benefiting from UNICEF direct support for improved water supply and sanitation facilities (through development programmes, excl emergency response).  12,000 schools benefiting annually from WASH programming supported by UNICEF  3.6 million children benefiting annually from UNICEF direct support to WASH in schools.		<b>Outcomes</b> 10,000 villages (annually) achieving defecation free status.	<b>Outcomes</b> 35 UNICEF WASH priority countries annually adopt national plans to provide WASH in all primary schools.

Global Partnership		Objectives		
	Expand access to water supply and sanitation services, particularly for the poor and for children in schools.	Make water and sanitation services more sustainable.	Improve the health and quality of life of the poor and vulnerable.	Enhance aid effectiveness and complement other development agencies' programs.
<b>WSP-Africa</b>	√	√	√	√
Note: Need to obtain number for WSP Africa	<p><b>Outcomes</b></p> <p>In 5 focus countries an increased % of funding goes to towns for WSS services.</p> <p>Towns program adopted in 5 WSP focus countries and started in 10 other African countries.</p> <p>Additional investment attracted to towns WSS in 5 countries.</p> <p>No of WSP focus countries that adopt town WSS programs.</p>	<p><b>Outcomes</b></p> <p>Towns in 5 focus countries adopt WSS management and business strategies based on WSP recommendations.</p> <p>No of contract between private operators and public sector.</p> <p>No of towns providing 24 x 7 services.</p>	<p><b>Outcomes</b></p> <p>No of towns/districts able to track user complaints.</p> <p>No of towns WSS providers monitored by citizen groups.</p> <p>Communities and consumers surveys in towns (including poor and vulnerable groups) show increasing levels of satisfaction on WSS services.</p>	<p><b>Outcomes</b></p> <p>Regional advocacy in partnership with AMCOW increases knowledge of African countries on towns WSS services.</p> <p>No of countries that develop specific policies and mechanisms for service regulation for towns WSS.</p>
<b>WSP-EAP</b>	√	√	√	√
	<p><b>Outcomes</b></p> <p>Increased sanitation coverage in targeted provinces of Indonesia. 1.4 million people in East Java gain access to improved sanitation by 2010.</p> <p>Governments in Laos and Philippines adopt total sanitation marketing as a policy.</p>	<p><b>Outcomes</b></p> <p>City sanitation strategies adopted in 12 Indonesian and 6 Philippine cities.</p> <p>In 5 EAP countries between 2-5 multi village/cluster systems serving between 20-50 community water organisations are operational.</p> <p>30-50% of target clusters demonstrate improved service provision or efficiency gains. Revenue increases or cost reductions of 20% achieved by majority of clusters.</p>	<p><b>Outcomes</b></p> <p>In Vietnam 2.3 million poor women of child bearing age and poor children aged 5-9 adopt appropriate hygiene behaviour.</p> <p>Vietnam achieve a 50% increase in the number of mothers and children under 5 who wash their hands with soap after defecation.</p> <p>Governments in 5 EAP countries endorse national handwashing strategies.</p>	<p><b>Outcomes</b></p> <p>Phase 2 studies of economics of sanitation in 6 countries – delivered by end of 2009.</p> <p>WSP jointly organise EASAN 2 in 2010.</p> <p>Regional learning platform and inter country support mechanism implemented in Mekong through completion of 5 cross boundary activities.</p> <p>Improved policy and institutional framework developed for WSS sector in Timor Leste with special emphasis on sanitation and hygiene.</p>

Global Partnership		Objectives		
	Expand access to water supply and sanitation services, particularly for the poor and for children in schools.	Make water and sanitation services more sustainable.	Improve the health and quality of life of the poor and vulnerable.	Enhance aid effectiveness and complement other development agencies' programs.
<b>WSP-Sth Asia</b>	√	√	√	√
	<p><b>Outcomes</b> At least three governments (National/2<sup>nd</sup> tier) initiate ratings of urban sanitation. At least 400 cities in India participate in the ratings.</p> <p>At least 25 urban areas or small towns in India, Pakistan and Bangladesh achieve open defecation free status benefitting 35 million people.</p>	<p><b>Outcomes</b> Guided by national policies at least 5 state/provincial government formulate and commence implementation of urban sanitation strategies.</p> <p>Up to 40 cities in the SA region (covering 40 million people) implement benchmarking of water and sanitation services. At least 20 cities (including 10 in Bangladesh develop urban sanitation strategies and commence implementation.</p>	<p><b>Outcomes</b> At least 5 cities in the SA region develop integrated, participatory slum upgrading strategies that explicitly plan for service improvements for the poor and vulnerable.</p> <p>At least 2 national/sub national government launch communications strategies for urban water and sanitation highlighting open defecation free practice and hygiene.</p>	<p><b>Outcomes</b> Multi donor horizontal learning initiative supported in Bangladesh involving up to 80 district and local government.</p> <p>WB/DFID JNNURM capacity building project supported and results framework introduced in Pakistan with DFID and SDC</p> <p>At least 2 countries organise national level conferences on sanitation.</p> <p>SACOSAN IV supported.</p>
<b>WSSCC</b>	√		√	
Outcomes determined from WSSCC's 2008/09 work plan.	<p><b>Outcomes</b> 230,000 people gain knowledge and demonstrate increased demand for access to basic sanitation <sup>2</sup></p>		<p><b>Outcomes</b> 230,000 people impacted by GSF Hygiene promotion activity.</p>	<p><b>Outcomes</b> WSSCC contributes to improving global and thematic networking in sanitation and hygiene.</p> <p>National WASH coalitions active in X priority countries in Africa and X priority countries in South Asia.</p>

<sup>2</sup> Outcomes for WSSCC based on unit costs of US\$ 15/person includes: hygiene promotion, microcredit scheme contributions, program management including M&E as detailed in the 2008/09 work plan. Using 0.7 AUD/USD exchange rate.



## E. Proposed Australian contribution

13. AusAID proposes to contribute AUD 26.5 million to global programs in the water and sanitation sector at this stage. Additional funding may be allocated to other programs when designs are complete and if funding is available. The likely breakdown of current Australian payments to the programs is outlined in Table 1.

*Table 1: Proposed contributions to Global Programs under the Water and Sanitation Initiative*

<b>Activities</b>	<b>Allocation (AUD m)</b>
UNICEF – WASH Program for increased access to school sanitation in Africa, WASH in South Asia and Support for UNICEF Global water and sanitation	6
Water Supply and Sanitation Collaborative Council (WSSCC) – Global Sanitation Fund	5
World Bank Water and Sanitation Program East Asia Pacific	5
World Bank Water and Sanitation Program Africa	5
World Bank Water and Sanitation Program South Asia	5
Resources for management, administration, monitoring and evaluation	0.5
<b>Total</b>	<b>26.5</b>

## F. Implementation arrangements

### *Engagement to date*

14. AusAID has existing relationships with all of the agencies proposed for funding under the Global Programs component, including those not covered in this review. AusAID has overarching Partnership Frameworks with the WHO and UNICEF. AusAID has been funding WSSCC since 2008 under the Water Quality Initiative, mostly provided to the Global Sanitation Fund with a smaller contribution to Networking and Knowledge Management. AusAID has funded the World Bank's Water and Sanitation Program in South Asia since 2003; currently supports the East Asia Pacific program through the Indonesia country program; and has an existing three year program of support for the program in Africa.
15. Discussions have been held with agencies identified for funding under the Global Programs component and their donors, including through annual program meetings. These discussions focused on plans to achieve the MDGs and implementation of program activity which contribute to the objectives of the water and sanitation initiative. The views of other donors were also taken into account in formulating the program.
16. The proposed program and indicative allocations for the Global Programs component was endorsed in a Ministerial Submission on the WSI [S08/00309 (22 September 2008)] by both the Minister for Foreign Affairs and the Parliamentary Secretary for International Development Assistance.

### *Australian role in implementation*

17. The Climate Resilience and Water Section of the Sustainable Development Group has managed AusAID's engagement with the selected agencies to date. Upon implementation, the Climate Resilience and Water Section will take responsibility for the day-to-day management of Australia's interaction with all agencies under the Global Programs component.<sup>3</sup>
18. AusAID proposes a 'light touch' but not a totally 'hands off' approach. AusAID has indicated to each agency that we expect to actively engage in high level strategic decision making under the programs; be a dissemination point within the Australian Government for knowledge products emanating from the programs; and participate in work program screening and output evaluations.
19. AusAID's administrative inputs and work load related to the Global Programs component are expected to be low-to-modest and are likely to be confined to review of major documents and work programs as appropriate, participation in project evaluation missions where relevant and review of annual reports for each program.

## **G. Monitoring arrangements and quality processes**

### *Agency program monitoring arrangements*

20. **UNICEF** – For UNICEF, AusAID will rely on the UNICEF Global Annual Report on WASH as the key monitoring tool. UNICEF will monitor progress against WHO/UNICEF Joint Monitoring Program for Water Supply and Sanitation data as this is the global measuring stick of progress towards the MDG targets for drinking water and sanitation. UNICEF publishes a Water Sanitation and Hygiene Annual Report and this will be the basis for reporting on achieving outcomes. The Climate Resilience and Water Section in AusAID will take an active role in managing the relationship with UNICEF on WASH and in monitoring will target the areas of effectiveness, gender equality, inclusion of disability in national plans and sustainability of school facilities.
21. **WSSCC** – For WSSCC, monitoring is a continuous internal process of assessing activities against plans and budgets. It is part of line management, carried out by the leaders of its departmental teams within the Secretariat. The Executive Director is responsible to monitor all activities approved by its Steering Committee and report to the Committee. Each of WSSCC's donor agreements states that the narrative report over the last (operational) year of that particular grant agreement will include an overview of the complete grant period. WSSCC monitors its work using standard indicators such as those developed by the WHO/UNICEF Joint Monitoring Programme. WSSCC's monitoring covers all the outputs and outcomes contained in its workplans. In evaluation of WSSCC performance over the WSI period monitoring by the Climate Resilience and Water Section will target effectiveness in program delivery and inclusion of disability in programs against target outcomes.
22. **World Bank WSP** – Based on their Global Strategy, WSP has designed a results-based logical framework for the overall program. In turn, each regional program is currently developing country-based as well as a regional logframe with outcome indicators related to each activity in the regional program. Program progress will be reviewed half yearly through WSP planning and monitoring cycle and WSP proposes an external evaluation for

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<sup>3</sup> AusAID's South Asia regional section will maintain the relationship with WSP South Asia regional office and AusAID's Africa section will maintain the relationship with WSP Africa regional office.

the financial years 2004-08 to inform future program development. Results of the external review will be made available to donors including AusAID. In evaluation of WSP programs monitoring by the Climate Resilience and Water Section will focus on effectiveness, knowledge sharing and dissemination and promotion of gender equality in programs.

#### *Australian engagement in monitoring processes*

23. AusAID will principally rely on the management, monitoring and quality processes of each agency in evaluating the performance of these Global Programs. The management, monitoring and quality processes of each agency are considered to meet AusAID requirements. (See Annexes A – C for further information.) AusAID will participate in WSSCC Annual Donor Accountability meetings and Steering Committee meetings and WSP Annual Council meetings.

#### *Contracts and financial management*

24. The contracting and financial management arrangements for each agency will be as follows:
25. **UNICEF** – Funding will be channelled to UNICEF for the WASH programs through the UNICEF–AusAID Partnership Framework which provides for entering into additional arrangements. Funds will be paid from the WSI into the UNICEF NY Treasury Account noting the allocation is to support WASH activity. Using the Partnership Framework does not allow for earmarking but funding allocations will be directed through to UNICEF regional program areas by the *Chief, Water, Sanitation and Hygiene (WASH)* in the Programme Division.
26. **WSSCC** – AusAID will set up a donor agreement with WSSCC’s hosting agency<sup>4</sup>. This will follow the standard donor agreement used by the WSSCC.
27. **World Bank WSP** – AusAID already has agreements in place to fund the WSP multi donor trust funds in South Asia and Africa. For WSP East Asia Pacific, AusAID will need to join the trust fund and establish a funding agreement for any AusAID contribution.

#### *Assessment of Partner Quality Processes*

28. **UNICEF** – UNICEF quality systems are assessed as meeting AusAID Quality at Entry (QAE) criteria on the basis of the AusAID UNICEF Partnership Framework, UNICEF WASH Annual Report and the UNICEF WASH Strategy. UNICEF is currently a key implementing partner in the Philippines and Laos through school sanitation and receives regular funding for WASH in global emergency responses. Recent Quality at Implementation (QAI) reports by AusAID on UNICEF note issues which AusAID will focus on to influence UNICEF performance under WSI including improved effectiveness, sustainability and implementation of gender in WASH guidelines.
29. **WSSCC** – WSSCC is assessed as meeting key AusAID QAE criteria on the basis of the organisations documentation including the Statement of Purpose which outlines the organisations objectives and includes an analysis of the Global Sanitation Fund (GSF)

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<sup>4</sup> WSSCC’s hosting agency will change from WHO to another UN agency, likely UNOPS, by 2010.

against best practice principles, Principles and Procedures which outline implementation guidelines, and key issues including networking and knowledge management. A key issue noted during peer review is the transfer of WSSCC from WHO to UNOPS. See Table 2 for further information on the proposed risk management strategy for this transfer. Start-up of the GSF and performance during the WSI period is to be monitored by AusAID during the WSI.

30. WSP – WSP programs have been reviewed at QAE by AusAID in Indonesia, Africa and South Asia programs over the past five years. Based on past reviews and WSP's proposals for the three regional programmes they are assessed as meeting key quality criteria. This is also supported by a number of independent reviews of program quality initiated by AusAID and other donors.

## **H. Cross-cutting issues**

### *Environment*

31. Funds under the Global Programs component will be channelled through existing programs of the UN and the World Bank. AusAID will rely on the systems of UN agencies, UN-hosted agencies and the World Bank for environmental issues.

### *Sustainability*

32. Sustainability of many water and sanitation investments supported by ODA has been low. Projects aimed at increasing access to poor communities and schools have had a focus on increasing numbers without due consideration of how the facilities constructed would be supported during their life. Schools have not allocated funds for operating and maintaining facilities which have fallen into disrepair. Community managed schemes without institutional support to provide management and technical advice frequently fail for what are often very simple reasons. A key issue is lack of institutional capacity at national and local government levels for planning and there is no provision in schemes for tariff collection to fund ongoing operations, maintenance.
33. Sustainability of water and sanitation investments of the WSI will be enhanced by support for global programs. Their contribution to sustainability will be through improving the capacity of developing country governments to better deliver and sustain system improvements through improving governance, building capacity, providing information on good practice, obtaining political commitment through advocacy and supporting effective planning and budgeting. The sector is moving towards support for community driven approaches which are more sustainable, maintaining advocacy for pro poor services, and increased knowledge sharing. To achieve this WSP provides advisory support to governments and communities to increase local capacity to deliver and maintain improved services. UNICEF and WSSCC increase the effectiveness and sustainability of partner government programs. The knowledge sharing and advocacy roles of these agencies also utilise evidence based analysis and research as the basis of their advice and share contemporary approaches in implementation of WASH programs.

### *Gender*

34. AusAID Policy is to improve Gender Equality. The Global Programs of WSP, UNICEF and WSSCC were assessed as having policies in place to address gender in WASH programs.

35. UNICEF – The contribution to UNICEF WASH program in Africa will have a particular focus on school sanitation. All children need a sanitary and hygienic learning environment, but the lack of sanitation and hygiene facilities in schools has a stronger negative impact on girls than on boys. Girls need safe, clean, separate and private sanitation facilities in their schools. UNICEF water and sanitation programs aim to ensure that a community's discriminatory attitudes and practices are not reinforced in schools. While UNICEF has a policy on Gender and WASH a recent AusAID QAI noted that performance in this area was poor and it will be an area for AusAID focus in monitoring program performance. The UNICEF WASH annual report reports contains a Gender and WASH section which includes reporting on gender analyses undertaken in priority countries in the program. UNICEF also reports on gender balance of professional WASH program staff.
36. WSSCC – WSSCC has one overarching framework which is to serve unserved, marginalised and poor people in developing countries. This is further elaborated into a people-centred approach (which itself incorporates issues such as equity) and into a concentration on sanitation (which raises gender as a vital topic). Sanitation has very strong gender links. For example, women have particular needs for privacy and dignity relating to the use of toilets. Girls and boys need separate toilet facilities at schools. Effective local-level sanitation work is often led by women, and involvement of both women and men in program management and implementation is necessary. For many years WSSCC has been involved in networking and advocacy on gender issues in water and sanitation, and this will continue.
37. World Bank WSP – The WSP Global Strategy cites inclusion of gender issues and targeting vulnerable groups as integral to the program. These groups include subsistence farmers in rural areas, the urban poor without property, housing and basic citizen rights, widows, orphans, female-headed households and unemployed youth. Lack of services inhibits their involvement in social and economic activities including wealth creation, attending school or participating in local politics and decision making. WSP issued a publication "Gender in the Water and Sanitation Program" in May 2009 to provide guidance to regional and country programs on gender issues.

#### *Disability*

38. Poor access to clean water and sanitation is felt disproportionately by people living with disabilities. AusAID will endeavour to ensure all activities funded by the Global Programs are sensitive to the needs of people with disabilities and are consistent with AusAID's Disability Strategy, including integrating the perspectives of people with disability into project development where possible. As part of its mandate, WSSCC seeks to ensure equity of service. In practice that means giving positive attention to those who would otherwise be marginalised or neglected.

#### *Anti-corruption*

39. AusAID has confidence in the anti-corruption measures of UN agencies and the World Bank. Additionally, Australian engagement will promote transparency in all activity processes.

*Land acquisition and resettlement*

40. No significant resettlement or land acquisition is expected for activities funded through the proposed Global Programs but there may be local issues. Minor issues will be managed through UN and World Bank systems during implementation.

## I. Risk management

41. AusAID is confident in the fiduciary and procurement risk strategies of each agency.  
General risks to the Global Programs component are listed in Table 2.

*Table 2: Potential risks to Global Programs component of WSI*

Identified Risk	Effect	Risk Level	Risk Treatment
UNICEF funding supports a project orientated approach.	WSI funds have limited impacts and investments including school sanitation facilities have low sustainability.	Low	WSI funds will be allocated to UNICEF country and regional programs by Chief of Water and Sanitation with knowledge of AusAID WASH strategy objectives. CRW will monitor the effectiveness and sustainability of the UNICEF WASH program.
WSSCC Global Sanitation Fund transfer from WHO to UNOPS causes delays in effectiveness of GSF.	GSF proves ineffective in improving access to sanitation in support of MDG7.	Medium	CRW to engage in governance meetings of the WSSCC as a donor partner and undertake regular monitoring of GSF outcomes.
WSI period of 2 years is too short a period to identify achievements.	Benefits of WSI funding will not be identified during the two year WSI period	Medium	AusAID will make a commitment to long term monitoring of the sector, including WSI funded programs that extend beyond the WSI funding period.
Significant cost escalation in programs and/or a decline in the AUD relative to the USD	Reduction in regional program scope	Medium	Management of this risk is beyond AusAID. However, AusAID will conduct regular reviews of program components with each agency. In addition, payments will be made in AUD thereby eliminating the risk to the WSI budget of cost escalation and fluctuations in exchange rates.
WSP does not have capacity to scale up programmes in Africa, EASP and Sth Asia	WSI funds are not used effectively during the WSI Period.	Low	WSP regional programs undertake annual business planning and current programmes were verified as having capacity to absorb WSI funds. AusAID will participate in WSP annual planning meeting as a key partner to minimise this risk.
Corrupt practices encountered	Abatement of practices or cancellation of funding	Medium	Adoption and enforcement of anti-corruption procedures and enforcement of good auditing and monitoring practices. Anti corruption clauses will be included in new funding agreements with WSP.
Lack of attribution of outcomes through Global Programs funding mechanisms to objectives of WSI	Ineffective monitoring and reporting	Low	WSI program is to maintain an effective performance assessment framework and stay informed through Quality at Implementation evaluations.