Where the Government’s debt service payments are 16 times greater than the extra money needed to meet the water and sanitation Millennium Development Goals

References

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WaterAid – calls to action

- Government must use its national Poverty Reduction Strategy Paper to make the case that donor financing should prioritise water and, especially, sanitation
- Government and donors must implement a sector-wide approach to ensure resources are targeted effectively, in particular to deal with arsenic-contaminated water supplies and create demand for sanitation to meet the Millennium Development Goals (MDGs)
- Government and donors must provide Pourashavas (municipalities) and Union Parishads (local government) with enough resources each to provide 20 households with safe water and 18 with basic sanitation every month.
Introduction

Bangladesh’s 147,570 square kilometers are crisscrossed by many rivers. Its 128 million population is predominantly rural (79%) but a 3.2% growth rate in the urban population suggests that by 2030 some 35% of the population will live in urban areas. Half of those people will be living in slums. Life expectancy at birth is currently 61.1 years1. Water-borne and diarrhoea-related diseases are still the main cause of death – responsible for 24% of all deaths1. Gastroenteritis and diarrhoeal diseases kill 110,000 children below the age of five annually1.

Per capita GNP in 2002 was US$3602 with a total GNP of US$58.5 billion3. Annual growth has risen from 4.4% in the 1990s to 5.5% today. The importance of agriculture is decreasing as the manufacturing and service sectors grow.

Fact box

Population today – total (rural/urban) 128m (97m/31m)
Population projection for 2015 – total (rural/urban) 154m (110m/44m)
Present access to safe water (rural/urban) 69% / 99%
Present access to basic sanitation (rural/urban) 29% / 60%
Annual deaths of under fives due to diarrhoea 110,000
Productive days which would be gained with 100% access to water and sanitation 8.2m
School days lost to diarrhoea by five to 14 year olds 125.5m
School days which would be gained with 100% access to water and sanitation 8.7m
Monthly number of households requiring access to reach water MDG 94,000
– increase required (on performance since 1990) 30%
Monthly number of households requiring access to reach sanitation MDG 85,000
– increase required (on performance since 1990) 100%
Monthly local government water/sanitation MDG targets 20/18 households
Current annual water spend4 $83m
Water/sanitation sector annual finance need for MDGs $123m
Water sector annual MDG finance gap $42m
Annual national debt service payment4 $948m

Key events

1993 Department of Public Health Engineering (DPHE) created to promote public health through ensuring provision of drinking water and, since 1954, sanitation
1996 Water Supply and Sewerage Authorities (WASAs) set up in Dhaka and Chittagong
1998 Independence. New government undertakes massive shallow-hand-dug tubewell (SHTW) construction programme to provide safe drinking water
1999 Arsenic contamination of ground water first detected. By 2004 nearly 30% of SHTWs assessed were found to be contaminated with arsenic. National arsenic mitigation plan adopted
2000 Unions where there are no VSCs at all. In rural areas and fringes, and in medium and small towns, rely on hand-dug tubewells or illegal connections to piped water supplies. There is no legal provision for water supply and sanitation in urban slums

Water sector characteristics

Bangladesh has made good progress in improving access to safe water (Figure 1). In rural areas 85% of people are within 150 meters of a tubewell and 96% of people drink water from tubewells. But surface water supplies are generally polluted with bacteriological contaminants, and groundwater, until recently the source of safe drinking water, is now known to be contaminated with arsenic in many areas. National rural coverage of safe drinking water is now between 50% and 70%4.

Coverage in urban areas is 99.5%5, already meeting the MDGs. There is, however, a major challenge in sustaining this rate of coverage in the face of rapid urban population growth (3.2%). As well as major cities like Dhaka and Chittagong, 10% of the 257 municipal towns have piped water systems6. People in city slums and fringes, and in medium and small towns, rely on hand-dug tubewells or illegal connections to piped water supplies. There is no legal provision for water supply and sanitation in urban slums.

Shallow-suction handpumps are used in areas where the water table is shallow. Deep tubewells mostly serve coastal areas. Deep Tara or Taradev handpumps are the options in areas where the water table periodically falls below the suction limit of shallow pumps. The suction pump is cheap and user friendly, while the Tara handpumps cost relatively more. The deep tubewells are the most expensive options.

A recent nationwide sanitation survey by the Government of Bangladesh found hygienic sanitation coverage rates of 29% in rural areas and 66% in urban areas (Figure 2). For rural sanitation, the technologies are mainly water-sealed pit latrines. Local village sanitation centres (VSC) produce the sanitation goods and sell them directly to users or through the masons who construct the latrines. However, there are 2000 Unions where there are no VSCs at all. In rural sanitation, the Community Led Total Sanitation approach has recently been successful in using public financing to create demand for sanitation while households themselves pay for the infrastructure.

Figure 1: Progress towards urban and rural water MDG supply targets in Bangladesh
Staffing
Despite the large budget share for revenue spending, there is still a lack of staff. For example, most of the DPEH staff are engineers carrying out implementation work. There are almost no staff with training in socio-economic disciplines, which means that the communication and awareness-raising, so critical to sanitation and hygiene in particular, are the weakest part of DPEH activities.

A trend towards 100% funding of urban projects by donors has led to a lack of ownership by the Government, which in turn has lead to delays in staff being allocated to work on these projects. Disenchanted with this situation, the Dutch stopped funding urban water in 2002, the ADB pulled out in 2004, and DANIDA is now stopping its support. Donors’ implicit strategy now is to fund NGOs to facilitate citizens in demanding that their political representatives deliver their rights to water services.

Donors
Donor financing has been declining – particularly in the urban sector. While the Government has spent more to make up the shortfall the net result has been a flat budget since the MDGs were agreed in 2000 (Figure 3). The Government of Bangladesh issued the first version of the interim Poverty Reduction Strategy Paper (I-PRSP) in April 2002 and the second version in December 2002 – but water and sanitation issues received little attention in either. WaterAid then facilitated a civil society sector submission in March 2003 on behalf of the Local Consultative Group on water and sanitation. The draft full PRSP now identifies water and sanitation as one of seven priority sectors. The Government must use its PRSP to make the case for donors to agree that water and especially sanitation should have priority for financing.

“PRSPs present a dilemma for donors. If they get involved and press for certain items to be concluded, then the PRSP becomes a donor document.” — Donor representative

Sector coordination
The history of coordination is not good. It includes one donor funding two different UN agencies simultaneously to implement sanitation projects in the same urban area, one of which insisted on a financial contribution from the community while the other provided free latrines.

A Sector Development Framework (SDF) however has recently been approved by the Government. Major obstacles identified in the SDF include:

- Lack of attention to environmental considerations, especially in relation to urban waste disposal and drainage
- Centralised planning undermining gender equality in provision of, and access to, water and sanitation services
- Failure to target new resources on unserved areas or to ensure that subsidies reach the poorest people
- Lack of attention to social mobilisation as the route to sustainable hygiene behaviour changes
- Failure to put in place sustainable operation and maintenance cost recovery mechanisms
- No strategy for encouraging private sector provision of urban piped water
- Little involvement of NGOs in local planning
- Minimal range of technology options, including for the removal of arsenic
- Lack of attention to environmental considerations

As the national budget allocation and donor support will be in accordance with the PRSP in the near future, the inclusion of water and sanitation supplies as a separate chapter in the full PRSP should help ensure adequate funds for accessible water and sanitation services for all in Bangladesh.

WaterAid calculates that $125m needs to be spent each year to reach the water and sanitation MDGs. This equates to Tk7.5bn. The water budget in recent years has been around Tk5bn.

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Decentralisation

City Corporations and Pourashavas (municipalities) are responsible for providing water supply and sanitation (WSS) services within their jurisdictions. Pourashavas rely on central departments for design, construction and sometimes the management of water systems. There are 288 Pourashavas in Bangladesh. Union Parishads (local governments) are responsible for the provision and maintenance of wells, water pumps, tanks, ponds and other water works. DPHE is the dominant government agency for water and sanitation in rural areas and should therefore facilitate Union Parishads (UPs) in implementing WSS projects. There are 4470 UPs. It is a legal requirement that UPs have a Water and Sanitation Committee (WATSAN Committee) responsible for the allocation of the new tubewells which DPHE installs. User communities participate in site selection, make cash contributions for water points and are responsible for operation and maintenance. UPs, through the rather weak Union WATSAN Committees, are also beginning to play an important role in hygiene education and community mobilisation.

City Corporations and Pourashavas receive a block grant of around Tk.12-13m each financial year under the Annual Development Programme, of which 15% will now be awarded subject to their meeting performance criteria. Union Parishads in part receive funding according to their responsibility of DPHE technicians, four of whom are based at the Union Parishad Office. The separation of audit and accounts has yet to be implemented in the Controller and Accountant General’s Office. Audit reports are generally not available to the public.

Deficiencies in public sector procurement practices are the single most serious issue. There is no sound legal framework governing how the public sector buys the materials and equipment to carry out projects – diverse rules and procedures apply to different agencies. Procurement is delayed by inadequate capacity and lack of professionals to manage it. Contract administration is ineffective. Protracted bureaucratic procedures allow rent-seeking at many water points. And there are no mechanisms for ensuring transparency and accountability in public procurement. Procurement reform is a priority area for improvement in public expenditure management and aid effectiveness.

Sustainability

Sustainability of government water points is the responsibility of DPHE technicians, four of whom are based in each Upazilla. They inspect public tubewells and make fortnightly reports. Upazilla reports are consolidated at district level and sent to Dhaka every six months. Functionality rates in 2004 were reported to be 90-95%.

In WaterAid’s experience the gender make-up of sector institutions is a good indicator of sustainability. This is because water is usually a female responsibility so women and girls have clearer vested interests in the continued functioning of water supply systems. They are therefore more likely to take care of the infrastructure and of any funds collected to maintain it. Bangladesh however is a male-dominated society. The Local Government Division of the Ministry of Local Government, Rural Development and Cooperatives, which provides overall guidance to the water sector, has 198 staff and a male/female ratio of approximately 20:1. DPHE employs 2754 staff headed by a chief engineer but few women are employed at any level. Of all the degree and diploma professional engineers, for example, only six are women.

Growth of private sector

Private funding of water and sanitation has mainly been for private tubewells and household latrines. Estimates are that the total private investment in WSS is about Tk.1.8m per year, which is approximately 5% of the total of public sector investments and five to six times higher than NGO investments.

The geographical pattern of investments varies. The Government is more prominent in the south, where deep tubewells costing Tk.45,000 are required. The private sector has proved more able to operate in the upper, northern belt where shallow tubewells costing just Tk.2000 are sufficient. Both public and NGO projects also outsource implementation contracts. For example, the biggest national sanitation project is outsourcing 45% of its activities.

Transparency and civil society

Data on the water and sanitation sector are produced annually by the DPHE, the Bangladesh Bureau of Statistics (BBS), and the National Water Resource Database held by the Ministry of Water. Information on health indicators is held by the International Centre for Diarrhoeal Research in Bangladesh (ICDR-B). Data from DPHE are generally not accessible. Data of BBS related to water supply and sanitation are available, as are the data books published by ICDR-B. However, despite the fact that most Bangladeshi do not understand English, these data are generally published in English. There is however no system of annual water sector reviews and published reports.

Each year, the Government of Bangladesh submits its budget to the national parliament for debate and finalisation. The budget is also published in national newspapers, but in the system of budget accounting is cash-based and weak. Public funds are usually tracked through individual agencies and their supervising line ministries, as well as the Ministry of Finance. The NGO Affairs Bureau, under the Office of the Prime Minister, is responsible for tracking NGOs’ funds for the sector. There is no formal procedure for tracking private funds.

Audits of government spending are compromised because the separation of audit and accounts has yet to be implemented in the Controller and Accountant General’s Office. Audit reports are generally not available to the public. Deficiencies in public sector procurement practices are the single most serious issue. There is no sound legal framework governing how the public sector buys the materials and equipment to carry out projects – diverse rules and procedures apply to different agencies. Procurement is delayed by inadequate capacity and lack of professionals to manage it. Contract administration is ineffective. Protracted bureaucratic procedures allow rent-seeking at many water points. And there are no mechanisms for ensuring transparency and accountability in public procurement. Procurement reform is a priority area for improvement in public expenditure management and aid effectiveness.

The Water Supply and Sanitation Colloquium – Bangladesh (WSSCC-B) is a Civil Society Network for addressing the concerns in water supply, sanitation and hygiene in Bangladesh. Jointly with STREAMS+ the WSSCC is also involved in a grass-roots initiative called the WASH-STREAMS partnership which promotes multi-stakeholder and people-centred approaches to improve water sanitation and hygiene.

Conclusion

Bangladesh has previously demonstrated its ability to make great strides in water supply. Such progress is still needed given widespread arsenic contamination of drinking water on the one hand and, on the other, very limited access to basic sanitation especially in rural areas. Both local contractors and households themselves have proved that with the right incentives they will play their part in constructing water supplies and sanitation systems. But the overall policy and financing environments have to be got right first. The priority actions identified in this assessment therefore are firstly for the national poverty reduction plan and budget to focus on water and sanitation, and second for the resources consequently available to be used with maximum efficiency by being accurately targeted at local authorities with the responsibility to match their responsibilities for the water and sanitation targets.

Further information

This document is one in a series from WaterAid Country Programmes assessing national water sector issues in support of both national and international advocacy work in 2003. This document was written by A.B.M. Ziaul Kabir, Programme Officer – Advocacy, WaterAid Bangladesh and discussed with the Local Consultative Sub-group on water and sanitation in Bangladesh and Partner Organisations of WaterAid Bangladesh. The full set of documents is available at www.wateraid.org/bangladesh. Further information on this document can be obtained from Ziaul Kabir at ziaul@wateraidbd.org and on the international advocacy work from Belinda Calaguas at belindacalaguas@wateraid.org

Figure 5: Water and sanitation shares of funding allocations under five-year plans

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Official, Department of Public Health Engineering