

AfricaSan 4 Briefing Paper¹

Theme 2: Finance & Monitoring

Why are finance and monitoring important?

Poor sanitation remains a crippling constraint on the health, happiness and economic productivity of the people of Africa.² In order to move into the 21st century with dignity and prosperity, Africa *needs* better sanitation.

Financing is of course critical to this better future, as recognised by the 2008 eThekweni Declaration,³ under which the Ministers responsible for sanitation and hygiene in 32 African countries committed to “*establish specific public sector budget allocations for sanitation and hygiene programs*”, with the aspiration that these allocations “*should be a minimum of 0.5% of GDP*” (Commitment 6). Ministers also committed to “*develop and implement sanitation information, monitoring systems and tools to track progress at local and national levels*” (Commitment 8).⁴

AfricaSan 4 grows out of eThekweni, and so relates particularly to *government* commitments. But any 21st-century sanitation programme must make intelligent use of all sources of finance (not only *taxes* collected for public good, but also *tariffs* paid by consumers for services received, and *transfers* from international donors). So the “Finance & Monitoring” theme should focus on government financing commitments, while at the same time recognising the key importance of market-driven solutions and development aid.⁵

How are countries progressing against the eThekweni commitments?

In 2013, AMCOW organised regional meetings in West, Central, East and Southern Africa, to track progress to date against the eThekweni commitments.⁶

Against some of the eThekweni commitments, some countries are showing good or adequate progress. But as reported by the eThekweni monitoring group,⁷ there are a number of commitments against which progress is *not* good, and these include Commitments 6 and 8. Progress against Commitment 6 is particularly weak. Of 35 countries for which data is available, 10 have made no progress towards achieving a single defined budget line for sanitation. No country has achieved allocation of 0.5% of GDP to sanitation. Perhaps the best models to date are those countries which have achieved a single defined budget line for sanitation, and are making some progress (“amber” within a traffic-light scoring) towards allocation of 0.5% of GDP: these countries are Senegal and Burkina Faso in West Africa, Rwanda and Kenya in Eastern Africa, and Malawi, Angola and South Africa in the Southern region.

By 2012, “good progress” had been achieved by only one southern Africa country; two West African and two East African countries in establishing sanitation monitoring and evaluation systems. Clarity with respect to lead institutions is critical to establishing effective monitoring and evaluation systems and enabling intersectoral collaboration.

¹ This is a Briefing Paper for the “Financing & Monitoring” theme for technical sessions at the AfricaSan 4 Conference. It outlines the eThekweni commitments to financing and monitoring; summarises progress against these commitments, as reported by the regional progress meetings convened by AMCOW in 2013; and discusses possible ways forward, as a basis for detailed discussion at the AfricaSan 4 Conference. This paper was written by Guy Norman (WSUP) and Alana Potter (IRC), first draft 11 June 2014: views expressed are the authors' own, not necessarily reflecting the views of AMCOW, or the AfricaSan 4 International Task Force of which the authors form part.

² The readers of this Paper probably don't need any repetition of the evidence base demonstrating the crippling impacts of poor sanitation and the slow progress towards improvement: for an overview, see <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/african%20water%20vision%202025%20to%20be%20sent%20to%20wwf5.pdf>

³ <http://www.wsp.org/sites/wsp.org/files/publications/eThekweniAfricaSan.pdf>

⁴ It is of interest to note the specific actions proposed at eThekweni. *For countries with no investment plan and no money*: develop investment plan, recognizing ALL sources of funding (e.g., HH, nat'l and local government, donors); investment plan - national and local - published. *For countries with investment plan but no money*: Develop detailed costing of S&H program to leverage funds from PRSC, SWAP, public resources; map funding flows, e.g., school S&H, environment, HIV/AIDS, rural/urban development, HH, etc.; sufficient funds leveraged for implementing program. *For countries with investment money but no tracking system*: develop/utilize financial management system capable of tracking S&H funds in and out (e.g., programmatic, PFM, basket, etc.).

⁵ Of course, the budget of a given line ministry will often be substantially derived not only from taxes but also from transfers. Nonetheless, sustainability requires a gradual reduction in dependence on transfers.

⁶ Readers can request copies of these reports from ycoombes@worldbank.org or sophie.hickling@gmail.com

⁷ “Report back from the eThekweni monitoring and AfricaSan action plans sub-committee to the International Sanitation Taskforce”, unpublished document, March 2014

So where now?

In line with the above, the authors of this Briefing Paper propose that key goals for technical sessions under AfricaSan 4 Theme 2 “Financing & Monitoring” should be as follows:

- a) To report and draw general lessons from the experience of those countries (e.g. Senegal, Burkina Faso, Rwanda, Kenya, Malawi, Angola, South Africa) that have made most progress towards eThekwini Commitment 6.
- b) To report and draw more specific lessons from countries which may not have made good overall progress, but which nonetheless have useful and/or innovative experience around particular financing solutions.
- c) To tie this debate to related themes within the eThekwini/AfricaSan process (notably around institutional strengthening and improved national policy frameworks, and around the commitment to improve sanitation for the poorest), and to other related international processes (most notably the SWA and GLAAS initiatives, which pay close attention to national government commitments to water and sanitation).⁸
- d) To highlight examples of harmonised national monitoring systems and tools to track progress at local and national levels.

In pursuance of these goals, the authors of this Briefing Paper suggest that the following specific questions are of particular interest for consideration at AfricaSan 4:

- 1) How can we move from mere commitment to real investment? What approaches have proved effective for influencing national leaders, Ministers of Finance and other key decision-makers to commit more funds to sanitation? Do we need new approaches: if we had (say) Beyoncé or Philip Emeagwali on our side, would that help?
- 2) What mechanisms of public finance have worked well or showed promise? For example, are Trust Funds a good way forward? Can we learn anything here from international experience (for example, the historical experience of Europe and the US, or the ongoing experience of Brazil and China)?
- 3) How do local governments fit in to this picture? How can local governments raise more own-revenues? How can central government funds flow to local governments in an effective way?
- 4) How should governments make allocation decisions with the sanitation and hygiene sector? For every \$1 available, how much should go (for example) to rural initiatives focusing on behaviour change, and how much (for example) to investment in urban infrastructure?
- 5) How can we achieve the right balance between public and private finance? How can we make good use of the market while at the same time achieving equitable services? How can public finance be targeted in a way that complements the market, without creating negative effects like subsidy dependence? How can public finance be spent in a way that maximises impact for the poorest of the poor?
- 6) How can we ensure better tracking of financial flows to sanitation, and in particular how can we achieve greater transparency in tracking public investment and corresponding service level improvements, as a basis for ensuring accountability and citizen voice?
- 7) How can we monitor equitable expenditure on sanitation improvements: i.e. how do we know investments are reaching the poorest? How to ensure that sanitation outcomes are compared across wealth quintiles so that we can identify and redress unequal service levels?
- 8) What strategies are needed to strengthen and adapt national and local monitoring capacity, systems and tools within the emerging post 2015 framework?

AfricaSan 4 will be a short high-intensity event, and there will certainly be insufficient time to explore these complex issues in depth: session design will need to focus on a subset of these questions. Nonetheless, we hope that the conference will bring together decisive voices from throughout Africa, and we believe it will be possible to generate very useful debate providing a strong technical basis for ongoing commitments. We are also very open to exploring ways of carrying this commitment and learning process forward beyond AfricaSan 4.

30 July 2014: We note that WSP consultant Mark Radin is currently carrying out a review of country progress towards the eThekwini commitments, over the period 2011-2103. His findings, which will be available soon, indicate that countries with strong progress towards Commitment 6 are Angola, Benin, Senegal, and Uganda; countries with strong progress towards Commitment 8 are Chad, Kenya, Rwanda and Madagascar.

⁸ <http://sanitationandwaterforall.org/> AND http://www.who.int/water_sanitation_health/glaas/en/