

monwealth donors, regional health cooperation by Commonwealth countries, and appointment of a Consultative Group to review the situation. More specifically, the following actions were suggested:

- Development of a comprehensive up-to-date inventory of basic health indicators for all Commonwealth countries. This would be accomplished by the Commonwealth Secretariat in consultation with health-related international agencies.

- Initiation of discussions at the ministerial level in Commonwealth donor countries between aid agencies and the Ministry of Health. The aim would be to strengthen relevant policies and programs and provide wider deployment of available resources relating to advisory services. Specific matters appropriate for consideration include a comprehensive review of both bilateral and multilateral development assistance for health; creation of coordinating mechanisms for reviewing such assistance on a continuing basis; and establishment of a close liaison between donor aid agencies and their own respective ministries of health.

- Convening of an OECD-sponsored forum bringing together aid agency and donor country Ministry of Health officials to consider ways that closer collaboration could strengthen the administration of health-related aid and promote more effective liaison with recipient country Ministries of Health.

- Phasing out of block funding support to regional health communities by the Commonwealth Secretariat and Commonwealth Fund for Technical Cooperation and its replacement with project funding that draws on secretariat resources to help plan and develop projects and to mobilize assistance from the aid community.

- And finally, appointment of a consultative group to review development assistance for health in Commonwealth countries and to recommend how existing problems can be resolved.

Source: Commonwealth Secretariat; Report on Development Cooperation for Health in Commonwealth Countries, Part I; Document CHMM 86/TT/12 prepared for the Eighth Commonwealth Health Ministers Meeting held at Nassau, the Bahamas, on 13–17 October 1986; Marlborough House, Pall Mall, London, 1986.

RESULTS OF REGIONAL CONSULTATION ON DRINKING WATER SUPPLY AND SANITATION

A meeting designated the “Americas Regional External Support Consultation” was held in connection with the International Drinking Water Supply and Sanitation Decade on 21–24 April 1986 in Washington, D.C. Directed at issues pertinent to Latin America and

the Caribbean, the event was hosted by the Inter-American Development Bank (IDB) and was cosponsored by the IDB, PAHO/WHO, and the Ministry for Economic Cooperation of the Federal Republic of Germany. Over 50 senior representatives from bilateral and multilateral agencies and nongovernmental organizations attended the meeting, as did selected water supply and sanitation sector experts from the Americas. Discussions at the gathering built upon those of a European donor consultation held in Koenigswinter, Federal Republic of Germany (FRG), in October 1984,¹ as well as those of a subsequent meeting of the OECD Development Assistance Committee held in Paris in May 1985.²

The event was part of a global effort to improve water supply and sanitation sector coordination among external support agencies, to define the key issues hampering progress in the sector, and to seek possible solutions. Previous regional consultations of this kind have taken place in Asia (Manila, October 1985) and Africa (Abidjan, November 1985).

In the Americas, the water supply and sanitation sector must be considered within the context of the present economic and financial difficulties facing Latin America and the Caribbean and those areas' fast urban population growth. Indeed, the severe indebtedness of the Latin American and Caribbean countries—estimated at more than US\$380 billion at the end of 1985—suggests that the flow of external resources to the sector is unlikely to increase significantly in the foreseeable future. At the same time, demographic projections indicate that some 150 million people or more may be living in slums or poor fringe areas of large urban agglomerations by the year 2000. Therefore, while efforts to bring basic water supply and sanitation services to rural populations can be expected to continue, the main emphasis during the rest of this century must be on easing the plight of the urban poor.

As this implies, the chief purpose of this regional meeting was not to pledge additional funds, but rather to seek ways of increasing internal savings in the water supply and sanitation sector and using existing resources more efficiently, so as to increase service coverage rates despite the severe economic constraints involved. The principal objectives of the consultation included (1) the identification of major sectoral constraints within the Region, (2) discussion of ways to minimize these con-

¹ World Health Organization/Federal Ministry for Economic Cooperation, FRG; European Donor Consultation, Koenigswinter; Report by the Secretariat; Bonn and Geneva, 1985.

² Organization for Economic Cooperation and Development, Development Assistance Committee; Improving Aid Effectiveness in the Drinking Water Supply and Sanitation Sector—Conclusions and Recommendations Emerging from DAC Consultations; Paris, 1985.

straints' impact on the sector, and (3) development of ideas for more efficiently promoting previously delineated approaches to the International Drinking Water Supply and Sanitation Decade.³

In this vein, the consultation identified some key constraints affecting Latin America and the Caribbean:

- 1) inefficient water supply and sanitation and financially weak sector institutions;
- 2) the frequent absence of effective cost recovery schemes;
- 3) widespread neglect of sanitation development vis-a-vis water supply development;
- 4) insufficient attention to operation, maintenance, and rehabilitation of existing water supply and sanitation systems;
- 5) lack of organized community participation and hygiene education; and
- 6) insufficient coordination between external support agencies, between such agencies and water supply and sanitation sector agencies in recipient countries, and between different sectors in recipient countries.

Each of these subjects was discussed by a separate working group, and the outputs of the working groups were subsequently reviewed and debated in plenary sessions. In summary form, the meeting's conclusions were as described on this and the following pages.

Development of Water Supply and Sanitation Sector Institutions

Improvement of sector performance in Latin America and the Caribbean is contingent upon strengthening the institutions responsible for urban and rural water supply and sanitation. Strengthening of sector planning activities and institutions in the Region is a long-term process that calls for external support agencies to adopt a common sector strategy, and so a long-term contribution from the agencies is needed. All of this is heavily dependent upon staff continuity and the improvement of top management.

Within this context, the external support agencies should support the training of managers at all levels. Here the

³ Previously delineated approaches include: (a) *complementary* development of water supply and sanitation; (b) strategies giving precedence to *underserved* rural and urban populations; (c) programs promoting *self-reliant* self-sustained action; (d) installation of *socially relevant* systems that people can afford; (e) *community involvement* at all stages of project implementation; and (f) association of water supply and sanitation with *relevant programs* in other sectors, particularly with primary health care, (concentrating on such matters as health education, human resources development, and the strengthening of institutional performance).

focus should be on effective commercial, financial, and technical operation of the institution involved—a focus that should be included in the external support agencies' project approaches. A strategy for supporting education and training in the Region should also be developed by the external support agencies.

Formal “twinning” arrangements⁴ between country agencies should be implemented, and institutions within the Region should also be encouraged to develop such arrangements. External support agencies should play a catalytic role by providing financial and other support.

In working to improve sanitary standards and services for rural and marginal urban populations, water supply and sanitation agencies should use appropriate technology and performance criteria. External support agencies should seek to promote the application of these criteria.

Sector organizations and other national institutions should be encouraged to devote increased attention to research and development of appropriate technologies. Such research and development should include the concept of community participation. Training in these technologies and approaches should be offered throughout the Region and should be supported by external support agencies.

External support agencies should request that a suitable agency develop engineering guidelines for water supply and sanitation in the Region, and they should commit themselves to these criteria as an important part of a long-term sector strategy. The implementation of that strategy should be accomplished through follow-up meetings at the country level, in combination with review procedures at the regional level.

During the course of the consultation, the external support agencies involved agreed to meet regularly to improve coordination of their practices and approaches to sector development—and in particular to give increased attention to institutional and human resource development objectives designed to improve sector performance.

Cost Recovery

The aim of cost recovery (the recuperation of investment, operation, and maintenance costs) is to ensure the financial viability, and eventual financial autonomy, of the water supply and sanitation agency involved, so that it can efficiently operate and maintain existing systems and expand its services.

The major constraints on achieving cost recovery are a lack of political will to have consumers pay for the services, nonaffordability of water supply and sanitation systems by low-income

⁴ Arrangements by which agencies in the water supply and sanitation sector of one country provide assistance to those of another country.

groups, lack of public awareness of the benefits provided by these services, and weak sector institutions.

External support agencies should help recipient countries to develop cost recovery frameworks through technical co-operation programs. Project concepts and designs should be based on technologies appropriate for prevailing cultural and socioeconomic conditions, and project designs should be structured so that water and sanitation services are available and affordable by all population groups.

Such external support agency programs should initially promote public awareness, so as to increase willingness to pay. Within this context, external support agencies need to see that project designs are compatible with the served communities' ability to pay for and maintain the system.

Full cost recovery (including the cost of subsidies) should be a long-term target of the water supply and sanitation sector. As a minimum, cost recovery should pay for operation and maintenance of the sector as a whole. Naturally, the price at which full cost recovery can be realized will depend on the economic circumstances of the country involved, the extent of cost recovery in other social services, and an array of institutional, social, and technological factors.

The Balance between Water Supply and Sanitation

It was noted that a severe imbalance exists between water supply and sanitation services in Latin America and that the gap between the two types of services is widening. The reasons for this are mainly the high cost of sanitation arising from often inappropriate design and service standards, application of donor country design standards for projects, the tendency to choose conventional sewerage where other technological options would have been more appropriate, and insufficient appreciation at all levels of the value of sanitation due to lack of health education.

It was also agreed that in seeking to reduce this imbalance, external support agencies and recipient countries should include sanitation components in water supply project planning to the extent possible; that external support agencies should seek to use innovative and appropriate technologies to reduce the overall costs of water supply and sanitation projects and thereby improve the affordability of sanitation components; and that those planning sanitation projects should employ least-cost solutions, should provide for stagewise implementation, and should allow for future design changes.

It was also felt that external support agencies should help expand water supply agency management capacities so as to better cover sanitation and wastewater disposal activities.

Operation, Maintenance, and Rehabilitation

A need was seen to place operation, maintenance, and rehabilitation within the broader context of managerial improvement, institutional development, and cost-recovery. It was felt that effectively and efficiently managed water supply and sanitation institutions offer the only long-term solution for realization of successful operation and maintenance programs.

It was also agreed that operation, maintenance, and rehabilitation are three distinct but related activities that have not received sufficient attention from external support agencies or from the water supply and sanitation institutions of the Region, because these activities are usually not attractive from an external support agency's point of view. It was felt that the process of rehabilitating existing systems should be viewed in one of four ways: as something preceding major investments; as a substitute for new installations; as a means of postponing new installations; or as a complement to new installations.

To improve operation, maintenance, and rehabilitation, the following actions were recommended:

1) Because inclusion of operation, maintenance, and rehabilitation within the project development process requires a full long-term commitment to institutional development, support for cooperation between countries, including the "twinning" of sector institutions, is appropriate and can play an important role.

2) The relative neglect of operation, maintenance, and rehabilitation in the past points up the importance of creating systems for better coordination of external support activities within each country, and also for disseminating information on the managerial, technical, and financial aspects of operation, maintenance, and rehabilitation.

3) In developing projects, at least as much weight should be given to operation, maintenance, and rehabilitation of existing urban and rural systems as is given to building new ones.

4) Emphasis should be placed on national efforts to improve water quality and other benefits through improved operation and maintenance.

5) External support agencies should help national water supply and sanitation agencies to establish specific policies that encourage operation, maintenance, and rehabilitation. Such policies include procurement policies that support standardization of equipment and of full life-cycle cost analysis. Creation of separate and often independent special project units within national institutions should be discouraged.

6) External support agencies should require the upper management of national water supply and sanitation agencies to develop adequate information and monitoring systems; these would provide results that could be measured against specific operational indicators, thereby permitting operational efficiency to be monitored.

7) Technical cooperation provided to national water supply and sanitation agencies by external support agencies should have more of a long-term nature than it has now.

8) External support agencies should investigate simplified ways of approving and financing immediate improvement measures during the preparation phases of major new investments.

Community Participation and Hygiene Education

Community participation, although mainly applicable to rural areas, was deemed an essential component of any water and sanitation project. It was felt that without adequate participation by community members and without adequate attention to hygiene education, the results of water supply and sanitation projects are likely to fall short of the original project objectives. In particular, community participation is required to ensure appropriate planning and the establishment of realistic financing mechanisms.

In carrying out project activities, both external support and national sector agencies should consider the following:

1) During the planning phase, it is desirable that communities be involved in all phases of project development. To that end, socioeconomic surveys and cultural considerations are important elements to incorporate in program or project concepts.

2) Women, who play a primary role in water and sanitation projects, should be involved in all project conceptualization and decision-making processes as full and equal members of the community. Among other things, this will enable them to play a meaningful role in the management and maintenance of water supply and sanitation facilities. However, special efforts will be needed to overcome various cultural barriers.

3) Hygiene education programs should be incorporated into the initial project plan. This should not be done as an afterthought but as an integral part of the planning process.

4) Attention should be paid to community participation as it relates to the goal of cost recovery. Through involvement of community members in the project development process, realistic determinations can be made regarding the community's ability and willingness to pay, its capacity for covering operation and maintenance costs, and appropriate time frames for repayment.

5) Adequate provision of resources needs to be made in project funding for such "software" components as socioeconomic surveys, public awareness campaigns, hygiene education, and training of community workers.

External support agencies should also assist in organizing both government and nongovernment groups in specific countries to discuss ways of financing “software” projects or project components and to determine which approaches enhance community participation while encouraging successful project implementation. Efforts should also be made to hold meetings fostering regional exchanges of experience.

Joint ventures between community groups, government agencies, or private entities can be promoted and encouraged to provide creative approaches for funding operation and maintenance expenses. External support agencies may also want to consider channeling project funds through nongovernmental organizations with proven track records in order to finance projects in isolated areas.

Coordination and Information Exchange

Three types of coordination were singled out as needing improvement—these being coordination among external support agencies, between external support agencies and recipient countries’ water supply and sanitation agencies, and between different sectors within recipient countries.

It was also concluded that responsibility for coordinating water supply and sanitation activities remains with the individual recipient countries of the Region, and that external support agencies should cooperate with them to the fullest extent possible.

Key constraints on effective coordination were identified as the frequent absence of a coherent national sector strategy and development program based on realistic resource assumptions and design criteria, and also the lack of a systematic exchange of project information among external support agencies and recipient countries.

At the country level the United Nations Development Program Resident Representatives, who serve as focal points for Decade activities, should play a more active donor coordination role. If, for reasons of staff or budgetary limitations, they cannot comply with this recommendation, then external support agencies (in coordination with the host country) should appoint another willing and capable multilateral or bilateral agency to assume this responsibility.

In identifying and formulating projects, external support and water supply and sanitation agencies should ensure utmost cooperation with activities in related sectors—such as the sectors of health, education, housing, and rural and urban development. Cooperation should also be sought with those sectors and activities that influence the availability and quality of water—such as the sectors of agriculture, energy, and industry.

On the subject of information exchange, the meeting noted that a system known as Country External Support Information is in the process of being established by WHO. This system will mainly collect and disseminate data about planned and ongoing projects to external support agencies and recipient countries. In so doing, it will rely

heavily on accurate and timely information inputs from external support agencies. In order to build up and expand the system, so that its continuity can be ensured, external support agencies are urged to assist WHO in funding the system. The meeting participants also felt that in order to avoid duplication of effort in developing new methods and technologies, an information exchange service dealing with development information (collected through periodic survey of operational research and development activities) should be established.

Regarding tied aid, it was agreed that more emphasis should be placed on arrangements between external support agencies that are designed to standardize the supply of services and equipment to the water supply and sanitation sector. It was also noted that conditions frequently linked to external support agency funding can cause difficulties in standardization of equipment and services. Such conditions include the use of tied aid, competitive bidding procedures, and mixed credit arrangements. Thus, external support agencies should promote standardization whenever possible.

Future Actions

A need for actions following up the present consultation was recognized. It was agreed that future Decade consultative meetings, where recipient countries discuss their specific sector and project financing issues with external support agencies, would be the next step in the chain of coordination efforts. Additional follow-up actions would include presentation to the OECD Development Assistance Committee of a document summarizing the conclusions and agreements reached during the consultations for Asia (October 1985), Africa (November 1985), and the Americas. It is expected that such a document will be considered by the committee members as signaling a worldwide effort to change direction in development approaches to water supply and sanitation, and that the conclusions reached in these consultations will eventually lead to more efficient utilization of resources by external support agencies and recipient countries alike.

Source: Secretariat for the Regional External Support Consultation, PAHO/WHO; Final Report on Americas Regional External Support Consultation, a meeting held in connection with the International Drinking Water Supply and Sanitation Decade in Washington, D.C., on 21–24 April 1986; Washington, D.C., and Geneva; October 1986.