

WaterAid/DFID - PPA2 – 2005/06 to 2010/11

1. Introduction to DFID and WaterAid

1.1 *WaterAid description and strategy*

WaterAid was founded in 1981 as the British Water Industry's response to the Water Decade and is still supported by volunteer groups in all water companies and authorities in the UK. WaterAid total income in 2000/01 was just under £10 million. WaterAid has offices and full scale programmes in 12 countries throughout Africa and Asia and individual projects in a further 3.

WaterAid's vision is "a world in which all people have access to safe water and effective sanitation". WaterAid believes that access and control over drinking water and sanitation facilities, and knowledge of hygiene have a direct impact on poverty by reducing the vulnerability of poor people, especially women and children, to disease, ill health and death; and by releasing time and resources for economic and social development.

WaterAid has recently completed a major strategic review process. The new revised corporate strategy will come into effect in 2005, and will run until 2010, covering the five year period of the new PPA. This strategy foresees a continuation of WaterAid's growth in range of work, influence and size.

WaterAid and others' analysis has shown that growth in the sector during this interim period is essential in order to have any chance of achieving the specific MDG targets for water and sanitation, and those MDGs on which provision of these services will have a significant impact, particularly health and education.

WaterAid's role in this process is key for three main reasons.

1. WaterAid has significant and growing project experience, particularly of working with the civil society and government sectors, but also a growing range of private sector operators. WaterAid specifically supports and enables the research and development of innovative technological, management and capacity solutions to removing blockages to access. In addition, WaterAid is now showing the capacity to scale up the approaches resulting from these projects, to have significant influence over major sector programmes and partnerships (some examples are the West Africa Water Initiative; WaterAid's programme in Bangladesh; Influence over others' programmes in Tanzania and Mozambique).
2. Due to the reputation built from this project work, WaterAid has significant influence in both national and international policy fora. This allows it to promote the successful approaches and lessons it has learned from the work of its partners, and ensure that decisions taken at the highest levels, are based on the priority of increasing sustainable access to the poorest, of water and sanitation.
3. Partly due to its history, but mainly to the approach it has to issues of partnership, WaterAid has the ability to build and support increased dialogue at national levels

between civil society, governmental and private sector actors. This increased co-ordination is essential to the service delivery challenges within the sector.

Revised strategic objectives

WaterAid realises that no actor alone can have a significant impact on the MDGs, even within a national context. Therefore strategic goals for the next 5 years are focused on growth, but in the broad sense of increasing impact through influence, not only through outputs. The goals are therefore a combination of increased project work, capacity building of a range of government, civil society and other partners, and the promotion of policies based on this experience.

WaterAid will follow the following strategic priorities:

- Increased prioritization of the water and sanitation sector in spending by government in 15 countries where WaterAid is operational, and ensuring inclusion of the poor in the 2015 MDG targets.
- DFID supported to play an effective and active role in the water and sanitation sectors in the 15 target countries, including the implementation of DFID's Water Action Plan.
- Water and sanitation issues promoted within other sectors including health, education and livelihoods
- Local government and municipal capacity increased, improving the accountability of service providers through greater transparency and participation.
- Increased awareness and understanding among the UK public of development issues, in particular the relationship between water and sanitation, and development.

1.2 DFID description and strategy

DFID is responsible for leading the UK Government's contribution to the international effort to reduce poverty. It works as part of a wider international effort, collaborating with many organisations, including: other UK Government Departments, international development agencies, governments of developing and transition countries, civil society, business and academia.

To increase the impact of development assistance on poverty, DFID focuses on helping the poorest countries and on supporting agreed longer-term financial commitments, which will mean beneficiaries will be able to predict their income. We have moved away from stand-alone projects – where the donors decide the agenda – towards support for poverty reduction strategies led by developing countries themselves. DFID also works to improve the work of the main multilateral agencies through which we channel funding.

2 PPA rationale

2.1 DFID wants a PPA with WaterAid because

The NAO report on DFID performance in the sector noted at the end of 2003, “An increasing proportion of the global population has gained access to water and sanitation facilities over the last decade, but the rate of provision of improved services needs to be accelerated if targets are to be met.”¹ The same report concluded that DFID’s involvement in the water sector in developing countries is relatively modest and that there is scope for more effective use of its research. Increased direct collaboration with WaterAid will have an impact in both these areas, through increasing DFID’s direct involvement in civil society and governmental service provision, but will also allow for its research to have a more direct impact on the programme and policy arenas within the sector.

2.2 WaterAid wants a PPA with DFID because

Within the work prescribed above, there are particular focus areas of WaterAid’s work that are closely related to DFID’s approach. These should form the basis of the PPA objectives.

- To increase funding to sustainable and affordable water and sanitation, to ensure that the poor and vulnerable are included in the 2015 MDG targets.
- Support the implementation of DFID’s Water Action Plan, particularly where DFID country offices have not prioritised water and sanitation.
- Promote water and sanitation within health, education and livelihoods sectors, recognising that water and sanitation are essential building blocks for achieving MDGs in other areas.
- Support the development of local government and municipal capacity, improving the accountability of service providers through greater transparency, accountability and participation.
- To continue to grow WaterAid’s experience and activity in campaigning and public awareness activities, including involvement in broader NGO development campaigning coalitions, to ensure water is at the centre of co-ordinated campaigning, educational and mobilisation activities. WaterAid will ensure an increasing proportion of its fundraising activities also communicate information on the wider water sector issues and roles that the UK government and citizens can play.

3 Current areas of synergy between WaterAid and DFID

The PPA will build on the real synergy between DFID and WaterAid both at a country level and internationally. WaterAid’s connections with practitioners and its proven capacity to mobilise support to challenge and convince national governments, compliment DFID’s ability to mainstream best practice through its major sector interventions with national governments and international agencies.

Internationally, the PPA will focus the discussions between DFID and WaterAid on the global policy lessons coming out of WaterAid’s work on the ground. WaterAid has the specific capacity to identify and focus on key constraints in achieving the international water

¹ MAXIMISING IMPACT IN THE WATER SECTOR, National Audit Office, January 2003

and sanitation targets and DFID can facilitate access to national and international major policy making fora.

Strategic Outcomes	Indicators (success criteria)	Means of Verification	Risks
Increased prioritization of the water and sanitation sector in spending by government in 15 countries where WaterAid is operational, and ensuring inclusion of the poor in the 2015 MDG targets.	Water and sanitation included in PRSPs in 15 countries where WA works, by 2010	UN MDG reports PRSP national annual reports Government statistics WaterAid country reports	It is assumed that DFID will support WaterAid and other actors in ensuring other donors also increase the resources available to the sector.
	PRSPs show increased spending in water and sanitation and on track to meet sector 2015 targets.		
	Increased % of populations with access to improved water facilities		
	Increased % of populations with access to sanitation		
	Increased % government budgets given over to water and sanitation		
	Significant policies and practices adopted by the national governments of in the 15 countries where WA works within national poverty reduction strategies and relevant legislation.		
	Significant policies and practices adopted by civil society and the private sector in the 15 countries where WA works.		

	Significant policies and practices promoted by Water Supply and Sanitation Collaborative Council and World Water Forum.		
DFID supported to play an effective and active role in the water and sanitation sectors in the 15 target countries, including the implementation of DFID's Water Action Plan.	UK government spending on water and sanitation increased both as a % of aid budget and in real terms.	DFID country assistance plans	Lack of sufficient pressure on DFID offices outside the 15 countries where WaterAid currently works.
	Watsan included in all DFID Country Assistance Plans in 15 target countries and beyond.	DFID strategic agreements with WaterAid	Lack of sufficient resources within DFID offices to implement plans.
	Further examples of direct collaboration in policy work and along the ASEH Bangladesh and supplementary PPA models	National documents related to implementation of Water Action Plan	
	Increase in number of DFID country programmes which implement the Water Action Plan		
Water and sanitation issues promoted within other sectors including health, education and livelihoods.	Integration of water and sanitation issues in health and education budgets	Monitoring health budgets Monitoring education budgets Government reports	MDG agenda does not focus too specifically on narrow sectoral targets, but continues to focus on meaningful co-ordination between them (eg through Goal 8).
	15 target governments' health and education programmes are designed inclusive of watsan access as a cross-cutting issue.		
	Where separated, ministries responsible for water and sanitation co-ordinate more effectively.		

<p>Local government and municipal capacity increased, improving the accountability of service providers through greater transparency and participation.</p>	<p>Greater involvement of stakeholders from all levels, including user-groups, NGOs, local government, small scale private sector entities, in national policy-making and implementation of government programmes.</p>	<p>WA project documentation WaterAid Reports and Publications Campaigning materials and update from website</p>	<p>It is assumed that investment in government capacity will continue at a macro level and not just through specific targeted capacity activities under this PPA.</p>
<p>Increased awareness and understanding among the UK public of development issues, in particular the relationship between water and sanitation, and development.</p>	<p>Improved campaigning profile of water and sanitation issues within the UK.</p>	<p>Numbers of WaterAid campaigners involved in Make Poverty History campaign and materials produced for this campaign Recognition of water and sanitation as a key issue in MPH and other multi-organisational campaigns WaterAid website content and usage, particularly campaigns pages.</p>	<p>It is assumed that the current levels of media interest in development in general and the water sector in particular, will continue. This will depend on actors other than WaterAid.</p>
	<p>Water industry customers, community groups and schools with understanding of the global water and sanitation problem facing the world's poor.</p>	<p>OASIS magazine articles Notes from network of speakers' presentations Database of schools using WaterAid materials Materials produced for use in universities WaterAid website content and usage, particularly educational pages</p>	

5. Monitoring and Evaluation

5.1. PPA Annual Reporting

In addition to its existing monitoring framework, WaterAid will demonstrate its progress towards strategic outcomes through annual reporting. The format of the report will be short (no more than 12 pages) including an executive summary for ease of reference. The report will be supplemented with annex containing relevant case studies and illustrative examples of achievements and lessons learned in areas of strategic focus, and in specific countries.

5.2. PPA Evaluation

Formal evaluation processes, including possible mid-term review, will be discussed and agreed during the first 2 years of the PPA.

6. Core Information

6.1. Funding & Term Of Arrangement

The PPA is a 6 year arrangement commencing 1/4/2005 and ending 31/3/2011. Total DFID funding (contribution) for the first 3 years of the PPA will be £3,750,000 (three million, seven hundred and fifty thousand pounds). Funding for the last three years will be agreed during the initial 3 year period.

DFID Nigeria will also provide total funding of £420,000 (four hundred and twenty thousand pounds sterling) for the period 2005/06 to 2006/07 only, in support its collaboration with WaterAid. This additional funding will be added to the overall PPA funding for 2005/06 and 2006/07 for the purposes of administration.

The contribution (including the additional funding) will be allocated within DFID financial years as follows:

Year	Funding
2005/06	£1,460,000
2006/07	£1,460,000
2007/08	£1,250,000
2008/09	To be confirmed
2009/10	To be confirmed
2010/11	To be confirmed

6.2 Memorandum of Understanding

The formal administrative arrangements which relate to this PPA, including full funding details, are provided in the associated Memorandum of Understanding (MOU).