

## Submission: Inquiry into strengthening Australia's relationship with countries in the Pacific Region

### WASH Reference Group

March 2020

The WASH Reference Group (WRG) has prepared this submission for the Joint Standing Committee on Foreign Affairs, Defence and Trade - Foreign Affairs and Aid Sub-Committee's inquiry into strengthening Australia's relationships with countries in the Pacific region.

While we welcome deeper engagement with the Pacific region, we also believe that Australia's Pacific Step-Up must not overlook supporting people's access to water, sanitation and hygiene services (WASH) and strengthening Pacific capacity to manage services, if any 'step-up' is to deliver sustained and shared improvements to the lives of all people in the Pacific. Within this broader area, there are specific gaps, such as challenges with asset management and servicing informal settlements, which are of particular priority. Australia's international development community has expertise it can contribute to assist in addressing many of these challenges.

### Ensuring Step-up initiatives improve Pacific people's lives

#### *i. The Pacific Step-up must increase access to water, sanitation, and hygiene (WASH)*

Clean water, decent toilets and good hygiene allow people to live healthy, dignified lives. Without these services, kids are too sick to attend school, adults can't work and people remain mired in poverty. People in the Pacific region struggle with some of the lowest WASH coverage rates in the world - just 30% of people have access to basic sanitation and only 55% can access basic drinking water services.<sup>1</sup> These figures are even worse in the rural areas where the majority of people in the Pacific reside.

Addressing this challenge requires Australia to have a fundamental commitment to supporting basic service provision in the Pacific. While large infrastructure is vital to economic development, access to basic household-level services - such as water and sanitation - underpin gains in human development outcomes.

As currently constituted, the Pacific Step-Up and the new Australian Infrastructure Financing Facility for the Pacific (AIFFP) will not address the critical rural WASH needs of the Pacific. Diverting ODA for basic services to other areas will undermine development outcomes, and a lack of focus on capacity strengthening will undermine project delivery. Given their low levels of service coverage, remoteness, small economies of scale, and capacity challenges, grant funding for basic services such as WASH, in addition to capacity strengthening, must remain a critical part of ODA in the Pacific. Nowhere is the need for this approach more apparent than Papua New Guinea - a country with open defecation rates consistently amongst the highest in the world, and where the challenge of providing access to WASH services will only become more urgent with projected rates of population growth.

Annex A provides further detail on WASH access in the Pacific, and expands on the key challenges the region faces in expanding WASH services.

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<sup>1</sup> UNICEF and WHO, "Progress on household drinking water, sanitation and hygiene 2000-2017: Special focus on inequalities" (UNICEF and WHO, New York, USA, 2019), <https://washdata.org/sites/default/files/documents/reports/2019-07/jmp-2019-wash-households.pdf>

*The Pacific Step-up must include capacity strengthening initiatives, designed and led by Pacific Islanders*

Development research<sup>2,3</sup> highlights that strong government systems are critical to successful infrastructure project delivery, including mechanisms that support accountability and citizen engagement.

This is of particular relevance in the Pacific, where capacity constraints at all levels are exacerbating development challenges. Without people and institutions in place to develop, deliver and maintain infrastructure, and accountability mechanisms to ensure feedback, projects are likely to face delays, exceed budget and underperform once built.

For this reason, the Pacific Step-up and any Australian 'whole of government' approach must prioritise funding governance and capacity strengthening initiatives that are designed by Pacific Islanders.

Past and current capacity strengthening efforts in the Pacific point to the requirement for programs to be highly sensitive to the needs of Pacific countries and institutions. Past experience tells us that for initiatives to succeed they must be: demand driven and Pacific-led; inclusive; adequately resourced (including financially); rooted in partnerships with regional and local entities; deeply consultative; and of sufficiently long duration to allow for relationships and trust to develop and change to occur.

**Critical gaps in Pacific WASH services which Australia must, and can, help address**

Within the broader goal of extending and improving WASH service delivery in the Pacific Region, there are a number of critical areas which must be addressed. Many of these are areas in which the Australian international development community has expertise from which to partner with Pacific actors. Key gaps include:

- *Water supply asset management*: Improved management, including ongoing maintenance, is needed to better use water supply assets, and prolong infrastructure lifespan. This avoids the costs incurred to replace broken infrastructure.
- *Finance*: In order to attract investment (public and private) into WASH services and close finance gaps, appropriate business models must be set-up. Pacific countries can be supported to strengthen financial and cost-recovery policies, tariff structure, billing and collection systems, and financial and operating systems. There are opportunities for utilities to reduce costs through improved operational efficiency, using benchmarking, development of water-loss reduction programs, and improved work practices.<sup>4</sup> Pro-poor policies that include tariffs with lifeline blocks (which subsidise the volume of water supply required for drinking, cooking and bathing) and transparent, targeted subsidies are also needed.
- *Water security*: Pacific water security is threatened by climate change and non-climatic factors including: increasing water demands tied to development and population growth; pollution of water resources; salinisation of freshwater due to overpumping; water leakage from urban piping; poor water governance and management, especially during droughts;

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<sup>2</sup> OECD, "Getting Infrastructure Right: A framework for better governance" (OECD Publishing, Paris, France, 2017), <https://doi.org/10.1787/9789264272453-en>

<sup>3</sup> PWC, "Successful capital project delivery: The art and science of effective governance" (PricewaterhouseCoopers, Delaware, USA, 2014), <https://www.pwc.com/gx/en/industries/assets/pwc-successful-capital-projects.pdf>

<sup>4</sup> Stephane Dahan, "Rapid review of water knowledge for Pacific Small Island Developing States" (World Bank, Washington, USA, 2018), <http://hdl.handle.net/10986/30121>

and impacts from civil works or mining that make coastlines more vulnerable to erosion or expose shallow groundwater to contamination.<sup>5</sup>

- *Fecal sludge management*: Despite the current emphasis on 'safely managed sanitation', little attention has historically been given to waste management. This includes management of on-site waste as well as technical support to the growing number of sewerage system operators to ensure these systems function properly and do not contaminate freshwater supplies.
- *Informal settlements*: Settlements have existed in the Pacific for more than 60 years. Aside from academic and urban research there has been little practical effort or knowledge sharing to improve WASH in these settlements. The World Bank's 'Unsettled' report on WASH conditions in settlements in four Pacific countries in 2015<sup>6</sup> sparked an increased focus on services in settlements, but this needs to be taken further. A planned water supply scheme for Tete settlement in Port Moresby (funded by the Asian Development Bank) promotes community management with utility support and provides an opportunity to pilot a model for successfully servicing informal settlements. While this is a promising start, more examples and pilots are needed.
- *Secondary towns*: While capital cities receive most WASH sector investment in a number of Pacific countries - Papua New Guinea, Fiji and Vanuatu by way of example - it is second-tier urban centres which are lagging further behind. In some cases these secondary towns may be struggling with ageing colonial-era infrastructure, in desperate need of upgrade or repair. Addressing this is a particular priority for countries with decentralisation agendas, such as Papua New Guinea.
- *Governance*: By and large the multiple aspects of water (environmental, social, economic and cultural) have not been unified in governance, precluding the gains from integrated management being realised. This has been compounded by a frequent lack of: (i) sector policies and regulations; (ii) clearly defined roles and responsibilities of government agencies; and (iii) coordination between donors and international organizations. Areas for support include: developing models to strengthen sector governance through national water apex bodies, with effective decentralization and community engagement; support to region-wide initiatives (e.g. pooling of expertise, regional training programs, peer-to-peer learning); undertaking country-wide capacity needs assessments, together with an assessment of existing capacity strengthening mechanisms.<sup>7</sup>
- *Gender and social inclusion*: Women have important roles in Pacific water resource management but are overlooked in WASH decision-making and leadership. Although benchmarking of gender within utilities has begun (number of employees, salaries) it can raise deep-seated stereotypes. Increasing women's involvement and representation in the water and sanitation professions, and in decision-making is essential to delivering universal WASH services.

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<sup>5</sup> Tony Falkland, "Report on Water Security & Vulnerability to Climate Change and Other Impacts in Pacific Island Countries and East Timor" (Department of Climate Change & Energy Efficiency, Canberra, Australia, 2011)

<sup>6</sup> Alyse Schrecongost and Katherine Wong "Unsettled: Water and Sanitation in Urban Settlement Communities of the Pacific" (World Bank, Washington, USA, 2015), <https://openknowledge.worldbank.org/handle/10986/23336>

<sup>7</sup> Stephane Dahan, "Rapid review of water knowledge for Pacific Small Island Developing States" (World Bank, Washington, USA, 2018), <http://hdl.handle.net/10986/30121>

### **About the WASH Reference Group**

The WASH Reference Group comprises Australian organisations working to improve Australia's response to global water, sanitation and hygiene (WASH) challenges. Members are drawn from over Australian NGOs, research organisations and Australian water industry bodies. WaterAid Australia currently serves as Secretary.

Members have experience in delivering WASH and water resource management (WRM) programs; policy design and implementation; monitoring and evaluation; capacity and skills development; and integration of WASH with intersecting issues such as gender, disability and health in multiple countries across the Asia-Pacific region.

Contributions from the group are regularly sought by a range of development actors, including ACFID and The Department of Foreign Affairs and Trade, testament to the WASH Reference Group's place as a reliable, engaged and respected representative body for the WASH sector in Australia.

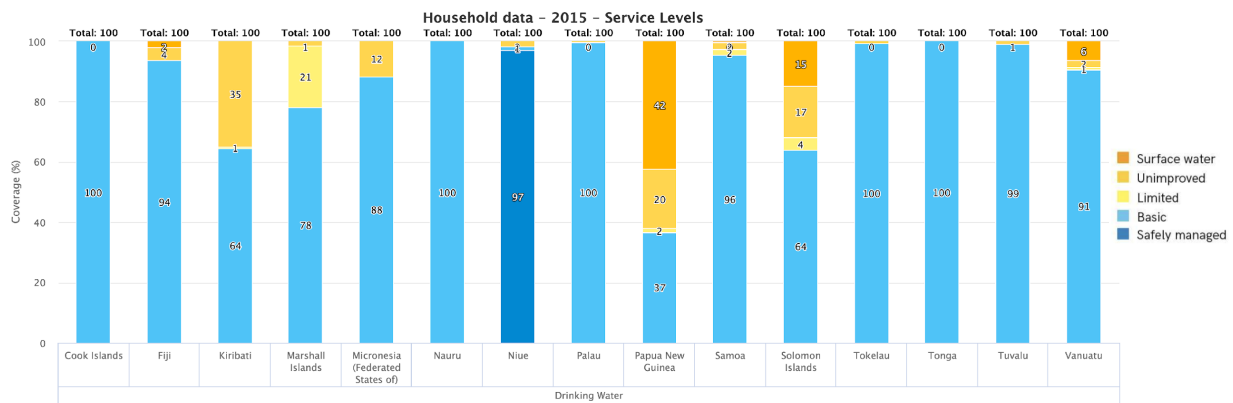
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## Annex A: WASH access levels in the Pacific and key gaps

### Pacific WASH access

Analysis from the World Health Organisation (WHO) shows that little progress has been made towards improving access to water and sanitation in the Pacific Region over the 25 year period between 1990 and 2015.<sup>8</sup> The proportion of people in Pacific island countries using improved drinking sources increased from 46% in 1990 to 52% in 2015, while the proportion of people using improved sanitation rose from 29% in 1990 to just 31% in 2015. During this period Pacific island countries experienced population growth of about 70% resulting in the proportion of people served being outstripped by population growth. Currently, two-thirds of the region's population rely on unprotected sources of water and unsanitary means of excreta disposal which pose serious risks to health. Preventable water-borne illnesses and mortality from WASH conditions are higher in Pacific Islands than in neighbouring Asia, particularly among vulnerable population groups, including infants and the elderly.<sup>9</sup>

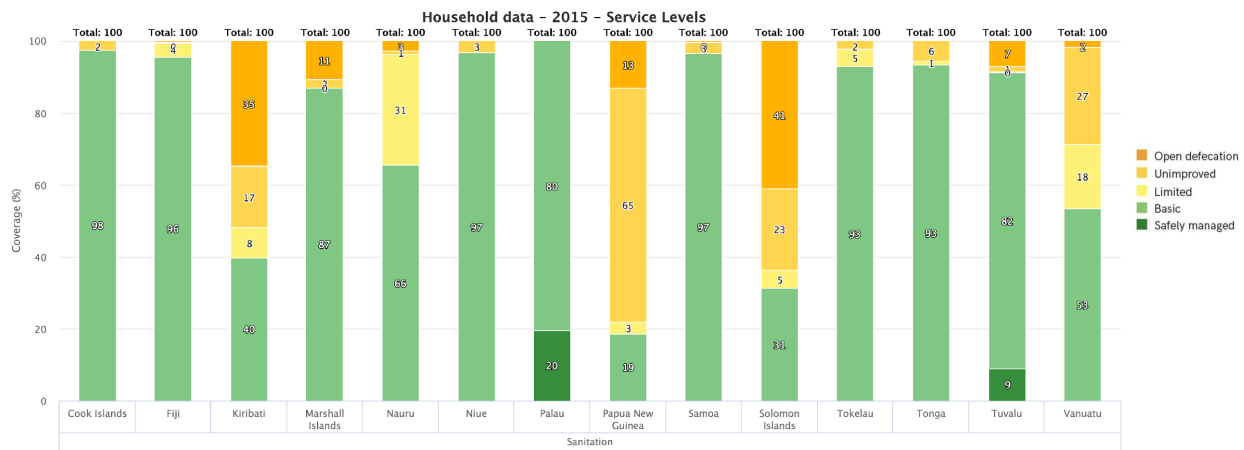
The level of access to improved drinking water sources varies widely amongst the Pacific countries of Australia and New Zealand's development assistance programs. Large populations in Papua New Guinea, Solomon Islands and Vanuatu still rely on surface water for drinking.



Access to improved sanitation also varies in the Pacific, with Kiribati, Marshall Islands, Papua New Guinea, Solomon Islands and Vanuatu all reporting high levels of open defecation and unimproved sanitation.

<sup>8</sup> WHO "Sanitation, Drinking water and Health in Pacific Island Countries: 2015 Update and Future Outlook" (WHO Regional Office for Western Pacific, UNICEF, Manila, Philippines, 2015), <https://iris.wpro.who.int/handle/10665.1/13130>

<sup>9</sup> Ian White and Tony Falkland "Integrated Management of Urban Water Supply and Water Quality in Developing Pacific Island Countries" In: *Understanding and Managing Urban Water in Transition Global Issues in Water*. 15th ed. Springer. p. 489–526, [https://doi.org/10.1007/978-94-017-9801-3\\_23](https://doi.org/10.1007/978-94-017-9801-3_23)



Sustainable Development Goal (SDG) Goal 6 aims to ensure availability and sustainable management of water and sanitation for all. This places new emphasis on not only extending access to improved WASH facilities for unserved populations but sustaining services to ensure lasting benefits. Joint Monitoring Program (JMP) service ladders highlight the importance of monitoring beyond simple access to WASH services to include the quality of WASH service delivery, taking into account factors such as accessibility, quantity and affordability.

Achieving ‘safely managed’ water supply (water accessible on premises, available when needed, and free from contamination) and ‘safely managed’ sanitation (use of improved facilities, not shared with other households and where excreta is safely disposed in-situ or transported and treated off-site) should be the aim for every Pacific country and utility. Yet challenges with poor maintenance of infrastructure, low human capacity and weak governance prevent the achievement of this goal.<sup>10</sup>

Although ‘safely managed’ is a new indicator in the Pacific, the World Bank-supported IBNET indicates that utilities in some countries, for example in Kiribati, are only able to supply water for 2 hours per day, and that even those such as Water PNG who report 24-hour supply are known to have provincial urban centres with regular periods when no water is supplied.<sup>11</sup>

### Pacific Challenges

Efforts at improving WASH in the Pacific face a convergence of challenges, not least the vast distances between countries and islands, varying land areas, and cultural differences. The greater Pacific Island Countries and Territories covers a land area of 553,959 km<sup>2</sup> and an approximate population of 10 million, dispersed across 180 million km<sup>2</sup> of the Pacific Ocean.<sup>12</sup> As a result the logistics and costs of providing WASH services across, and within, Pacific countries poses a significant challenge.

Pacific countries vary widely in their land size and population. Papua New Guinea accounts for both a large proportion of the land area and also the Pacific population. Their issues are different in context to small fragile nations such as Kiribati, and Nauru.

The diversity of ethnicity and nations, reflected in cultural groups categorised as Melanesian, Micronesian and Polynesian, as well as clan groups and languages within countries, contests any notion of a unified ‘Pacific People’. Each country is unique and responses need to be tailored appropriately. Synergies between countries for potential clustering of WASH solutions need to be carefully considered.

<sup>10</sup> Stephane Dahan, “Rapid review of water knowledge for Pacific Small Island Developing States” (World Bank, Washington, USA, 2018), <http://hdl.handle.net/10986/30121>

<sup>11</sup> WaterAid, “WASH Baseline Report for Wewak Urban LLG, Wewak District”, forthcoming.

<sup>12</sup> UQ Global Change Institute, “Water, Sanitation and Hygiene in the Pacific, and the need to meet SDG6” (The University of Queensland, Brisbane, Australia, 2019), <https://gci.uq.edu.au/filething/get/18103/WASH%20in%20Pacific%20Discussion%20Paper%20final-LR.pdf>

The effects of climate change into the medium- and long-term future present significant challenges in deterioration of sanitation and hygiene through freshwater scarcity and more intense droughts and storms. Many Pacific Islands also suffer from natural hazards such as earthquakes, tsunamis, flooding and landslides, coastal inundation, and cyclones. Of the 15 of 171 nations most at risk (exposure plus vulnerability) from natural disaster, five were from the Pacific (Vanuatu, Tonga, Solomon Islands, Papua New Guinea, Fiji).<sup>13</sup> These natural hazards create substantial risk of contamination of water sources as well as destruction of critical WASH infrastructure.

Additional challenges include rapid population growth (Papua New Guinea's population increased 84% between 1990 and 2015)<sup>14</sup> and high densities (Kiribati has 146 people/km<sup>2</sup>), as well as rapid urbanisation of 3-4% annually. These factors all place demands on fragile water resources and constrain achievement of SDG 6. Growing peri-urban communities and informal settlements place demand on urban water supplies but institutional factors may permanently lock out settlers from accessing services.

The institutional context includes colonial legacies, weak governance systems (including around water resource management and pollution, poor financial management and lack of accountability, lack of funds for operations and asset maintenance), and land issues, against a backdrop of pressure for economic development.

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<sup>13</sup> Bündnis Entwicklung Hilft, "World Risk Report: Analysis and Prospects 2017." (Bündnis Entwicklung Hilft, Berlin, Germany, 2017), [http://weltrisikobericht.de/wp-content/uploads/2017/11/WRR\\_2017\\_E2.pdf](http://weltrisikobericht.de/wp-content/uploads/2017/11/WRR_2017_E2.pdf)

<sup>14</sup> <http://www.worldometers.info/world-population/papua-new-guinea-population/>