



Water, Sanitation and Hygiene Sector The 'WASH' Financing Analysis for FY 2019/20



policy forum

Brief 5:20

Introduction

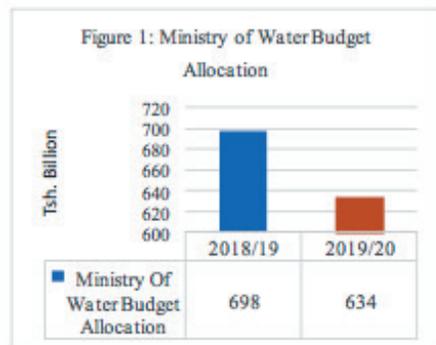
The Water, Sanitation and Hygiene (WASH) Sector in Tanzania is cross-cutting into different social sectors. The Ministry of Water being the principle Ministry responsible for Water Resources Management and Supply; is tasked with the responsibility of formulating water policies and accountable to ensure accessibility to clean and safe water to both urban and rural settings.

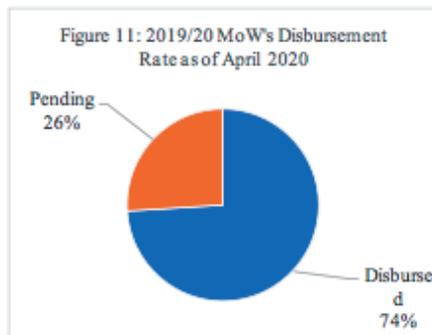
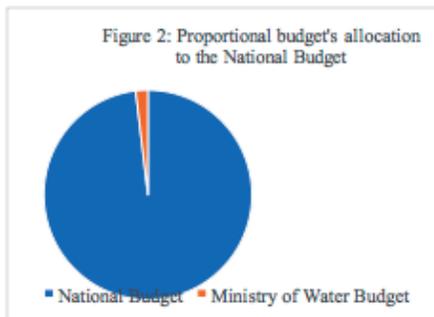
On the other hand, the Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDGEC) is implementing some of the WASH programs for public health and in health care facilities. It is also chairing the National Sanitation and Hygiene Steering Committee and responsible for setting sanitation and hygiene policies for implementing agencies such as LGAs and also responsible for implementing the National Sanitation Campaign which aims to increase WASH in the health facilities. Moreover, the Ministry of Education, Science and Technology (MoEST) is responsible for implementing schools' WASH programs, which aim to improve access to latrines and running water in schools.

approved budget is less for Tsh. 134.83 billion compared to the projected Tsh. 769.03 billion for the FY 2020/21. The priority areas for the Ministry included strengthening water resources data collection systems and flood alerts in the country; capacity building to Basin Water Boards; construction, rehabilitation and implementation of water projects in urban and rural areas. Tsh. 634.2 billion allocated in the FY 2019/20 is equal to 1.9% of the approved National Budget of Tsh 33,105 billion and Tsh. 63.3 billion less than the approved budget for the same Ministry in the financial year 2018/19 (Figures below illustrate)

WASH financing through the Water Sector in 2019/2020

As part of the WASH sector financing, during the financial year 2019/20, the Ministry of Water approved a total of Tsh. 634.2 billion to fulfill its statutory obligation to ensure integrated water resources management and provision of clean and safe water to both urban and rural residents. The 2019/20

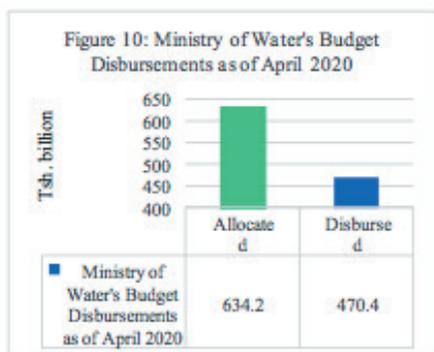




The 2019/20 WASH Budget Disbursements through the Ministry of Water

1.0 Total Ministry's Disbursement

According to the MoW's 2020/21 budget speech, Tsh. 470.4 billion equivalent to 74% of the allocated budget of Tsh. 634.2 billion was disbursed as of April 2020. Basically, this is an impressive disbursement trend. It averages 24% for each quota which is close to the recommended rate of 25%. The anticipation is that the remained 26% equivalent to Tsh. 163.8 billion would be disbursed and spent within May and June 2020. Figure 10, illustrates the disbursement of the MoW's budget as of April 2020



2.0 Water Resource Management (WRM) Component

The WRM component for instance, was allocated with Tsh. 40 billion for its **2019/20 development project budget**, being Tsh. 27.5 billion (68.75%) as donor commitment and Tsh. 12.5 billion (31.25%) as domestic funds commitments. As of March 2020; the WRM component had received Tsh. 18.7 billion for its development project spending, being Tsh. 10.3 billion equivalent to 37.5% of the donors' commitment and Tsh 8.43 billion, equivalent to 67.4% of the domestic sources' commitment. Contrary to the general MoW's Development budget disbursement, the WRM component has received more from domestic funds than donor funding. However, the FY 2020/21 projects to spend Tsh. 39.0 billion with less of Tsh. 1.0 billion compared to the 2019/2020 budget. (See figure 16 & 17 below)

Figure 16: WRM's Development Budget Sources for FY 2019/20

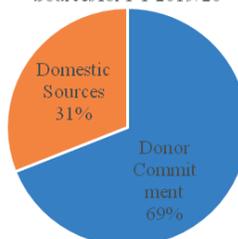


Figure 17: WRM's Development Budget Disbursement for the FY 2019/20

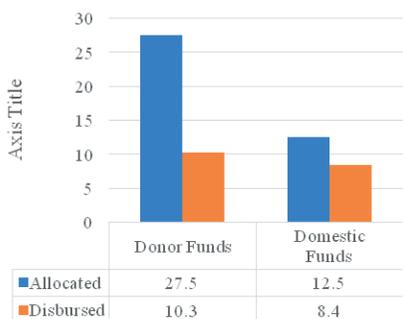
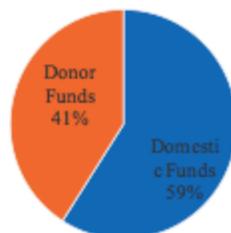


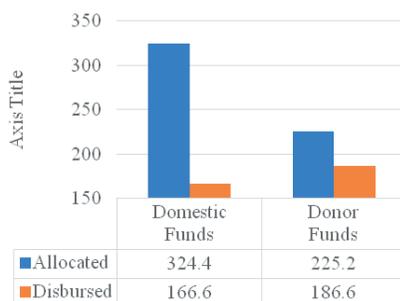
Figure 18: WSSD Development budget Sources for FY 2019/20



3.0 Urban Water Supply and Sanitation Component

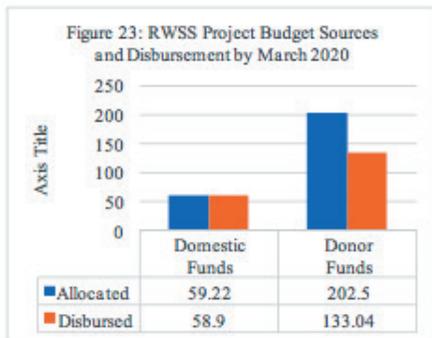
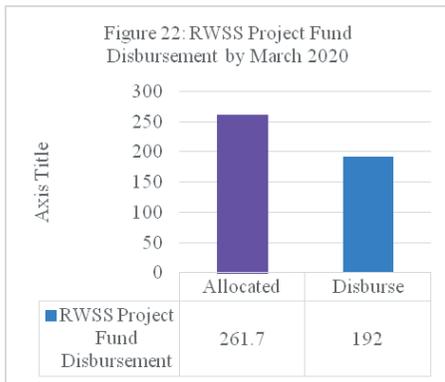
The Water Supply and Sanitation Division (WSSD) on the other hand, was allocated with Tsh. 549.7 billion for its development projects' budget. Being Tsh. 324.4 billion (equivalent to 59%) anticipated from domestic sources and Tsh. 225.2 billion (equivalent to 41%) from external sources including donor funds. As of March 2020, the WSSD component had received a total of Tsh. 353.25 billion, equivalent to 64.3% of the allocated budget being Tsh. 166.62 billion from domestic sources (equivalent to 51.4% of the anticipated domestic funds) and Tsh. 186.63 billion (equivalent to 82.9%) from external sources including donor's commitments. Just like in the total development budget, donors have honored more of their commitment than the internal funds disbursement. (See Figure 18 & 19 below)

Figure 19: WSSD's Development Budget Disbursement as of March 2020



4.0 Rural Water Supply and Sanitation Component (RWSS)

During the Financial Year 2019/20, the Rural Water Supply and Sanitation program (RWSS) was allocated with Tsh. 261.7 billion equivalent to 42.9% of the entire Water Sector's Development Budget, being Tsh. 202.45 billion anticipated from domestic sources and Tsh. 59.22 billion anticipated from donor funding or external resources. As of March 2020, the RWSS program had received a total of Tsh. 192.03 billion (equivalent to 73.4%) of the allocated, being Tsh. 133.04 billion from domestic sources and Tsh. 58.99 billion from external sources



The FY 2020/21 project to spend amount Tsh. **323.88 billion** for the new and completion of ongoing projects in rural areas. This is recording an increase of Tsh. 67.18 billions.

Conclusion and Key Recommendations

In general WASH financing in Tanzania is still a challenge drawing from the Financial Year under review, WASH financing looks very uncoordinated and hidden behind other water sector's traditional activities such as Water Resources Management and Urban and Rural Water Supply. The 2020/21 budget projections placed the sector at increased level of funding from Tsh. 634.2 billion to 769.03 having an increase of Tsh. 134.83 more compared to the previous year. This is well recommended adding the following

recommendations below:

Key Recommendations

- i. The 2019/20 budget allocated the substantial part of the Ministry of Water's budget to expenditures relating to rural and urban water supply. While rural and urban water supply is key toward ensuring access to safe and clean water; the consequences of investing 'poorly' in the management of water resources are normally severe. With poor allocation to water resources management, availability of safe and clean water will be a challenge. There is a need therefore to consider increasing the budget allocation for the water resources management too.
- ii. In 2019/20 the government has almost disbursed 24% of the annual approved budget in each quota which is likely to amount to 100% of the allocation. Timely and effective disbursement is key toward effective execution of budget and service delivery. We recommend the government to maintain disbursing funds adequately and timely.
- iii. Budget reduction in the middle of increased WASH demand is not healthy for the sector. As we aspire to reach more people and ensure every citizen has access to safe and clean water, increased budget allocation and execution is key. We recommend increased budget allocation for the future WASH budget Plans. Recommendation is therefore made for the government to abide with the eThekwini Declaration made at the Africa conference on Sanitation and Hygiene, 2008 which establishes a minimum budget allocation requirement of 0.5 percent of the GDP for sanitation and hygiene



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