

ANNUAL REPORT TO CONGRESS

Senator Paul Simon Water for the Poor Act
P.L. 109-121; Sec. 6 (g)(2)



SEPTEMBER 2012

Office of Environmental Policy
Bureau of Oceans and International Environmental and Scientific Affairs

Report to Congress on Strategy for Safe Water and Sanitation
Senator Paul Simon Water for the Poor Act
P.L. 109-121; Sec. 6 (g)(2)

Highlights for FY 2011

- U.S. government investment for all water sector activities world-wide totaled \$734 million.
- As a result of USAID investments, 3.8 million people gained improved access to drinking water and 1.9 million improved access to sanitation in FY 2011.
- The largest individual country recipients of U.S. government support for water and sanitation in FY 2011 were Iraq (\$154 million), Pakistan (\$74 million), Afghanistan (\$37 million), and Haiti (\$29 million). Support to sub-Saharan Africa was \$213 million.

Introduction

The Senator Paul Simon Water for the Poor Act of 2005 (WfP) requires the Secretary of State, in consultation with the U.S. Agency for International Development (USAID) and other U.S. government agencies, to develop and implement a strategy “to provide affordable and equitable access to safe water and sanitation in developing countries.” It also requires the Secretary of State, in consultation with the USAID Administrator, to submit an annual report to Congress describing changes in the U.S. strategy and progress in achieving the objectives of the WfP Act. This is the seventh report to Congress since the act was passed, and like previous reports, represents one point in an evolving process to strengthen the U.S. response to these issues. The basic strategy (as described in the previous reports to Congress) remained unchanged in 2011. USAID is continuing to work on the development of a new agency strategy on water.

Bilateral Assistance

In FY 2011, USAID invested \$558 million for drinking water and sanitation, water resources management, water productivity, and water-related disaster risk reduction activities in 63 countries. This included \$77 million in short-term, water-related humanitarian assistance activities. In FY 2011, the Millennium Challenge Corporation (MCC) obligated a net value of \$29.6 million in water-related investments across 14 countries. The Department of State and the Department of Defense (through Central Command) provided \$135 million and \$11.1 million, respectively, for water-related reconstruction activities in Iraq.

In addition, more than 20 other U.S. government agencies and departments continue to use their scientific and technical expertise to make major contributions to addressing water and sanitation challenges world-wide. Examples from 2011 include

the National Aeronautics and Space Administration's development and dissemination of earth science and satellite data to monitor and manage water resources in the Himalayas; work by the U.S. Geological Survey to improve hydrologic modeling and flood forecasting in the Mekong region and assist in the development of flood monitoring and early warning system for the Zambezi River; and activities by the Centers for Disease Control and Prevention to conduct research, monitoring, and evaluation of new technologies and approaches to reducing water-related diseases.

Multilateral Assistance

The United States has provided substantial funding to international financial institutions (IFIs) (e.g., The World Bank, Asian Development Bank, African Development Bank, Inter-American Development Bank) and international organizations (e.g., International Atomic Energy Agency, Food and Agriculture Organization, United Nations Children's Fund, United Nations Environment Programme, United Nations Development Programme, World Health Organization) that, in turn, have provided significant support for water and sanitation activities in developing countries. Collectively, the IFIs provided \$9.6 billion in financial support for water and sanitation activities in FY 2011. Additionally, the U.S. contribution to United Nations programmatic work on water was approximately \$50 million.

Delivering Results: Selected Accomplishments in FY 2011

- In Lebanon, USAID strengthened the performance of two regional water utilities, improving water service and quality for more than 500,000 people.
- USAID activities in Angola improved access to water and sanitation for more than 300,000 people including over 50,000 in Angolan schools.
- In March 2011, the United States and the World Bank signed a memorandum of understanding to strengthen and leverage efforts to promote water security.
- In the Philippines, USAID provided credit enhancements that mobilized \$10 million in local capital for rehabilitating water systems in Puerto Princesa, improving water delivery for 117,000 people across 36 villages.
- In Ethiopia, working with the World Bank, USAID completed a program that improved the hygiene and sanitation practices of 5.8 million people, moving an estimated 2.8 million people from open defecation to using pit latrines.
- USAID implemented community-led total sanitation programs in Senegal that resulted in 25,720 people in target areas with first-time access to improved sanitation facilities.
- The MCC concluded its compact with Armenia to rehabilitate 17 water pumping stations and five irrigation systems and strengthened capacity in local and national water supply systems benefitting 420,000 people across 158 communities, the long-term results of which are under evaluation.

USAID FY 2011 Water Sector Budget Allocations - Overview with Account Detail for Sector Water Supply, Sanitation & Hygiene

Dollars in Millions

FY 2011 Number of People with Improved Access to Drinking Water Supply and Sanitation Facilities

	All Water Supply, Sanitation & Hygiene - WSSH *											Grand Total	Improved Access to Drinking Water Supply	Improved Access to Sanitation Facilities	
	All Sustainable Water Supply, Sanitation & Hygiene						All Sustainable WSSH	Humanitarian Assistance	All Water Supply, Sanitation & Hygiene Total	Water Resources Management - WRM	Water Productivity - WP				Disaster Risk Reduction - DRR
	AECCA	DA	ESF	GHP - USAID	FFP II **	Sustainable IDA ***									
Grand Total	4.462	72.751	99.862	34.918	19.321	52.152	283.466	76.580	360.046	67.189	109.300	21.824	558.359	3,824,501	1,925,266
Africa		53.110	21.000	18.113	15.049	37.971	145.243	40.347	185.590	5.384	4.090	4.888	199.952	1,176,021	548,745
Angola		-					-		-				-	304,020	
Benin				0.550			0.550	0.599	1.149				1.149		
Burundi		-			1.250		1.250		1.250				1.250		
Central African Republic								0.226	0.226				0.226		
Chad					1.000		1.400	2.400	2.400		0.490		2.890		
Cote d'Ivoire							2.454	2.454	2.454				2.454		
Democratic Republic of the Congo			5.000	0.064			1.665	6.729	6.729				6.729	10,200	1,020
Ethiopia		5.100		2.700			2.588	10.388	3.878	14.266	3.000		17.266	46,625	207,590
Ghana		3.570		1.678				5.248		5.248			5.248	7,050	5,696
Kenya		6.300		1.865			1.702	9.867	2.160	12.027			12.027	120,206	129,275
Liberia			7.000		4.000		0.350	11.350	0.101	11.451			11.451	28,164	9,100
Madagascar		1.350		3.193	1.786			6.329		6.329			6.329	131,316	
Malawi				1.305	0.450			1.755		1.755	0.594		2.349		
Mali		2.000		0.210	5.000			7.210		7.210			7.210	10,460	
Mozambique		2.460		1.250				3.710		3.710			3.710	116,504	76,058
Niger					0.327			0.327		0.327			0.327	5,108	20,504
Nigeria		2.020		0.299				2.319		2.319			2.319	36,905	33,440
Rwanda		1.000		0.699				1.699		1.699			1.699		
Senegal		4.600		0.450				5.050		5.050	1.790		6.840	18,750	25,720
Sierra Leone					1.236			1.236		1.236			1.236		
Somalia		-		0.500				0.500	11.771	12.271			12.271	152,191	9,054
South Sudan			6.000	0.850			15.799	22.649	4.045	26.694		0.676	27.370		
Sudan			3.000				5.594	8.594	11.649	20.243			20.243		
Sudan - Three Areas							1.048	1.048	4.691	5.739			5.739		
Sudan (Pre-July 2011)		-	-	-				-		-			-	80,030	2,744
Tanzania		4.500						4.500		4.500			4.500	15,985	1,640
Uganda		2.000		0.350				2.350	0.050	2.400			2.400		
Zambia		4.600		2.150				6.750		6.750		0.350	7.100	77,388	16,000
Zimbabwe						4.741		4.741	0.647	5.388			5.388		
USAID Africa Regional (AFR)		4.080						4.080		4.080			4.080	16,980	
USAID East Africa Regional		2.000						2.000		2.000			2.000	8,599	10,904
USAID Southern Africa Regional		1.530				0.630		2.160		2.160		0.239	2.399		
USAID West Africa Regional		6.000						6.000	0.530	6.530			6.530		
Asia	2.648	8.683	7.888	5.466	4.272	4.142	33.099	19.045	52.144	31.889	77.344	9.668	171.045	1,516,705	604,881
Afghanistan			5.000				5.000	1.869	6.869	13.441	15.385	1.313	37.008	380,725	174,594
Bangladesh				1.883	4.272		6.155		6.155			3.129	9.284		
Burma								0.043	0.043				0.043		
Cambodia				1.500			1.500		1.500				1.500	63,961	63,961
FSM and RMI												0.492	0.492		
India				0.620			0.620		0.620		2.000		2.620	17,569	8,309
Indonesia		6.333				0.267	6.600	0.230	6.830	15.824			22.654	201,580	6,760
Laos								0.203	0.203				0.203		
Nepal				1.463			1.463		1.463		3.059	2.923	7.445		7,266
North Korea								0.056	0.056				0.056		
Pakistan						3.303	3.303	16.285	19.588		54.500		74.088		
Philippines		1.250					1.250		1.250				1.250	192,141	55,513
Sri Lanka						0.572	0.572	0.225	0.797				0.797		
Tajikistan	2.648						2.648		2.648				2.648	76,744	
Timor-Leste														17,892	19,293
Vietnam												0.711	0.711		
Asia Middle East Regional		1.100	2.888				3.988		3.988	2.624	2.400		9.012		
USAID Regional Development Mission-Asia (RDM/A)														566,093	269,185
USAID South Asia Regional								0.134	0.134			1.100	1.234		
Middle East			68.774	0.450		8.237	77.461	8.754	86.215	15.500	-	-	101.715	880,982	614,589
Egypt			5.000				5.000		5.000	4.000			9.000	4,680	342,500
Iraq						8.237	8.237		8.237				8.237		
Jordan			20.000				20.000		20.000	5.000			25.000	17,685	30,300
Lebanon			17.395				17.395		17.395				17.395	576,971	13,000
Libya								0.498	0.498				0.498		
Morocco										2.500			2.500		
West Bank and Gaza			25.953				25.953		25.953				25.953	281,646	228,789
Yemen			0.426	0.450			0.876	8.256	9.132				9.132		
USAID Middle East Regional (OMEF)										4.000			4.000		
Central Programs		9.443	-	5.422			14.865		14.865	4.062	19.538	5.472	43.937	60,514	40,465
USAID Bureau For Food Security (BFS)											16.400		16.400		

USAID FY 2011 Water Sector Budget Allocations - Overview with Account Detail for Sector Water Supply, Sanitation & Hygiene														FY 2011 Number of People with Improved Access to Drinking Water Supply and Sanitation Facilities	
Dollars in Millions															
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	All Sustainable Water Supply, Sanitation & Hygiene						All Sustainable WSSH	Humanitarian Assistance	All Water Supply, Sanitation & Hygiene Total	Water Resources Management - WRM	Water Productivity - WP	Disaster Risk Reduction - DRR			
	AEECA	DA	ESF	GHP - USAID	FFP II **	Sustainable IDA ***									
Grand Total	4.462	72.751	99.862	34.918	19.321	52.152	283.466	76.580	360.046	67.189	109.300	21.824	558.359	3,824,501	1,925,266
USAID Democracy, Conflict and Humanitarian Assistance (DCHA)												4.159	4.159		
USAID Economic Growth, Agriculture and Trade (EGAT)		8.130					8.130		8.130	2.750	1.225	-	12.105	60,514	40,465
USAID Global Health (GH)				5.422			5.422		5.422				5.422		
USAID Office of Development Partners (ODP)		1.313	-				1.313		1.313	1.312	1.313	1.313	5.251		
USAID Policy, Planning and Learning (PPL)											0.600		0.600		
Latin America & the Caribbean		1.515	0.500	5.467	-	1.802	9.284	8.434	17.718	9.535	7.100		34.353	140,086	116,586
Bolivia		-	-	0.300	-		0.300		0.300	-			0.300		
Colombia								0.006	0.006				0.006		
Dominican Republic										0.075	-		0.075		
Ecuador		0.500					0.500		0.500	0.980	0.100		1.580		
Guatemala				0.642	-		0.642		0.642				0.642		
Haiti			0.500	3.422		1.802	5.724	8.428	14.152	8.480	7.000		29.632	140,086	116,586
Nicaragua				0.578	-		0.578		0.578				0.578		
Peru		1.015		0.525			1.540		1.540				1.540		
Europe & Eurasia	1.814						1.814		1.814	0.150	1.000	0.526	3.490	50,193	
Armenia	1.000						1.000		1.000		-		1.000	11,662	
Kosovo	0.814						0.814		0.814		-		0.814	38,531	
Russia	-						-		-	0.150			0.150		
Ukraine	-						-		-			0.025	0.025		
Eurasia Regional											1.000		1.000		
USAID Balkans Regional												0.501	0.501		
Other			1.700				1.700		1.700	0.669	0.228	1.270	3.867		
Middle East Multilaterals (MEM)			0.100				0.100		0.100	0.099	0.228		0.427		
State East Asia and Pacific Regional												1.170	1.170		
State Oceans and International Environment and Scientific Affairs (OES)			1.600				1.600		1.600	0.100	-		1.700		
State South and Central Asia Regional (SCA)										0.470		0.100	0.570		
Percent in Main Key Issue							51%	13%	64%	12%	20%	4%	100%		
Percent of Acct within Sustainable WSSH	2%	26%	35%	12%	7%	18%	100%								
FY 2011 budget data represent best estimates from USAID analysis of information as of April 2012 and OFDA information as of November 2011. * All Water Supply, Sanitation & Hygiene includes Household WSSH. ** Food for Peace Title II funding totaled \$31.393 Million with \$19.321 in WSSH programs, \$4.480 Million in WRM, \$0.490 Million in WP and \$7.102 in DRR. *** A portion of Humanitarian Assistance contributes to activities sustainable beyond the Implementation Period, which is reported in the Sustainable IDA WSSH column.														* FY 2011 Indicator data represent best estimates from USAID analysis of information as of May 2012 and includes both "first-time" and "improved" access.	
Water Sector Funding includes the following Accounts: Assistance for Eastern Europe and Baltic States (AEEBS); Assistance for Europe, Eurasia and Central Asia (AEECA); Development Assistance (DA); Economic Support Fund (ESF); Food for Peace, Title II (FFP II); Global Health Programs - USAID (GHP - USAID); Global Health Programs - State (GHP - State); International Disaster Assistance (IDA); International Narcotics Control and Law Enforcement (INCLE); Migration and Refugee Assistance (MRA). Accounts AEEBS, GHP - State, INCLE, and MRA had only zero-level Allocations, so they are not broken out in this table's WSSH section.															
NOTE: A dash (-) within a cell represents that activities were being operated within that category, but funds for the activities had been allocated during a previous fiscal year. Cells that contain no data represent that there was no activity reported as taking place for that particular category during FY 2011.															

MCC's FY 2011 WATER OBLIGATIONS¹
by signing date; with values for Sept 30, 2011
(in millions)

Country ²	Total Compact Amount ³	Compact Signed Date	Entry into Force Date	Compact Completion Date	Pre-Compact funding (609g) grant	Drinking Water Supply, Sanitation and Hygiene	Water Resources Management	Improved Water Productivity	Total Water
Honduras ⁴	\$ 205.0	June 2005	September 2005	September 2010	\$ -	\$ -	\$ -	\$ 0.32	\$ 0.32
Cape Verde ⁵	\$ 110.1	July 2005	October 2005	October 2010	\$ 0.09	\$ -	\$ -	\$ 0.04	\$ 0.13
Nicaragua	\$ 112.0	July 2005	May 2006	May 2011	\$ -	\$ -	\$ -	\$ (0.03)	\$ (0.03)
Georgia	\$ 395.3	September 2005	April 2006	April 2011	\$ -	\$ (3.75)	\$ -	\$ 1.11	\$ (2.63)
Armenia	\$ 177.7	March 2006	September 2006	September 2011	\$ -	\$ -	\$ -	\$ 0.46	\$ 0.46
Ghana	\$ 547.0	August 2006	February 2007	February 2012	\$ -	\$ 0.44	\$ -	\$ 3.42	\$ 3.86
El Salvador	\$ 460.9	November 2006	September 2007	September 2012	\$ -	\$ (4.46)	\$ -	\$ -	\$ (4.46)
Mali	\$ 460.8	November 2006	September 2007	September 2012	\$ -	\$ -	\$ -	\$ -	\$ -
Mozambique	\$ 506.9	June 2007	September 2008	September 2013	\$ -	\$ 3.80	\$ -	\$ -	\$ 3.80
Lesotho	\$ 362.6	July 2007	September 2008	September 2013	\$ -	\$ -	\$ -	\$ -	\$ -
Morocco	\$ 697.5	August 2007	September 2008	September 2013	\$ -	\$ -	\$ -	\$ 22.86	\$ 22.86
Mongolia	\$ 284.9	October 2007	September 2008	September 2013	\$ -	\$ -	\$ -	\$ -	\$ -
Tanzania	\$ 692.1	February 2008	September 2008	September 2013	\$ -	\$ -	\$ -	\$ -	\$ -
Burkina Faso	\$ 480.9	July 2008	July 2009	July 2014	\$ -	\$ -	\$ -	\$ (0.33)	\$ (0.33)
Senegal	\$ 540.0	September 2009	September 2010	September 2015	\$ 0.40	\$ -	\$ -	\$ -	\$ 0.40
Moldova	\$ 262.0	January 2010	September 2010	September 2015	\$ -	\$ -	\$ -	\$ -	\$ -
Philippines	\$ 432.8	September 2010	May 2011	May 2016	\$ -	\$ -	\$ -	\$ -	\$ -
Jordan ⁶	\$ 275.1	October 2010	December 2011	December 2016	\$ (0.95)	\$ 0.63	\$ -	\$ -	\$ (0.32)
Malawi ⁷	\$ 350.7	April 2011	TBD	TBD	\$ -	\$ -	\$ 0.53	\$ -	\$ 0.53
Zambia	TBD	TBD	TBD	TBD	\$ 5.00	\$ -	\$ -	\$ -	\$ 5.00
TOTAL	\$ 7,354.30				\$ 4.54	\$ (3.34)	\$ 0.53	\$ 27.85	\$ 29.58

1. MCC funds are obligated at the signing of the relevant 609(g) agreement for Compact Development Funds (609(g)), at the signing of the relevant Compact for Compact Implementation Funds (CIF), and at entry into force for compact 605 funds. These cumulative obligation figures are subject to change. Changes result from a range of causes, including changes to projects, re-structuring as a natural part of ongoing project management, and, in rare cases, termination of the relevant compacts. Values include a variety of necessary project costs such as design, management consultancies, construction, construction supervision as well as environmental and resettlement related activities.

2. The compacts included in this report represent open and closed compacts with budgeted and eligible Paul Simon Water for the Poor Act water activities during FY 2011. Many of these compacts obligated MCC funds to their water activities prior to FY 2011 and are in the disbursement phase while implementing activities. The full compact amount is provided, but after entry into force MCC records only new FY 2011 obligations or de-obligations (reallocations) to or from eligible water activities.

3. Total cumulative commitments for all signed compacts is \$8.116 billion.

4. Eligible obligations under the Act occurred within the Honduras Compact's closure period in FY 2011 for work performed during the compact term.

5. Cape Verde's FY 2011 obligation consists of pre-Compact funding for a new \$66.2 million Compact signed in February 2012 that has not entered into force.

6. Compacts with entry into force dates falling in FY 2012 include Jordan and Zambia which will represent an additional \$629.9 million in Paul Simon Water for the Poor Act eligible water activities.

7. MCC Board of Directors suspended the Malawi Compact in March 2012; however, for the purposes of this report the CIF obligations are reported.