

Inter-American Development Bank (IADB)

Human rights assessment of development cooperation for water and sanitation

Main policies and frameworks for human rights and water and sanitation

- Water and Sanitation Sector Framework Document (2014-2017)
- Domestic Public Services Policy (2013)
- Gender and Diversity Sector Framework Document (2015)
- Operative Policy on Gender Equality in Development
- Operational Policy on Indigenous Peoples (2006)
- Environment and safeguards compliance policy (2006)

Role for water & sanitation in the funder's agenda

- IADB upholds that States possess obligations originating from the human rights framework, and pledges that it will take several actions to reinforce the recognition of those obligations and the existence of that framework.
- Referencing the UN's declaration of the human rights to safe drinking water and sanitation, those human rights are recognized in the current Water and Sanitation Sector Framework Document. Their legal entrenchment is identified as essential for all IADB State Members, as expressed in one of IADB's strategies: "to reinforce sector governance and ensure States give priority to water and sanitation interventions under the framework of the human rights to water and sanitation."

Main human rights WASH policy provisions

Two of the main principles for IADB's Water and Sanitation Sector Framework are of particular relevance:

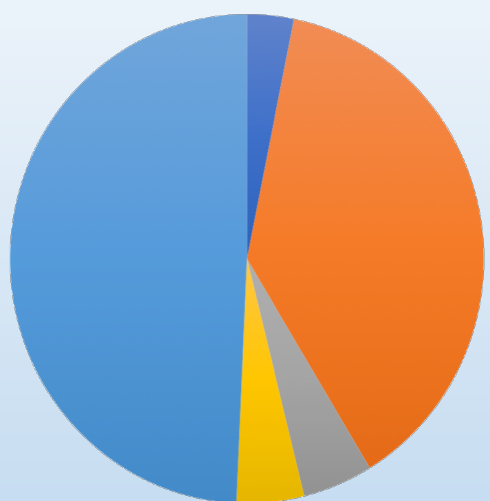
1. "Expanding access to services for low-income and vulnerable population groups, promoting their sustainability, efficiency, and quality;"
2. "Promoting comprehensive solutions (going beyond the provision of infrastructure to include actions that will improve management and efficiency levels in the delivery of services, and ensure their technical, environmental, social, economic, institutional, and financial sustainability)."

WASH targets 2016-2019:

- 950.000 households, with new or upgraded access to drinking water / 1.3 million households with new or upgraded access to sanitation

1. Water supply and sanitation funding by subsector

2011-2015



■ Drainage, 3%

■ Sanitation, 38%

■ Solid Waste Management, 5%

■ Water Resource Management & Climate Change, 5%

■ Water Supply and Sanitation, 49%

Source: Internal contact with IADB representatives

2. Average annual WASH commitments: IADB vs. DAC¹ Members and multilaterals ODA², 2011-2015

	VALUE \$ MILLION
IADB	1,268
DAC + MULTILATERALS	5,889
%	21

Source: IADB Annual Reports (2011, 2012, 2013, 2014, 2015) & OECD CRS, consulted April 2017.

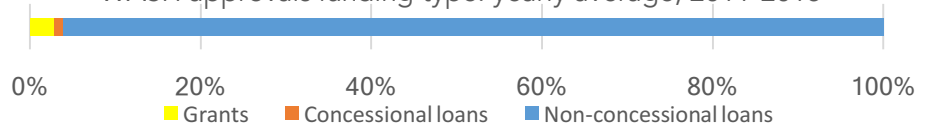
IADB annual commitments by sector, 2011-2015 average

	VALUE \$ MILLION
ALL SECTORS	12,208
WASH	1,268
%	10

Source: IADB Annual Reports (2011, 2012, 2013, 2014, 2015).

1. The IADB portfolio for WASH between 2011 and 2015 shows that 49% of projects were dedicated to both water supply and sanitation. Also, a high percentage of projects focused only on sanitation (38%), indicating that IADB appears to be contributing to closing the gap in terms of access to sanitation.
2. IADB's annual reports inform that funds committed to the WASH sector in the 2011-2015 period were equivalent, on average, to approximately \$1.2 billion per year. In the same period, the WASH sector constituted 10% of the IADB's entire funding portfolio. Non-reimbursable resources for technical cooperation also reached an average US\$14 million per year in this period (1% of total funding).
3. With the inauguration in 2007 of the Water and Sanitation Initiative, WASH projects approved by the Bank increased from an average of five per year between 2000 and 2006 to an average of 15 per year between 2008 and 2012. Accordingly, the total amounts committed to WASH increased from US\$200 million per year to an annual average of US\$1.4 billion in that period.

WASH approvals funding type: yearly average, 2011-2015



Source: Internal contact with IADB representatives

- ❖ The vast majority (96%) of IADB funding for WASH was non-concessional in character in the period 2011-2015. This can entail a greater financial burden on partner States and even on users; the need to impose cost recovery to pay back loans can leave poor populations behind in their access to adequate water and sanitation services. Haiti benefits exclusively from grants.

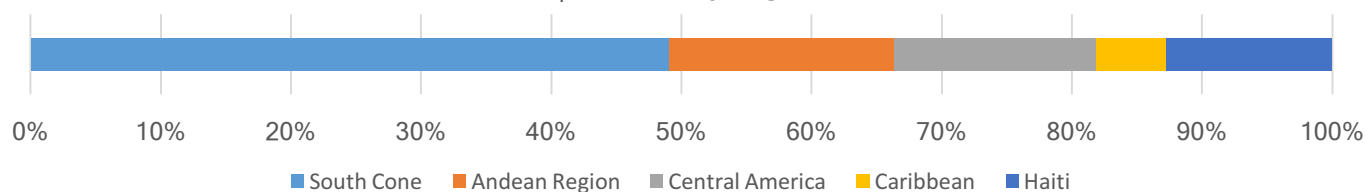
¹The Development Assistance Committee (DAC) is a 30-member forum of the OECD made up of many of the largest funders, including the European Union.

²OECD defines official development assistance (ODA) as financing that is concessional in character with a grant element of at least 25 per cent (using a fixed 10 per cent discount rate).

Incorporation of normative content & principles relevant to the human rights to water and sanitation in development cooperation policy

Normative content	Description of policy/measure	Details
Availability	Aspect of a policy goal	The Water and Sanitation Sector Framework possesses a goal, “...to have resources of adequate quality and quantity for all uses, taking into consideration climate change criteria”. IWRM is mentioned as an approach contributing to water security of drinking water purposes.
Accessibility	Reflected in a policy goal	The Water and Sanitation Sector Framework possesses a goal to “[a]chieve universal access to W&S services, improving opportunities for the low-income and most vulnerable population,” shows a focus on sanitation solutions in rural communities, and aims to increase the rate of in-house connections for drinking water.
Affordability	Related policy provisions but no guarantees; instead, emphasis on efficiency in service delivery, enabling access of most vulnerable populations, and some guidelines on subsidies.	The Water and Sanitation Sector Framework does not offer a clear guarantee for affordability of services from the user perspective. It does refer to the requirement for appropriate financing policies combining tariffs and subsidies, and the need to financially support the costs for improvements of hydro sanitary facilities in the household. On targeted subsidy schemes, the framework outlines that “they should be targeted at families that would find it hard to pay their service bills” and “must be transparent, objective, and defined by players other than the operator”
Acceptability	References to acceptability suggesting consciousness of key issues, but comprehensive policy commitments or goals are limited.	The Water and Sanitation Sector Framework details lessons learned indicating that conventional solutions for rural populations are often not adequate as they are not adapted to those populations’ needs, customs and willingness to pay. The framework’s policy goals prove to be limited, however: “adopting dimensions related to gender, indigenous populations, or Afro-descendant populations”. In the IADB Policy for Indigenous Peoples, the need for a consultation and negotiation process is highlighted in designing socio-culturally acceptable solutions for indigenous beneficiaries, including for projects involving natural resources.
Quality/Safety	Policy provisions aim to guarantee broader definitions of service quality as well as drinking water quality.	The Water and Sanitation Sector Framework possesses a goal to improve the “quality of service delivery”, which entails a priority for the Bank to undertake “comprehensive interventions that improve water quality” and “[enhance] the quality of service delivery”.
Human rights principle	Description of policy/measure	Details
Participation	Policy commitments.	In the Water and Sanitation Sector Framework, community participation is considered crucial--particularly in rural areas--for sustainability of services in all stages of the project and in service delivery, asset management, operations and maintenance. The Gender Policy promotes an equitable and effective participation of women and men in all aspects of the project cycle and in all public consultation processes. The Policy for Indigenous People promotes appropriate mechanisms for consultation and participation in the management of natural resources.
Transparency / Access to information	Provisions in policy documents articulated around the theme of governance	In the Water and Sanitation Sector Framework, IADB sets as a priority to promote its transparency and accountability to improve the quantity and quality of information for all stakeholders, for use in citizen control and participation, so as to strengthen users’ rights. One goal aims to “[strengthen] municipal management in W&S and technical assistance for developing and implementing information systems that boost transparency and accountability in sector institutions” In the Public Services Policy, IADB outlines the principle of promoting integrity, transparency and accountability, as part of the goal to improve governance, improve efficiency, and guarantee users’ rights.
Accountability	Related policy commitments; broad goals of strengthening governance	The Water and Sanitation Sector Framework possesses the goal to “[strengthen] oversight and regulatory bodies in the sector to enhance support for small towns and rural communities”. Public Services Policy – See <i>Transparency / Access to information</i> above.
Non-Discrimination / Equality	Subject of policy documents (gender, indigenous peoples); general ambitions to overcome the gap between urban and rural articulated in WASH policy	The Water and Sanitation Sector Framework possesses a goal to “[p]romote differentiated approaches in rural and peri-urban areas that increase the population’s access to W&S services, narrowing both socioeconomic and geographic gaps.” Accordingly, in that same policy, IADB proposes “investments to implement alternative, low-cost technologies to have a greater impact on the low-income population” and aims to “safeguard service access for vulnerable groups” including a focus on gender groups and indigenous communities.
Sustainability	Thorough incorporation in some policies, emphasizing social, economic and environmental dimensions	The Water and Sanitation Sector Framework addresses institutional, financial, social, technical and environmental aspects of sustainability. IADB proposes to improve the quality and efficiency of delivery of W&S services by emphasizing community participation, training, post-construction support, appropriate asset management and other practices to ensure efficient operation, maintenance, and resource use.

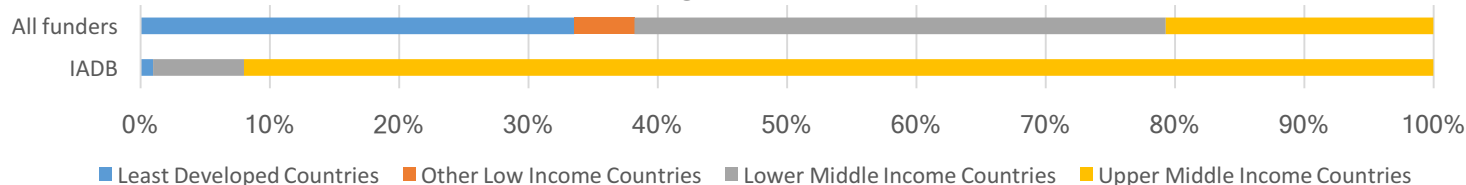
IADB current WASH portfolio by region (IADB classification)



Source: internal contact with IADB representatives.

❖ The IADB's active WASH portfolio is distributed among the sub-regions in its area of activity (Latin America and the Caribbean): 54% to the South Cone, 19% to the Andean Region, 17% to Central America, 6% to Caribbean and 4% to Haiti.

Approved loans for WASH by country groups (World Bank) income status: yearly average, 2011-2015



Source: Internal contact with IADB representatives.

❖ Compared to all funders' disbursement of funds for WASH in the period 2011-2015, the IADB disburses comparatively less to Least Developed Countries and comparatively more to Upper Middle Income Countries,

Key tools

- IADB has prepared a Basic Manual on the Human Rights to Water and Sanitation for public distribution. Through such efforts, IADB aims to generate good practices by providing guidance on how those rights can be incorporated in the activities of key actors in the water and sanitation sector in the Latin American and Caribbean region (e.g. service providers, States, regulatory or monitoring entities and users). According to the IADB, the Manual attempts to offer both general and more targeted, practical measures to assist actors in establishing an enabling environment for realisation of the human rights to water and sanitation. As a part of the manual's implementation, IADB has undertaken plans to perform four geographically focused studies in different locations in the region to facilitate information exchange and to hone in on particular challenges and dynamics of relevance for specific actors.³

- IADB developed AquaRating, a knowledge tool to rate the integrated management of W&S service providers. The system is based on an evaluation of 8 criteria which encompass accessibility, quality, efficiency, sustainability, and transparency.

Partnerships & Projects

- The **Cooperation Fund for Water and Sanitation (FECASALC)** is a strategic alliance between the IADB and the Government of Spain. It was created in 2008 with the aim of targeting peri-urban and rural areas to improve their access to water and sanitation systems. Promoting the human rights to water and sanitation is one of the alliance's explicit objectives. Beyond informing how infrastructure projects will be carried out and who they will benefit, that objective also translates into diverse processes for knowledge development and exchange between service providers and relevant authorities in the Latin American and Caribbean region. To date, FECASALC has generated 19 operations with an accumulated value of US\$1.1 billion (of which US\$580 million are Spanish Government grants), working in 13 regional countries.

- In 2008, the IADB created the AquaFund, a multi-donor fund for non-reimbursable technical cooperation. "[D]esigned to finance the preparation of projects, institutional strengthening activities and innovative pilot projects (water in schools...low-density rural areas, etc.)... [Aquafund] is the main Bank tool available for incorporating considerations on gender, ethnic minorities, and climate change, as well as for supporting the generation of knowledge, public policies, and the preparation and execution of loans on priority topics such as access for periurban and rural populations, wastewater treatment, solid waste management, risk management, urban drainage, business management of the operators, sector governance, and financial sustainability."⁴

- The Latin American Investment Facility is an alliance between the IADB, the European Union (EU) and Spanish Development Cooperation Agency (AECID) financing technical cooperation projects in Latin America and the Caribbean. The IADB manages and executes €12.8 million of the program's €15.3 million grant from EU & AECID. The program's thematic areas are climate change adaptation and integrated water resources management, which translate into policy and infrastructure measures in the water and sanitation sector.

- IADB has approved several projects with the explicit aim of improving water and sanitation services through the perspective of the human rights to water and sanitation. One technical cooperation project (RG-T2642)³ proposes measures to strengthen human rights approaches in the water and sanitation sector of States in all of Latin America and the Caribbean, starting with pilot projects in peri-urban and rural areas.

³ IADB, Documento de Cooperación Técnica n° RG-T2642, "El Agua y Saneamiento como Derecho Humano: aplicación práctica en LAC, divulgación e intercambio de conocimiento."

⁴ IADB, Water and Sanitation Sector Framework Document, 2014.