The final sector covered in this report is water, sanitation and hygiene (known as WASH). MDG target 7.C is to halve the proportion of the population without sustainable access to safe drinking water and basic sanitation. Between 1990 and 2012, 2.3 billion people gained access to an improved water source, and the water target was met in 2010 globally (though not in sub-Saharan Africa). But sanitation is one of the most off-track of all MDGs: 2.4 billion people will not have access to adequate sanitation at the end of 2015, virtually the same number as in 1990 and a total of one-third of the global population. Inadequate progress here has also undermined progress on the health MDGs.

Are countries meeting the WASH spending targets?

GSW tracks spending on water and sanitation, using a target of 1.5% of GDP. This is based on two components: the agreement in 2008 at the eThekwini meeting of AU ministers to spend 0.5% of GDP on sanitation and hygiene; and studies, including by UNDP, which have suggested that meeting the MDG water goal requires 1% of GDP annually.

In 2014, only three of 31 countries (Kiribati, Samoa and São Tomé and Príncipe), or fewer than 10%, met this target, as Figure 2.26 shows. In 2013, an additional four countries met the target: Angola, Niger, Timor Leste and the Solomon Islands. While the Central African Republic came very close at 1.4% in 2014 (due to a huge increase in donor projects which may not be sustainable in the long term), 20 other countries are spending much less than 0.5% of GDP – the amount needed for sanitation alone – on all aspects of WASH. The average level of spending across all countries is just above 1%, nowhere near the levels necessary for getting the sanitation MDG on track.
What are the recent trends in WASH spending?

Over the period of the GSW database (2008–14), average WASH spending has stagnated at around 0.9% of GDP and 2.3% of total spending. As figure 2.27 shows, 50% of countries saw their spending go down as a percentage of GDP and 47% saw this go up after 2012. Overall these trends demonstrate that spending on WASH is largely stagnant and well short of the necessary target levels.

WASH spending needs to double and be tracked for impact on access

The draft SDGs are much more ambitious than the MDGs on WASH, intending to reach universal access to water, sanitation and hygiene for all, which implies higher unit costs to reach marginalised groups, especially in informal settlements and urban slums. In addition, the SDGs are broadening the focus to include sustainable water resources management given increasing water scarcity, and specify more detailed goals for hygiene. UNCTAD also suggests that expanding equitable coverage to all will require public investment in services to meet the needs of the poorest.

There is no doubt that vastly more investment is required for the sector. According to the Sustainable Development Solutions Network (SDSN), US$24 billion could be required annually to ensure universal access to safe water and sanitation. It will also become even more vital to distinguish between spending which is increasing access and spending which is only increasing water provision and infrastructure to those with access already.

$24 billion could be required annually to ensure universal access to safe water and sanitation.

OVERALL SECTOR SPENDING PROGRESS

Comparing the different MDG sectors, Table 2.1 shows that progress in spending in virtually all MDG sectors is at best mixed. The percentage of countries meeting spending targets ranges from none on social protection to 39% for per capita health spending, with most sectors showing 10–20%. Education appears to be doing best in that 20% of countries are meeting at least one EFA target.

Education also receives the highest average proportion of total spending, at 16.8%, which is twice the level of health, three times that of agriculture, 5.5 times social protection, 7.5 times WASH and almost 20 times as much as spending on environment and climate change. This also leaves education on average three-quarters of the way to meeting its targets, whereas health is only halfway, and agriculture and social protection have only reached one-third of the necessary levels.

In terms of trends, agriculture performs worst, with spending falling on average and in the majority of countries – as is also reflected in the falling number of African countries meeting the Maputo AU target. WASH also does poorly, with averages stagnant and spending by most countries falling. Environment and health have seen stagnant or falling averages but marginally more countries increasing spending. The best performers have been education and social protection: though averages have been stagnant, a majority of countries have seen spending rises.

29. Financing the Sustainable Development Goals: Lessons from Government Spending on the MDGs