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2021 WASH Budget Brief



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Key Messages and Recommendations

- ❖ **Investment in maintenance for WASH service assets have been perennially underfunded. Since 2017, an average of only 0.5% of the total WASH expenditures has been earmarked towards goods and services, which also comprise critical components for repair and maintenance.** *It is, therefore, critical that Government recalibrate the expenditure composition of the WASH sector to ensure that adequate resources for instance at least 25% of total WASH budget is set aside for maintaining existing assets key to sustaining service functionality.*
- ❖ **The capacity of local authorities to finance investments in WASH is low due to sub-optimal tariffs, low collection rates for billed amounts and systems challenges.** *It is, therefore, critical that the Ministry of Local Government and Public Works adopts a “Systems Strengthening Programme” to support local authorities in improving billing and collection as well as support a gradual transition to at least cost recovery tariffs by local authorities.*
- ❖ **Dam construction continues to take a disproportionately high share of the WASH budget averaging about 60% of total WASH spending, crowding out other critical WASH downstream investments such as water supply, reticulation, and wastewater disposal.** *It is, therefore, critical that a right expenditure mix is adopted to improve WASH services across the continuum.*
- ❖ **Local authorities are not linking WASH spending with needs.** *It is critical that budget allocations and prioritization be based on evidence and data to ensure achievement of development objectives outlined in the National Development Strategy 1.*
- ❖ **It is commendable that the proportion of outlays on hygiene have increased from an average of less than 1% of total WASH spending for the past 3 years to 8.8% in 2021, reflecting elevated prioritization of hygiene services in the country.** *It is, therefore, critical to enhance advocacy for Government to maintain the increases in a fiscally constrained environment.*
- ❖ **Intergovernmental fiscal transfers to support the devolution exercise presents significant opportunities for increasing resources for WASH investments if an appropriate allocation guiding framework is put in place.** *To ensure that there is clear guidance on use of the funds, it is critical for the government to set clear spending parameters, perhaps through an Administration Manual.*
- ❖ **WASH is a leading priority in Urban Local Authorities’ budgets, accounting for 46% (US\$420 million) of total local government planned spending (US\$1.1 billion) in 2021, however, it ranks low for Rural District Councils, accounting for only 13% of their total budgets, despite significant access issues in rural areas.** *It is thus critical for Rural Local Authorities to re-balance their expenditure mix to ensure that WASH needs are catered for, especially in maintenance of facilities which have traditionally been supported through development partners.*
- ❖ **There has been limited engagement of the private sector to contribute to WASH financing.** *It is recommended that the relevant ministries and departments develop bankable investment projects for the WASH sector in Zimbabwe.*

1. INTRODUCTION

This budget brief explores the extent to which the national budget addresses the needs of children in Zimbabwe. The briefs analyze the size and composition of approved budget allocations to sectors that affect children in fiscal year 2020 as well as offer insights into the efficiency, effectiveness, equity, and adequacy of past spending for the WASH sector. The main objectives are to synthesize complex budget information so that it is easily understood by stakeholders and to put forth practical recommendations that can inform and make financial decision-making processes better respond to the needs of children and poor households.

WASH Sector Landscape

The National Development Strategy (NDS)¹, the country's development plan for the period 2021-2025, is premised on a rights-based approach to addressing issues of access to clean, safe water and adequate sanitation services. It recognizes the huge challenge facing the country regarding availability and access to WASH services. Table 1 provides the NDS1 targets, objectives, and strategies for the WASH sector.



Table 1: NDS1 WASH Targets, Objectives and Strategies

Subsector	Objectives	Strategies
Water	<ul style="list-style-type: none"> • Increase the proportion of the country's population using a secure, potable drinking water. • Increase access to potable water from 77.3% to at least 90% by 2025 • Increase water storage capacity from the current 15.423X106 mega liters to 16.979X106 mega liters by 2025 	<ul style="list-style-type: none"> • Development of the National Dam Safety Plan and its implementation; • Strengthening existing capacities for water resources management; • Development of water resources to cater for existing and future demand as well as reducing hydrological and climatic vulnerability; • Rehabilitation and development of basic water storage and transport infrastructure facilities such as canals, pipelines, and treatment plants; • Analytical studies, technical support, and capacity building for institutions with responsibilities of water resource management; • Drilling and hydrological investigations as well as expansion of hydrological stations; • Construction works on ongoing dam projects; • Demand management; • Commercialize ZINWA operations to ensure cost recovery when supplying raw and treated water for agricultural, household, and industrial use
Sanitation Services	<ul style="list-style-type: none"> • Improved sanitation services to expand access to improved sanitation facilities from 70.22% to 77.32% in both urban and rural areas, • Reduce open defecation from 21.7% to 9% by 2025, particularly in rural areas. 	<ul style="list-style-type: none"> • Expansion of the on-going programmes that are targeting rehabilitation of the existing urban and rural network of sanitation facilities. • Institutional reforms that will strengthen coordination and implementation of sanitation programmes including strengthening institutional capacities and coordination to enhance provision of sanitation in rural and urban areas. • Expansion of on-going hygiene education programmes for urban and rural communities. • Capacity building on hygiene education programmes, public accountability and credibility of public entities responsible for provision of sanitation in both rural and urban areas.

Source: National Development Strategy 1, 2021 – 2025, Ministry of Finance and Economic Development

The WASH institutional framework in Zimbabwe is comprised of several Ministries, Departments and Agencies¹, local authorities and private sector. Table 2 provides a summary of these key institutions and their areas of focus.

Table 2: WASH spending units and their area of in Zimbabwe²

WASH Sub-sector	Area
Hygiene	
Ministry of Health and Child Care	
Environmental Health	Urban & Rural
Sanitation	
Ministry of Local Government and Public Works	
Rural District Councils	Rural
Urban Councils	Urban
Water	
Ministry of Lands, Agriculture, Water and Rural Resettlements	
National Coordinating Unit	Urban & Rural
Water Resources Management and Development	Rural
Zimbabwe National Water Authority	Rural & Urban
Office of the President and Cabinet	
District Development Fund	Rural
Ministry of Primary and Secondary Education	WASH in Schools (Rural & Urban)

Over the years, Zimbabwe's water supply and sanitation services have deteriorated mainly due to lack of investments in maintenance and upgrading of existing systems. The deterioration in service delivery has adversely affected the poor and vulnerable households, and water-dependent businesses. Most of the sewerage systems constantly experience large-scale blockages, water treatment plants are dysfunctional and frequently lack water treatment chemicals while many distribution systems have fallen into disrepair.

¹ Ministries of Lands, Agriculture, Water, and Rural Resettlement under Program 9, Integrated Water Resources Management which is the main responsible department for WASH-related activities. The Department leads dam construction through the Zimbabwe National Water Authority (ZINWA), catchment and transboundary water management through Catchment Councils.

Ministry of Local Government and Public Works under Program 3, Local Governance as well as the allocation under the Constitutional and Statutory Appropriations for fiscal transfers to local tiers of government ; and

The Office of the President and Cabinet under Program 2, Policy and Governance which houses the District Development Fund (DDF), a major player with regards to rural WASH. DDF is responsible for rural infrastructure development, including roads, small-scale communal irrigation development and borehole drilling. It provides technical guidance and expertise to RDCs in planning and supervising rural WASH development, plays an advisory role to District Water and Sanitation Committees on borehole drilling as well as undertaking pump maintenance.

The Ministry of Health and Child Care (MHCC) under the Sub-Programme on Environmental Health. MHCC is responsible for monitoring water quality, as well as promoting safe water supply, excreta disposal and household hygiene practices.

² In addition to the MDAs listed in Table 1, there are other WASH activities through Ministry of Higher and Tertiary Education, Science, Technology and Innovation who are responsible for overseeing WASH service delivery in Colleges and Universities as well as Home Affairs in the Zimbabwe Republic Policy Camps, Ministry of Defense in Army Cantonment Camps and Ministry of Justice, Legal and Parliamentary Affairs through the Department of Persons and Correctional services. However, these are insignificant that including them in this analysis will not be of much analytical significance.

Most of the existing regulatory frameworks often lack specific operational strategies to provide actors with clear direction to support implementation. The sector has for a long time been hamstrung by a lack of comprehensive and up-to-date sector policies and strategies to provide direction and clarity of roles among stakeholders. Apart from the NDS1, the National Water Policy (2013), the Water Act, ZINWA Act, Urban Councils Act and the National Sanitation and Hygiene Strategy are currently being used as the guiding regulatory frameworks for the sector. Several updated policies have been developed in recent years but have not been finalized or approved. In addition, standards and norms are yet to be updated to align with the new WASH service levels stipulated in the SDG targets and indicators, hence this gap presents opportunities for collaborating with Government in the WASH sector.

Despite the multilayered challenges facing the sector, the country has registered some improvements on selected WASH indicators for the period 2014 to 2019 as shown in Table 3.

Table 3: Zimbabwe selected Indicators on WASH

% of the population (total, rural and urban) (SDGs):	MICS	
	2014	2019
✓ practicing open defecation	32%	22%
✓ using a basic drinking-water service	76%	77%
✓ with basic handwashing facilities in the home	56%	71%
✓ using an adequate sanitation facility	62%	69%
✓ living in households whose excreta are safely managed		98%
✓ Households with no toilet facility (urban)	1.1%	0.7%
✓ Household with no toilet facility (rural)	44%	31%
✓ % of population using an improved drinking water source		77%
✓ % of population using an improved sanitation facility		69%

Source: MICS 2019, Zimstats

Sub-optimal tariffs, low collection rates for billed amounts by local authorities and limited public funding, particularly for sewage reticulation infrastructure maintenance and upgrading, has resulted in the collapse of most of the backbone assets critical to deliver WASH services. The Government has been controlling tariff adjustments by local authorities and, in the process, approving sub-optimal tariffs for key WASH services. In addition, bill collection has been very low, averaging 40%³, while revenue leakages have been on the rise

³ Value for Money Audit Report, Auditor General, 2019

due to huge technical and non-technical water losses⁴. This low collection has been a result of low willingness to pay by consumers, unavailability of service, non-functional billing systems in a number of local authorities and moral hazard behavior that has its roots from the 2013 Government directive to local authorities to cancel all the debts owed by consumers.

Climate change related shocks of drought and floods have exacerbated the poor performance of the WASH sector.

Recurring droughts have resulted in most raw water sources unable to sustain demand. In addition, power shortages have also exacerbated the water supply situation as it is an essential input for reticulation particularly in urban local authorities.

The 2021 WASH Budget seeks to close the gap between water supply and demand prioritizing investments that meet the basic sanitation requirements of citizens, targeting the following interventions:-

- Strengthening capacities for water resources management and development
- Rehabilitation and maintenance programme to remedy deficiencies in existing water infrastructure such as dams, treatment plants and distribution networks.
- Expand availability of raw water sources, through construction and completion of on-going dam projects.
- Analytical studies to assess risks to public safety, extent of water losses, siltation and capacity building for institutions with responsibilities for water resource management.
- Demand management measures and implementation of full cost recovery water tariffs.⁵

Takeaways

- **Zimbabwe's water supply and sanitation services have deteriorated mainly due to lack of investments in maintenance and upgrading of existing systems, with a disproportionate impact on poor and vulnerable households who cannot afford alternative sources of service providers.**
- **The National Development Strategy (NDS) 1, recognises the challenges facing the WASH sector and its priorities are premised on a rights-based approach to addressing issues of access to clean, safe water and adequate sanitation services. It, therefore, provide a strong basis for engagement with the Government in elevating WASH interventions in the budget.**
- **Funding situation of local authorities is constrained owing to sub-optimal tariffs, low collection rates for billed amounts and systems challenges. This will continue to impact on WASH outcomes.**

⁴ Technical losses (real) refer to water losses caused by leaking pipes, bursts, leaking reservoirs and by 'apparent' losses, mainly to do with old or stuck water meters that do not correctly register water consumption. Non-technical losses also include illegal connections and flaws in water meter reading and inconsistencies in the customer database (missing customers: who receive water but no bill).

⁵ 2021 Infrastructure Investment Plan, Ministry of Finance and Economic development

2. WASH SPENDING TRENDS

Government spending in WASH has been increasing over the years, however, with some yearly fluctuations. For 2021, total real WASH earmarked spending amounts to US\$186 million (4%), an increase from the US\$91 million (3.6%) spent in 2020 as shown in Figure 1. As a percentage of the National Budget, WASH expenditure has averaged 3.3% over the last four years; well below the Sanitation and Water for All (SWA) commitment of 7% per year. WASH spending as a percentage of GDP has averaged 0.6% between 2017 and 2020, and by 0.5 percentage points from 0.6% in 2020 to 1.1% in 2021 (see Figure 2), mainly due to increased planned outlays for dam construction and improved allocation for environmental health sub-programmes that are critical for promoting hygiene and monitoring of water quality standards.

Figure 1: Nominal and real WASH sector spending trends, 2017-2021

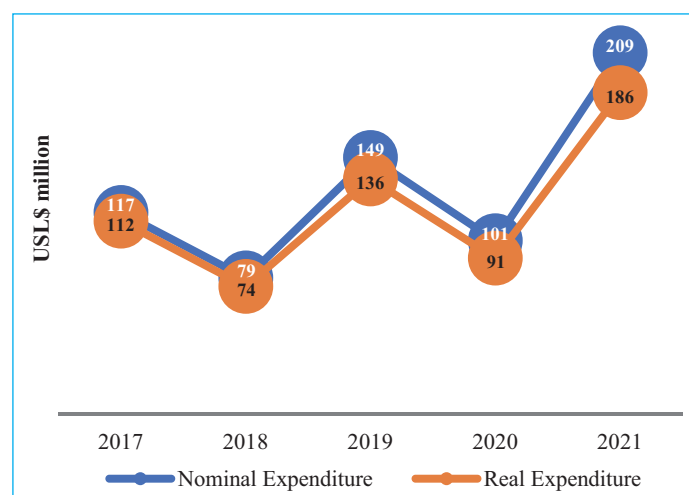
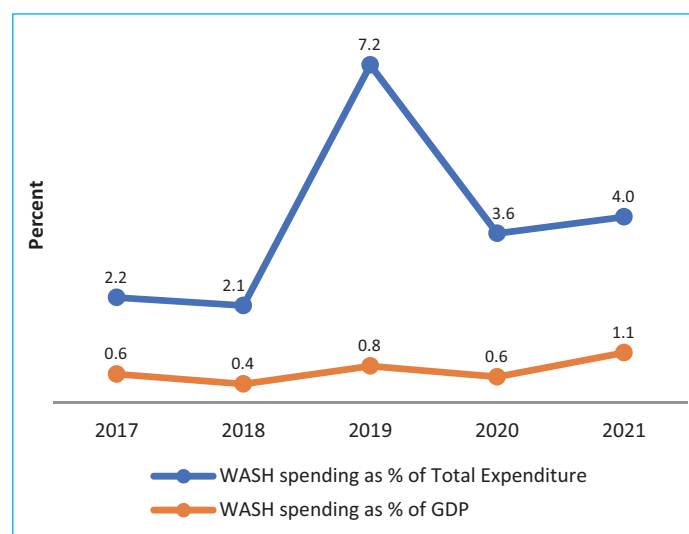


Figure 2: WASH spending (as % of total spending and % of GDP)

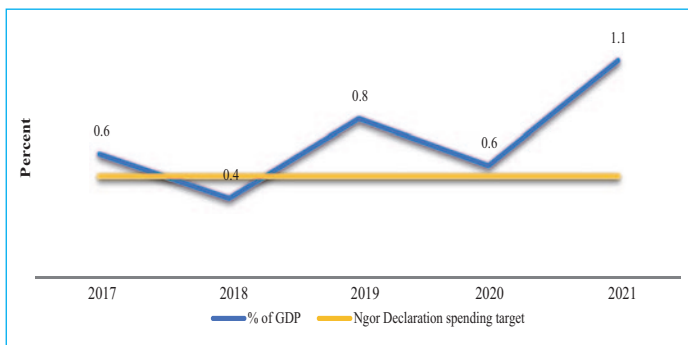


Source: MoFED, Estimates Book of Expenditure and author calculations

⁶ Commitment made by the Government during the High-Level Water Investment Conference in 2014

The Government of Zimbabwe has been able to meet the Ngor Declaration target of allocating 0.5% of GDP to WASH, but allocations are significantly lower than financial needs (Figure 3).⁷ Investment in the WASH sector falls below government commitments at the 2014 Sanitation and Water for All Investment Conference target to allocate 7% of the budget to WASH⁸. Furthermore, the allocation is below the ideal funding for WASH proposed under the Africa Infrastructure Country Diagnostic (AICD) (2008), which requires Sub-Saharan African countries to allocate 0.9% of GDP to achieve improved WASH outcomes for all citizens, particularly children.

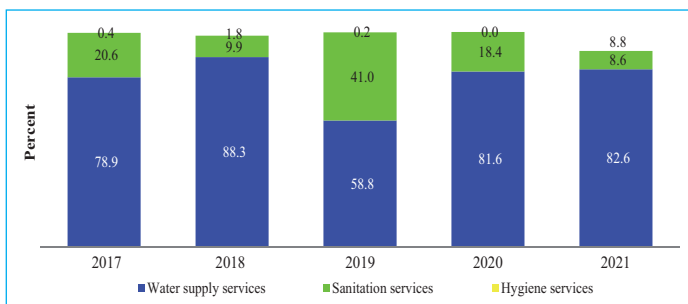
Figure 3: Sanitation and hygiene spending trends and the Ngor Declaration target, 2017-21 (% of GDP)



Source: MoFED and the Ngor Declaration on Sanitation and Hygiene

Zimbabwe's WASH spending mix is biased towards water supply services, constituting on average, 80% of total WASH outlays⁹ between 2017 and 2020 (Figure 4). The major WASH services in Zimbabwe include, water supply (dam construction, bore drilling and development of water supply scheme), sanitation services (sewerage management, waste water management, solid waste management) and hygiene services (environment health services which include water quality monitoring, promotion of hygiene practices, infection control). For 2021, total nominal allocation to WASH increased to US\$209.3 million from US\$100.6 million in 2020. The proportion of the water supply allocation rose

Figure 4: WASH sector spending by services, 2017-2021 (as % of sector budget)



Source: MoFED, Estimates Book of Expenditure and author calculations

⁷ The Ngor Declaration on Sanitation and Hygiene Adopted by the African Ministers responsible for sanitation and hygiene on 27 May 2015 at AfricaSan4, Senegal

⁸ The State of WASH financing in Eastern and Southern Africa: Zimbabwe Country Level Assessment, September 2019

⁹ This mainly consist of dam construction for bulky water source

marginally in percentage terms from 81.6% in 2020 to 82.6% in 2021, though this is more than double in level terms from US\$82.1 million in 2020 to US\$172.9 million in 2021, while the proportion of sanitation services to total WASH budget declined to 8.6% (US\$18.3 million) from the 2020 proportion of 18.4% (US\$17.9 million). The proportion of outlays for hygiene services increased significantly mainly on account of increased allocations for the environmental health sub-sector under the Ministry of Health and Child Care. This could be a result of the restructuring of the Ministry.

The increase in the budget composition for hygiene services such as environmental health programme is commendable as it reflects elevated prioritization of the critical service by the government. This is consistent with the high per dollar return as of hygiene spending witnessed by its contribution to combating water borne diseases such as cholera during outbreaks as well as the improvements in hygiene practices by households as observed from MICS 2019 results. In addition, practicing good hygiene particularly regular hand washing is currently one of the most effective ways of preventing COVID-19 infection.

Takeaways

- **Government spending in WASH has been increasing over the years, however, the at the current levels, WASH spending is still below the Sanitation and Water for All (SWA) commitment of 7% per year of National Budget, this make it difficult for the country to achieve Sanitation and Water for All.**

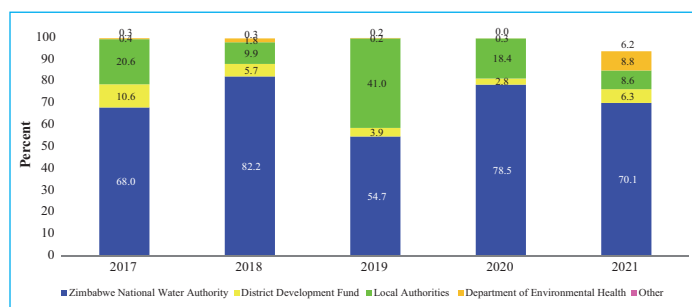


3. COMPOSITION OF WASH SPENDING

Institutionally, the Zimbabwe National Water Authority (ZINWA) administers the largest proportion of the WASH budget, with an average of 70% for the period 2017 - 2021.

This is mainly due to the composition of dam construction within the WASH outlays which are implemented by ZINWA. The Department of Environmental Health and local authorities account for the second and third largest shares at 8.8% and 8.6% of total WASH spending in 2021. The proportion for local authorities is worryingly unstable characterized by wide variations over the years despite the key role of local tiers of government in the provision of WASH services. Figure 5 shows the WASH sector spending by institution for the period, 2017 – 2021.

Figure 5: WASH sector spending by institution, FY2017-2021

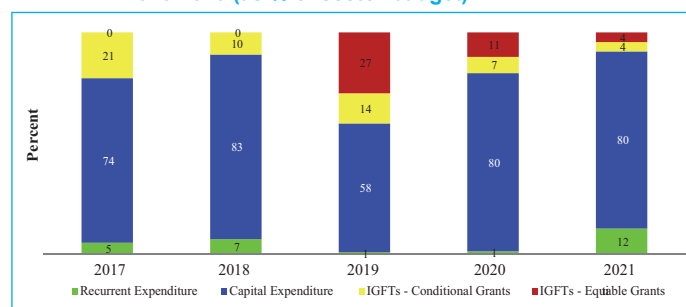


Source: MoFED, Estimates Book of Expenditure and author calculations

Investment in maintenance of service assets have been perennially underfunded. This poses significant risks to sustaining service delivery as assets functionality is weakened. Since 2017, an average of only 0.5% (US\$7.8 million)¹⁰ of the total average WASH expenditures (US\$131 million) were earmarked towards goods and services, which also comprise critical components for repair and maintenance over and above the operational requirements for institutions providing WASH services.

Over the recent past, the proportion of recurrent spending in WASH outlays has been declining and remains very low although there was an increase in 2021, reflecting low prioritization of investing in maintenance of the existing assets. As a result of lack of prioritization of maintenance in the sector, a significant amount of water and sanitation infrastructure is in a state of disrepair. The continued rise in operations and maintenance costs, combined with the perennial under funding of the same has made it difficult to sustain service delivery at the minimum in several localities in the country. Figure 6 shows the WASH spending by economic classification for the period 2017 – 2021.

Figure 6: WASH sector spending by economic classification, 2016-2020 (as % of sector budget)

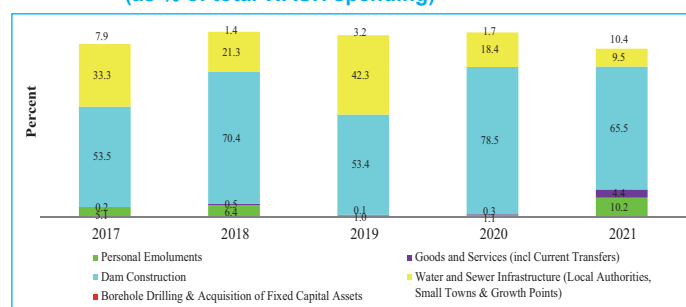


Source: MoFED, Estimates Book of Expenditure and author calculations

Dam construction continues to take a disproportionately high share of the WASH budget, constituting an average of 60% for the period 2017 – 2021, while that of other critical WASH downstream investments such as water supply, reticulation and wastewater disposal constitute about 20% in 2021 (see Figure 7). For the 2021 budget, the government has made a provision of US\$137 million for 12 dams of which some include (Gwayi-Tshangani, Chivhu, Semwa, Marovanyati, Kunzvi, Tuli-Manyange). This large number of targeted dam projects has the effect of stretching the available budget and cashflows to the extent that much of the spending will only be for sustaining the project sites without much impactful physical progress with regards to the dams. On the other hand, about 10% of the budget goes towards recurrent expenditures, comprising of personnel emoluments for central government staff as well as outlays for goods and services for the sustenance of these departments.

Investments in water and sewer infrastructure for local authorities, small towns and growth points have declined for two consecutive years, 2020 and 2021. This is a cause for concern given that these entities are responsible for the provision of the last mile WASH services to the consumer. Figure 7 shows WASH spending trends by expenditure components for the period 2017 – 2021.

Figure 7: WASH spending by expenditure components (as % of total WASH spending)



Source: MoFED, Estimates Book of Expenditure and author calculations

Takeaways

- **Zimbabwe's WASH spending mix is biased towards water supply services, more-so towards dams. This crowds-out the other critical complementary WASH services key in improving the quality of life for citizens.**

⁷ This does not include own resources spent by institutions providing WASH services such as rate and fees collected by Local Authorities and ZINWA which they may redeploy to the provision of WASH services

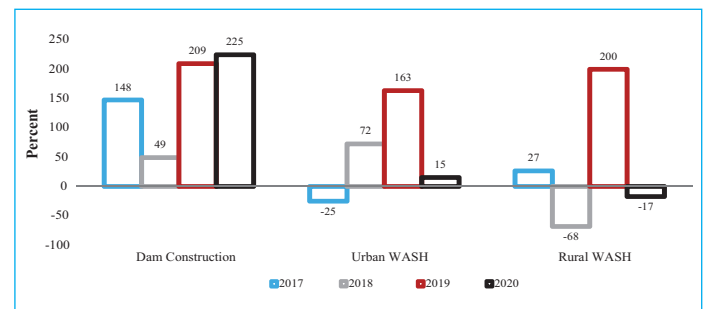
- *Proportion of outlays on hygiene have increased reflecting elevated prioritization of the critical service by the government, it is, therefore, critical for constant engagement with government to ensure sustainability of the support to hygiene services.*
- *Investment in maintenance of service assets have been perennially underfunded. This poses significant risks to sustaining service delivery as assets functionality is reduced.*
- *Dam construction continues to take a disproportionately high share of the WASH budget while that of other critical WASH downstream investments such as water supply, reticulation and wastewater disposal remain low and crowded out. This negatively impact on effectiveness of spending across the WASH continuum with citizens still not able to access services.*
- *Investments in water and sewer infrastructure for local authorities, small towns and growth points have declined despite their key role in providing WASH services at local levels. This will inevitably impact citizens on access to WASH services.*



4. BUDGET CREDIBILITY AND EXECUTION

Budget credibility is an issue of concern in the WASH sector, with execution rates varying widely amongst the various WASH infrastructure outlays with a strong bias towards dam construction. As shown in Figure 8, dam construction persistently experiences expenditure overruns with the actual expenditures for 2019 and 2020 being three times the approved budget. Expenditure overruns on dam construction are mainly driven by poor project planning, budgeting, and forecasting of expenses and cash demand. Investment outlays for urban WASH also experience overruns for the period 2018-2020, however, with a lower magnitude compared to that of dam construction. Rural WASH budget performance is erratic more inclined to under performance for much of the years. This reflects the low prioritization of rural WASH by the Government on expenditures.

Figure 8: Budget credibility rates in WASH Capital Investments, FY2017- 2021 (deviation from amount approved as %)



Source: MoFED, Estimates Book of Expenditure and author calculations

Low budget execution rates by Rural District Councils partly emanate from cash flow problems, late release of funds and technical capacity constraints. Weak budget performance for rural WASH mainly results from the non-release of appropriated funds for Rural WASH entities due to cash rationing measures implemented by the government as it targeted to balance the budget as well as technical capacity issues in Rural District Councils to initiate and implement WASH projects. The constrained cash releases affect budget credibility for the year, with a long-term impact on implementing agencies' perception on the budget as a paper allocation, thus, exerting a drag to future planning and execution of projects and programs.

The Budget has been unable to meet requirements, including those to support central government entities and councils that provide basic WASH services. While budgetary allocations to the WASH sector have been increasing over time, these increases have not always been matched with actual budget disbursements for some of the WASH components.

5. DECENTRALIZATION AND WASH SPENDING

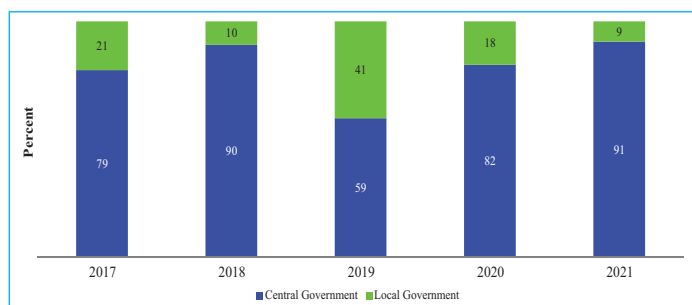
Intergovernmental fiscal transfers (IGFTs) to support the devolution exercise present significant opportunities for increasing resources for WASH investments as additional resources flow to local authorities in support of service delivery. The Government of Zimbabwe has been disbursing resources to local tiers of government over the years as discretionary conditional grants. However, beginning 2019, the Government commenced the implementation of the 2013 Constitutional provision of equitable fiscal transfers to local tiers of government in of support the devolution exercise. This has seen an increased flow of funds to support basic social service delivery and provide a window of opportunities for increased investments in WASH by local tiers of government.

Currently, there are no specific spending guidelines on the utilization of IGFTs, and local tiers of government have the discretion to spend in service delivery areas of their interests.

The Ministry of Finance and Economic Development is in the process of developing a Grant Administrative Manual that would provide guidance on the IGFTs. This, therefore, presents an opportunity for the government to set spending parameters for specific sectors such as WASH, to protect critical service delivery.

Central government dominates WASH spending despite the advent of fiscal transfers. Although most value-added WASH services are delivered at the local authority level, central government still dominates WASH spending reflecting the current challenges of WASH services at the local level (see Figure 9). A significant component of central government spending on WASH relates to upstream and bulky investments in dam construction. This has crowded out critical last mile WASH investments that should be undertaken by local tiers of government, hence, the declining trend in local government WASH investments.

Figure 9: Central and Local Government spending trends on the WASH sector FY2017-2021 (as % of total)

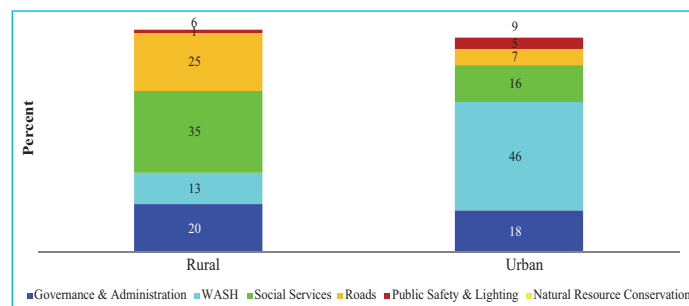


Source: MoFED, Estimates Book of Expenditure and author calculations

WASH is a leading priority in local authorities' budgets, accounting for 37% of total planned expenditures. Urban Councils prioritize WASH in their budgets with 46% (US\$420

million) of total local authorities planned spending (US\$1.1 billion) in 2021. On the other hand, WASH investments are a low priority for Rural District Councils constituting only 13% (US\$38 million) of total WASH planned spending in 2021 (see Figure 10). However, there is significant room for improvement in prioritization to enhance allocations for other critical soft investments such as maintenance for improved WASH outcomes.

Figure 10: 2021 Local Authorities Budgets Priorities Composition by location, as % of total



Source: MoLGPD and author calculations

Key Takeaways

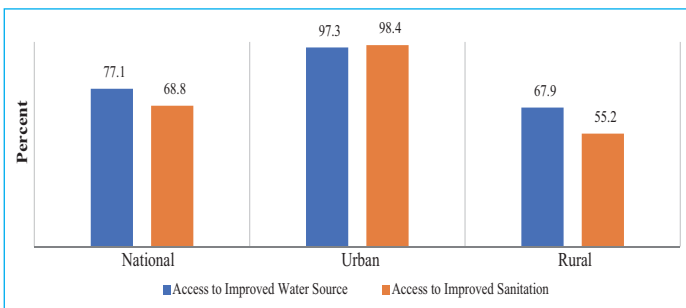
- *There are no specific spending guidelines on the utilization of IGFTs and local tiers of government have the discretion to spend in service delivery areas of their interests, this elevates risks for elitist spending which may not serve the needs of communities.*
- *Central government dominates WASH spending despite the advent of fiscal transfers. This has crowded out critical downstream investments by local tiers of government, hence, the deteriorating WASH outcomes*
- *WASH spending ranks low in Rural District Councils accounting for only 13%, this reflects the poor WASH outcomes for rural areas.*



6. EQUITY OF WASH SPENDING

Access to WASH services remains a severe challenge for the rural population in Zimbabwe. Nationally, 22.9% of the population lacks access to improved source of drinking water, while 31.2% lack access to improved sanitation services. The problem is severe in the rural areas where 32.1% of the population have no access to improved sources of drinking water while 44.8% have no access to improved sanitation, compared to 2.7% with no access to improved sources of drinking water and 1.6% with lack of access to improved sanitation in urban areas¹¹. Figure 11 shows the status of access to improved sources of drinking water and improved sanitation.

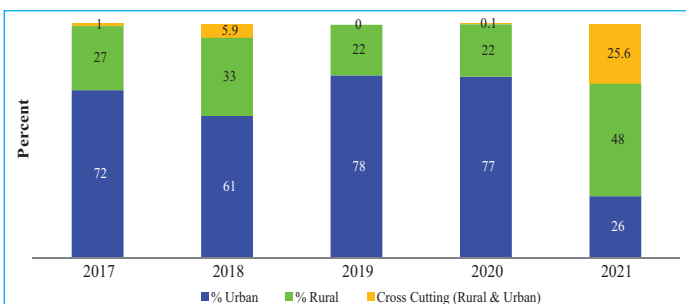
Figure 11: Population with access to improved water source and sanitation



Source: MICS 2019, Zimstat & UNICEF (2019)

The 2021 budget reflects a shift on priorities from urban to rural WASH. Rural WASH outlays constitute 48% of planned WASH spending in the national budget, excluding outlays for dam construction, in 2021. This is a significant growth in composition from an average of 26% over the last four years. This is a critical step in addressing the urban and rural divide that exist regarding access to WASH services. Although, urban WASH facilities cost more per capita compared to rural WASH requirements, the large number of people in rural areas with no access to WASH services should be considered when determining budget allocations. This is more-so given that the higher socioeconomic return on public resources per cubic meter of water is from rural water for basic needs and household production. Figure 12 shows trends in rural and urban WASH spending trends excluding outlays on dam construction.

Figure 12: Rural and urban WASH spending trends, 2016-2020 (as % of total WASH budget excl dam construction)

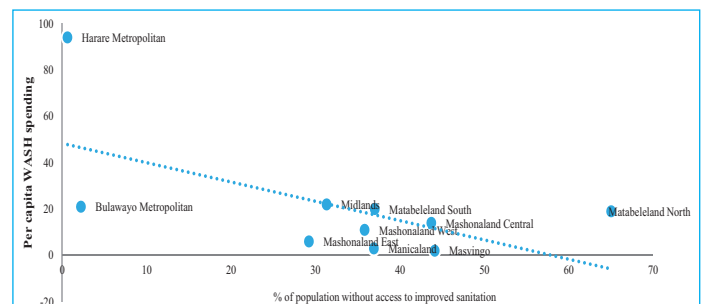


Source: MoFED, Estimates Book of Expenditure and author calculations



Many local authorities are not linking WASH allocations to the needs as guided by the population they serve as reflected by their per capita spending on WASH. The 2021 per capita WASH spending by local authorities do not show any relationship with desired WASH outcomes. Local authorities are not taking into consideration access to services for all¹² when determining priorities for spending. The expectation would be to observe a positive correlation between the percentage of population without access to sanitation and the per capita spent on WASH in the respective jurisdictions. However, as shown on Figure 13, this is opposite for all provinces in Zimbabwe. Local authorities in Harare Metropolitan are spending a significant proportion of their total budget on WASH even though they have a smaller proportion of their population without access to basic sanitation services. Local authorities in Matabeleland North have a higher proportion of their population without access to improved sanitation, however, the per capita WASH allocation is lower than the rest of local authorities in the other provinces with better access.

Figure 13: Per capita WASH spending and access to improved sanitation by province, latest available



Source: MoFED, Estimates Book of Expenditure, Zimstat and Author calculations

Key Takeaways

- Local authorities are not linking WASH allocations to the needs as guided by the population they serve reflected by the low per capita spending on WASH.

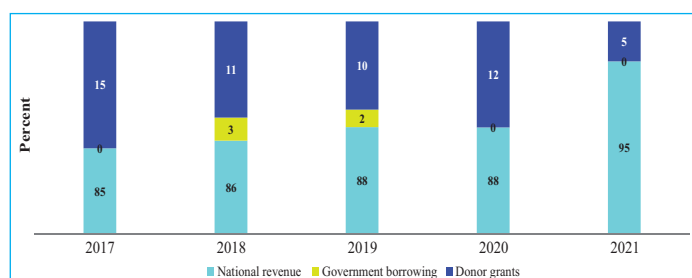
¹¹ Source: Multiple Indicator Cluster Survey, 2019 Survey Finding Report, Zimstat, November 2019

¹² Local Authorities not making use of evidence

7. FINANCING THE WASH SECTOR

The National Budget is the main source of financing for the WASH Sector, particularly infrastructure. On average, the national budget accounts for about 88% of WASH financing. Development partners also invest a significant amount in the WASH sector. These investments are mainly executed through Multilateral Development Agencies such as UNICEF, the World Bank, and the African Development Bank. As such, the National Budget does not fully account for these investments which in some instances understate total investments being channeled towards the sector as well as contribution by development partners. Figure 14 shows a disaggregation of funding for WASH by main source.

Figure 14: Main sources of financing the WASH sector, 2017-2021 (as % of total WASH Financing)



Source: MoFED, Estimates Book of Expenditure, Zimstat and Author calculations

Despite most resources from development partners not being channeled directly through the National Budget, development partners have been an important source of financing for the WASH sector with US\$10 million expected in 2021. For the period 2016 – 2019, UNICEF alone has made disbursements amounting US\$59 million, both from own and bilateral sources. However, there is a trend of declining official

development assistance, mainly due to both internal and external factors. Zimbabwe's ongoing economic challenges, combined with increasing climate induced shocks, the COVID-19 pandemic, and recurring cholera and typhoid emergencies, have seen development partners increasingly shifting focus to humanitarian responses as stakeholders prioritise responses to emergencies to save lives which creates a vicious cycle, locking the country in a non-developmental trap.

There has been limited engagement of the private sector to contribute to WASH financing. Several attempts have been made and, in some cases, Public Private Partnership arrangements have been signed on some projects like the Harare Kunzvi- Musami Water Project. However, all these projects have failed to takeoff mainly due to the private partners' lack of capacity to meet committed financial obligations. Some of the inhibiting factors for private sector participation has been lack of pipeline of bankable investment projects for the WASH sector in Zimbabwe, sub-optimal tariffs that are controlled by the government which make it difficult for competitive returns on investments as well as weak governance issues in most local authorities who are supposed to be contracting authorities in PPP arrangements. The availability of pipeline of bankable projects reduces transaction costs as private investors would not need to invest in non-return upstream project preparation activities.

Key Takeaways

- **The National Budget is the main source of financing for the WASH Sector, particularly infrastructure accounting for an average of 88% of total WASH financing. This is commendable as it ensures sustainability of investments**
- **There has been limited engagement of the private sector to contribute to WASH financing. This constrain expansion required to cater for underserved populations as investments will only rely on the budget.**





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