



MCC's Commitment to Sustainable Clean Water, Sanitation and Improved Water Infrastructure

Access to water, sanitation and hygiene (WASH) is fundamental to improving the livelihoods and well-being of the poor. Clean water and adequate sanitation lead to improvements in health, school attendance, productivity, and entrepreneurship. The Millennium Challenge Corporation (MCC) and its partner countries have prioritized WASH sector development: MCC has invested \$793 million in WASH-related projects in nine partner countries.¹

MCC applies its principle of country ownership to the selection, design, and implementation of WASH projects. Once a country identifies lack of access to water and sanitation as a primary constraint to economic growth and poverty reduction, MCC requires a comprehensive examination of challenges and opportunities for sector development.

MCC encourages partner countries to take a holistic perspective in project design, looking beyond engineering and infrastructure to address elements of sector development like resource limitations, environmental challenges, water use and conservation policies, social- and gender-based barriers, and capacity of local institutions to enforce policies and operate infrastructure. All proposed investments must also produce economic returns distributed across the target population. This forward-looking approach to sector development ensures economic, technical, and social sustainability—all critical elements of lasting poverty reduction.

MCC's WASH investments vary considerably from country to country. Many projects are based in urban areas, including small cities and towns, where rapid population growth strains outdated infrastructure and weak or non-existent water and sanitation utilities. Investments are more heavily weighted in water sector development, including projects designed to improve water delivery infrastructure and enact policy and institutional reforms that contribute to more corporatized and sustainable provision of water services to

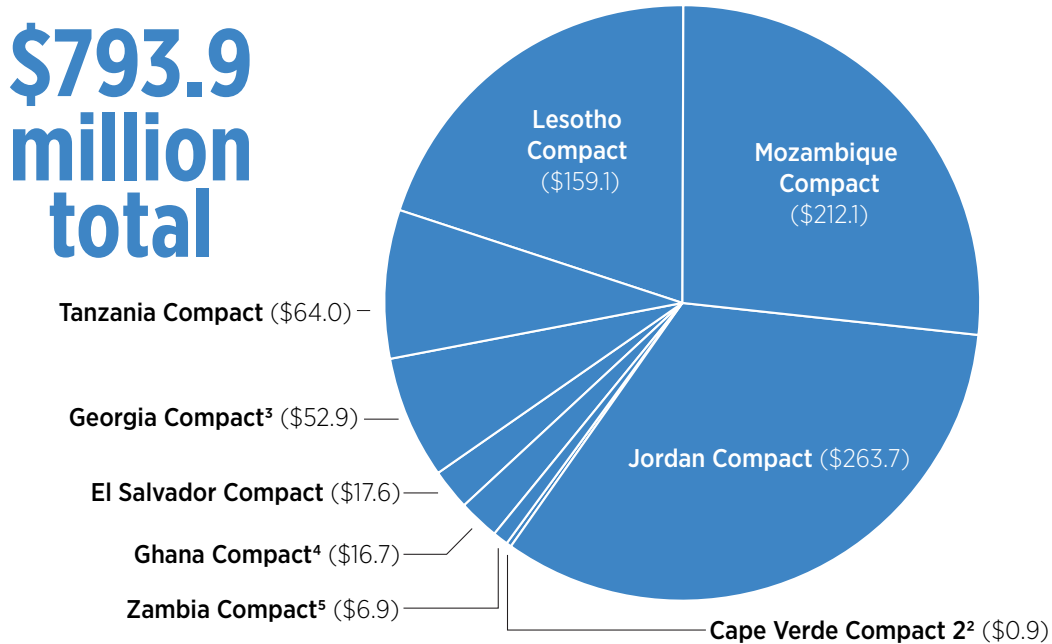


MCC has invested \$793 million in water, sanitation and hygiene in nine partner countries.

¹ \$793 million as of 12/31/2011. Includes project preparation, engineering, and management consultancies associated with WASH projects. Does not include investments in irrigated agriculture

users. Sanitation investments also include drainage improvements, latrine programs, hygiene education, and centralized collection and treatment of wastewater to ensure rational use (and re-use) of water resources.

Cumulative Water, Sanitation and Hygiene Obligations¹
as of December 31, 2011 (in millions)



1. MCC Compact funding is committed when compacts are signed and obligated when compacts "enter-into-force." These cumulative obligation figures are subject to change. Changes are due in some cases due to suspension, termination, or amendments to projects, and in some cases re-structuring as a natural part of ongoing project management. 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. Compact signed February 2012 for \$66.2M
3. For Georgia, water, sanitation and hygiene as well as irrigation are included in the Regional Infrastructure Development project.
4. For Ghana, the water and sanitation investment is an estimated portion of the community services project, which was managed by local communities.
5. Only pre-compact funds obligated

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Many MCC-funded projects in partner countries include secondary drinking water and sanitation programs as integral components of construction projects or resettlement efforts (not included in the table above). For example, MCC's compact with Mali includes over \$5 million in drinking water and sanitation investments in the Bamako-Sénou Airport Improvement Project, and close to \$4 million in resettlement of persons affected by the Alatona Irrigation Project.

MCC's WASH investments are contributing to water security in our partner countries. Three countries, Cape Verde, Jordan, and Mozambique, have prioritized water sector development as the primary focus of their MCC compacts. Zambia has prioritized water and sanitation in its compact development process.



Policy Reform in Cape Verde

The MCC approach to project design begins with a sector-level diagnostic to identify policy, regulatory, and institutional barriers to service delivery. MCC worked with the Government of Cape Verde to identify a number of policy and institutional challenges that constrained the water and sanitation sector. The compact's Water, Sanitation, and Hygiene Project is designed to establish a financially sound, transparent and accountable institutional basis for the delivery of water and sanitation services to Cape Verdean households and businesses. The project's approach to improving sector performance is based on a three-pronged strategy: reforming national policy and regulatory institutions, transforming inefficient utilities into independent corporate entities operating on a commercial basis, and improving the quality and reach of water and sanitation infrastructure.



Access to Water and Gender Integration in Zambia

Women and girls often suffer disproportionately from lack of access to water and sanitation. Zambia's proposed compact is designed to build on more than 15 years of WASH sector reform in Zambia. Through these reforms, the Government of Zambia has established a firm foundation for a compact investment seeking to improve access to water and sanitation for people in the rapidly urbanizing capital city of Lusaka. The proposed MCC investment is expected to support the government's WASH sector reform efforts through institutional strengthening to improve the health and economic productivity of city residents. The project prioritizes social and gender integration, and includes activities to expand project benefits for women and vulnerable groups.



Private Sector Participation in Jordan

MCC seeks to engage the private sector in WASH sector development where appropriate. The Jordan compact includes a project designed to expand the As-Samra Wastewater Treatment Plant in partnership with a private sector operator that will mobilize a portion of construction costs. The As-Samra Plant was originally built with support from the U.S. Agency for International Development, and is the primary facility for treating wastewater from Jordan's Amman and Zarqa Governorates.

The plant is nearing its capacity. Without an expansion to properly handle growing volumes of wastewater in the region, the plant may become overloaded, its ability to treat wastewater properly may deteriorate, and farmers who rely on treated water for irrigation may face serious food safety risks and the loss of markets for their agricultural products. The As-Samra Expansion Project is designed to increase the treatment plant's hydraulic capacity by one-third and its capacity for handling sludge by up to one-half greater than the existing plant, meeting the region's wastewater treatment needs through 2025. The private sector partnership may also enhance operational sustainability by transferring some risks related to financing, construction and operations to the private sector.



Monitoring and Evaluation in Mozambique

Although the near-term benefits of water and sanitation projects are clear, their wider impact is often poorly understood. MCC-funded projects examine not only the direct impact of improved water and sanitation in terms of time savings and reduced illness, but also the broader impact these interventions have on productivity and poverty reduction.

The Mozambique compact's Rural Water Supply Project includes installation of 600 water access points in rural areas. In order to monitor the activity's impacts and sustainability, a panel survey was designed to compare households "before" and "after" the intervention in targeted and control communities. The process involves a time gap between the installation of a water access point and follow-up data collection activities in order to allow impacts to manifest and to collect information about the sustainability of community management institutions. By studying the effectiveness of a variety of water and sanitation interventions within and across countries, MCC will obtain useful information for future investments and contribute to knowledge creation in the water and sanitation sector.

For more information, visit www.mcc.gov/water.