



USAID | MADAGASCAR

FROM THE AMERICAN PEOPLE

Water for the World Country Plan

I. EXECUTIVE SUMMARY

USAID/Madagascar is currently engaged in a transition from direct support for service delivery in the community to investments in systems strengthening that are linked directly to improving the accessibility to and sustainability of quality health and water, sanitation and hygiene (WASH) services. USAID/Madagascar's new Water and Development High Priority Country (HPC) Plan builds on the achievements of current USAID WASH investments and activities. The HPC Plan expands the focus on local development solutions and promotes country ownership and leadership to implement these solutions with good governance, accountability, and transparency. USAID/Madagascar will strengthen the ability of the Government of Madagascar (GoM) to sustain its own development agenda by increasing the mobilization of domestic resources for WASH, engaging the private sector to expand delivery of quality products and services, and scaling-up of effective private sector strategies through public/private partnerships (PPP) and robust financing strategies that increase private sector viability. The strategy will support improvements in regional and national data quality, collection, and timely reporting, and build country capacity for analyses and use of data for decision-making. Finally, the Plan will continue to support targeted WASH operational research.

USAID/Madagascar will continue to align with GoM priorities, addressing weaknesses in the WASH enabling environment, challenges in rural water supply and sanitation, and social behavior change (SBC) to achieve good health and hygiene. Work with the regional and national Ministry offices will focus on improving capacity of the Ministry of WASH (MoWASH), strengthening data collection, data communication, data analysis and knowledge management. At the same time,

efforts will continue to focus on developing financing opportunities to support private sector WASH service delivery. While rural WASH programming will continue to be a priority, USAID/Madagascar will seek to leverage private sector opportunities to address urban sanitation challenges, a sector that has received little attention in Madagascar. USAID/Madagascar WASH activities will co-locate with other health interventions to maximize impact and leverage resources to achieve sustainable results.

II. INTRODUCTION

Madagascar is the fourth largest island in the world and is home to diverse hydroclimatic conditions, ranging from the generally water-rich high plateau to the extremely arid southern desert. As a result, Madagascar's water resources are similarly diverse and WASH challenges vary dramatically from region to region and even from commune to commune. Despite these differences, limited access to clean water and poor sanitation and hygiene practices are of near universal concern in Madagascar. Globally, Madagascar ranks third from last in terms of access to safe water. While 82 percent of urban residents have access to clean water, only 34 percent of rural residents do (MICS 2018). Madagascar also ranks fourth from last in access to sanitation. Among the 83 percent of Malagasy people who live in rural areas, only six percent have access to safely managed sanitation facilities. In addition, 44 percent of Madagascar's population still practices open defecation (MICS 2018). In 2015, Madagascar failed to achieve its targets under the Millennium Development Goals of 68 percent access to potable water and 54 percent access to basic sanitation (Millennium Development Goal Survey 2012/2013). Closely associated with inadequate WASH is undernutrition, and Madagascar has the fifth highest rate of chronic undernutrition in the world. Half of Malagasy children under age five are stunted, with studies validating a direct link between open defecation (coupled with the lack of clean water and poor hygienic practices) and cases of diarrhea and chronic malnutrition.

In 2019, USAID designated eight new countries, including Madagascar, as high priority WASH countries for 2020, pursuant to requirements of the Senator Paul Simon Water for the World Act of 2014, and guided by the U.S. Global Water Strategy (GWS) issued in November 2017. This country plan provides a high-level summary of how USAID will address priority areas in the WASH sector over the next five years.

III. WATER AND SANITATION CONTEXT IN MADAGASCAR

Government of Madagascar Water and Sanitation Priorities

In 2019, the Government of Madagascar (GoM) launched the Madagasikara Madio 2025 (Clean Madagascar 2025) campaign. This campaign sets the following goals for 2023:

- 70% of the population has access to basic drinking water;
- 90% of the population is open defecation free and practicing handwashing with soap; and
- 55% of the population uses basic latrines.

Madagascar has shown progress towards achieving access to safe drinking water, which increased from 35 percent in 2000 to 54 percent in 2017. However, the country is currently far off track on meeting these goals for sanitation, as recent data from the WHO/UNICEF Joint Monitoring Programme shows that only 10 percent of the population has access to basic sanitation and nearly 45 percent still openly defecate.

Government of Madagascar's Current and Planned Strategies and Approaches to Water and Sanitation

Madagascar experienced a political crisis in 2009 that disrupted all aspects of national development and WASH was no exception. With the resolution of the crisis and reengagement of development partners, a national development plan was released in 2015 (National Development Plan 2015 - PND) that established a broad, multi-sectoral set of objectives for the country. The new administration has brought renewed focus to WASH governance and service delivery, first releasing the Initiative Emergence Madagascar, which highlighted critical development sectors for the country, including WASH, and then ambitious goals for water and sanitation service delivery over the next five years. Additionally, the government is in the process of developing a WASH sector policy that will be aligned with the WASH sector plan. Beyond these high-level achievements in governance, the GoM and the MoWASH have achieved numerous milestones toward broader WASH development goals, establishing the national Water Code, which articulates a universal right to water, national rules for water and sanitation governance, and designation of government levels responsible for administration of WASH policy in urban and rural settings. The MoWASH has also completed costed plans for all 22 regions of Madagascar with clear investment priorities to address inequities and ensure sustainability. Finally, the MoWASH has developed a revised national monitoring system to coordinate data collection at the regional level, enable decision-making at the national level, and allow knowledge management.

Challenges and Opportunities in the Sector

Madagascar has made strides in providing access to drinking water and sanitation over the past decades, despite extreme poverty, a lack of sector resources, and numerous additional challenges, including:

- *Weak sector alignment to national policies and strategies:* Although numerous Ministries in Madagascar have an interest in WASH, coordination between them has been weak. Additionally, numerous donors, development banks, NGOs, and other actors operate essentially independently, although progress has recently been made through sector coordination mechanisms like the Technical and Financial Partners group (described below).
- *WASH sector funding is insufficient to meet targets:* During the period of 2015-2019, public sector funding for the sector was only 15 percent of what was needed according to official plans. These funds are allocated almost entirely at the national level, leaving communes to fund the operations and maintenance of services themselves, theoretically from user fees, although this has been hard to achieve in practice. The sector is currently largely externally funded, with bilateral and multilateral donors providing approximately two-thirds of sector funding.
- *Poor sustainability of rural water services:* Given the lack of sector finance allocated for on-going service provision, local operators struggle to sustain rural water schemes with user fees. Lack of local capacity to manage, monitor and regulate these services also contributes to this challenge.
- *Immature markets for sanitation products and services:* A major challenge to meeting sanitation needs in Madagascar is a lack of available products and services. Sanitation marketing in rural areas is new to Madagascar. Currently, USAID is among few GoM partners implementing

such approaches (through the RANO-WASH activity).

- *Persistent challenges to lasting behavior change:* In Madagascar, handwashing with soap and water remains low due to a lack of convenient infrastructure and services, a lack of resources, or both. Additionally, many cultural barriers (or taboos) exist that prevent the uptake of improved sanitation, notably in rural areas, that go beyond access to markets and supplies.

Despite these challenges, sector opportunities show promise for potentially accelerating WASH progress:

- *MoWASH Governance:* The MoWASH has faced numerous challenges since the resolution of the country's political crisis, making small but significant progress in building capacity, professionalizing operations, establishing clear and robust national policies, and implementing monitoring and evaluation tools.
- *Public private partnerships (PPPs):* The GoM supports an approach to WASH development through contracts wherein private sector actors build and operate WASH facilities, while municipal governments retain ownership of land and infrastructure. This model shows promise for achieving professional management of water services, while enabling private sector actors to achieve economies of scale and financial viability.
- *Sector Financing:* WASH financing opportunities have improved in recent years, partly through support from USAID-funded Global Development Alliance activities, and partly through advocacy led by USAID/RANO WASH. These opportunities are expanding private actors' ability to pursue PPPs for WASH service delivery.

IV. RESULTS FRAMEWORK

Theory of Change

USAID/Madagascar's WASH portfolio follows a simple but robust Theory of Change.

IF the WASH enabling environment is strengthened with respect to governance, technical capacity building, and sector financing, and WASH products and services are available in the marketplace, and the people of Madagascar desire potable water and sanitation,

THEN sustainable WASH and health outcomes will be accelerated for the Malagasy people. USAID takes a systems-strengthening approach to health programming in general, and the WASH portfolio in particular.

USAID will look for opportunities to build capacity within the sector to accelerate self-reliance through good governance and a robust private sector.

Relationship to the Journey to Self-Reliance

Safe drinking water and sanitation services are essential to self-reliance. Within the water sector, self-reliance is the ability of countries' systems to plan, finance and implement sustainable solutions to deliver water and sanitation services to all to improve health, livelihoods, educational

opportunities, and dignity among citizens. Although sector financing is severely limited in Madagascar, the current administration has increased WASH funding dramatically, and it is USAID's hope and expectation that this trend continues. Over the next five years, USAID/Madagascar will work to improve the enabling environment for WASH services by strengthening capacity and commitment in the sector. USAID/Madagascar will support the MoWASH to improve the legal, policy and regulatory framework for WASH services, while working to unlock new financing opportunities in the private and banking sectors. Programming will also focus on supporting the government to assess the financing gap more accurately for WASH and to develop strategies for sustainable financing for the sector.

Program Components

USAID/Madagascar will continue to support sustainable access to safely managed drinking water sources and sanitation facilities and to conduct SBC around hygiene and latrine usage. Investments will address the Development Results of USAID's Water and Development Plan. Programming over the next five years will focus on:

- I. *Improved WASH Enabling Environment.* Meeting WASH development objectives requires that the enabling environment for water, sanitation and hygiene service delivery be strengthened. Practically speaking, this will require:
 - *Governance* – USAID/Madagascar will continue to support the MoWASH in the development and implementation of a WASH Sector Plan and in the improvement of the legal, policy and regulatory framework through which WASH activities are undertaken in Madagascar.
 - *Financing* – USAID/Madagascar will work with the MoWASH to develop sustainable WASH financing strategies that accurately measure the financing gap and identify financing opportunities, including Malagasy banks, private equity, and private-sector partnerships.
 - *Institutional Capacity Building* - Capacity building support to the relevant ministries and government offices (i.e. MoWASH and the Ministry of Public Health or MOPH) to increase the government's ability to lead WASH service delivery at both the national and sub-national levels. This support will increase local knowledge and capacity to implement the water and sanitation legal framework. USAID will also continue to build local capacity in WASH through support to regional and communal WASH committees.
2. *Public/Private Partnership* for at least basic or safely managed service provision of clean water and sanitation. USAID/Madagascar will continue to support engagement with the private sector for expanding drinking water services, especially through contracts wherein private sector actors both build and operate WASH services, while the municipal government retains ownership of the land and infrastructure. USAID activities will continue to focus on training MoWASH staff, local stakeholders, community associations and private sector WASH facility managers on infrastructure management and maintenance and savings/credit schemes.
3. *Rural Sanitation and Hygiene Behavior Change.* USAID will continue to support local organizations to implement the Community-Led Total Sanitation (CLTS) approach, with the goal of supporting rural villages to achieve open-defecation free status, verified by MoWASH. USAID will continue to promote key hygiene practices using evidence-based SBC approaches to improve handwashing with soap, safe disposal of feces, and safe treatment and storage of drinking water. USAID will also support MoWASH efforts to build a national strategy on menstrual hygiene management, with the goal of

- improving access to education for young women.
4. Urban Sanitation and Sanitation Service Provision. Madagascar is witnessing rapid urbanization. Close to 10 million people out of the country's overall 26.3 million live in urban areas compared to 2.8 million in 1993 (data.worldbank.org). Consequently, urban sanitation challenges are enormous and increasing as urban populations rise. USAID/Madagascar will target urban sanitation challenges by focusing on the enormous unmet need for:
- Development of city-wide strategies for addressing the challenges of urban sanitation.
 - Identification of financing opportunities to support the urban sanitation market.
 - Development of appropriate sanitation products and services for the Malagasy market, leveraging the private sector's flexibility, efficiency, and innovation. US AID/Madagascar will encourage user-centered design and support entrepreneurs to establish and grow sanitation products and services businesses.
 - Ensuring the safe storage, handling, and transport of fecal sludge, for which there is currently little or no infrastructure.

USAID/Madagascar's investments in WASH have been concentrated in a series of bilateral activities over the past fifteen years and focused on basic sanitation, water supply and WASH governance. USAID/Madagascar's current investments in the WASH sector are:

- **Rural Access to New Opportunities in Water, Sanitation, and Hygiene (RANO) WASH (2018-2022/\$30M)** - USAID's main WASH investment in Madagascar aims to increase equitable and sustainable access to WASH services, maximize impact on human health and nutrition, and preserve the environment in 250 rural communes in six high-priority regions: Vatovavy Fitovinany, Atsinanana, Alaotra Mangoro, Amoron'i Mania, Haute Matsiatra, and Vakinankaratra. RANO WASH is implemented by a CARE Int.-led consortium that includes Catholic Relief Services (CRS), WaterAid, BushProof, and Sandandrano.

To accomplish this goal, the project is developing a systematic partnership with national and regional governments, water and sanitation institutions, communities, private sector actors, civil society organizations, and beneficiaries. The aim is to implement a strategic set of mutually supporting activities that contribute to three interlinked strategic objectives: (1) Strengthening the governance and monitoring of water and sanitation; (2) Increasing the engagement of the private sector in the delivery of WASH services; and (3) Accelerating the adoption of healthy behaviors and the use of WASH services.

- **Water and Development Alliance (WADA) (2017-2020)/~\$6M including leveraged funds from The Coca Cola Foundation)** - WADA Madagascar, managed by the Global Environment & Technology Foundation (GETF) and implemented by Water and Sanitation for the Urban Poor (WSUP), addresses the needs of urban populations in Madagascar with a focus on achieving sustainable results, while reaching the maximum vulnerable population. Building on The Coca-Cola Africa Foundation's (TCCAF) previous investments in Antananarivo through the 2015 Replenish Africa Initiative (RAIN) program, the project, in partnership with WSUP, expands access to safe water and sanitation services for the most vulnerable populations in three urban centers (Antananarivo, Mahajanga and Toliara) through the construction of water and sanitation facilities and utility capacity building to reduce and manage non-revenue water. WADA extends the municipal water provider's (JIRAMA) pipe network into underserved and peri-urban neighborhoods and establishes community-based water kiosks to meet users' needs.

- **Developing Resilience through Efficient and Effective Water and Sanitation Services in the South of Madagascar (UNICEF Umbrella Grant) (2014-2020/\$2M)** - Since 2014, USAID/Madagascar has been contributing to a basket of funds, managed by UNICEF, to rehabilitate a large water supply pipeline in Androy, the arid region of Southern Madagascar, where there is little to no infrastructure for potable water distribution. This activity is helping to meet an enormous unmet need in one of the most difficult-to-serve regions of the country where USAID has no other investments.
- **The Accessible Continuum of Care and Essential Services Sustained Activity (ACCESS) (2019-2024/\$90M, including ~\$1.5M annually in water directive funds)** - Through ACCESS, USAID supports the GoM and sustainably strengthens the MOPH's stewardship of the health sector. With ACCESS, the MOPH increases uptake of an integrated package of healthy practices, and improves and expands primary health care service delivery by community health volunteers, public health facilities at the commune level, and district hospitals to the almost sixteen million people who live in the thirteen ACCESS target regions. ACCESS tailors its approach regionally based on needs, targeting disease risk due to poor sanitation, lack of access to clean water, overcrowding and high unemployment. Additionally, ACCESS works to ensure that regional clinics have adequate WASH services to support health-care delivery.

This Plan's budget is based on prior year resources still available for programming and the FY 2020 estimated allocation of \$9.5 million.

V. STAKEHOLDER ENGAGEMENT

As the largest WASH donors in Madagascar, USAID and UNICEF co-lead a donor coordination platform. The platform meets regularly to coordinate messaging and the thematic and geographic focus of interventions and to synchronize communication with the MoWASH. USAID/Madagascar will seek opportunities to coordinate across other relevant ministries, including the Ministry of Population and the Ministry of Youth and Sports to accelerate the involvement of women and teen girls, particularly with respect to menstrual hygiene. Efforts will also be made to coordinate with local leaders, as they are respected voices in Malagasy culture and communities.

USAID/Madagascar's WASH portfolio will continue to coordinate with other health activities by co-locating activities where possible and integrating activities in other cases (e.g. WASH in health clinics where health systems strengthening is happening). USAID/Madagascar's WASH portfolio will also coordinate training and environmental compliance activities and address mutual environmental priorities. Moreover, the WASH program will seek synergy with USAID's community-based environmental mechanisms and food security work.