

# National Budget 2019-20 and the challenges of achieving SDG 6 and 7th Five Year Plan targets

## Upward trend remains in WASH budget allocation

- ❑ A significant leap is seen in the revised budget allocation of 2018-19 over the original allocation. The revised allocation for 2018-19 increased by 39.7% (from BDT 684,956 Lacs to BDT 957,031 Lacs).
- ❑ The allocation for 2019-20 has seen further increase of 11.6% over the revised allocation for 2018-19, rising to BDT 1068729 Lacs. Taking the long view, WASH allocation over the preceding decade has seen a rise from BDT 43.81 billion in 2010-11 to BDT 106.87 billion.
- ❑ The Finance Minister's Budget Speech (13 June 2019) indicates fresh allocation for safe drinking water and sanitation in the rural areas through the much highlighted government project: "My Village, My Town", a commitment made in the Election Manifesto of 2018.
- ❑ Budget for Supply of drinking water and installation of sanitary latrines for more than 1 million Displaced Myanmar Nationals have been allocated.

## Spatial inequities reduced to some extent

- ❑ The allocation for Department of Public Health and Engineering (DPHE), the institute responsible for rural areas and secondary towns, has doubled in the revised budget of 2018-19 from BDT 10.68 billion to BDT 20.51 billion. DPHE's allocation has risen further to BDT 24.13 billion in FY 2019-20.
- ❑ The allocation for the four Water Supply and Sewerage Authorities (WASAs) has increased from BDT 33.42 billion in FY2018-19 to BDT 45.18 billion in FY2019-20, with Dhaka WASA receiving the largest portion.
- ❑ Though there is almost no change in allocation for Khulna WASA, but Rajshahi WASA received a budget several folds higher in comparison to previous years at BDT 8.78 billion, which is very close to the budget received by Chattogram WASA (BDT 8.75 billion).
- ❑ A good sign of reducing inequity among the city corporations is observed in that 11 City Corporations (except newly established Mymensingh City Corporation) have received allocations both in the revised FY2018-19 budget as well as in the FY2019-20 budget. In the past, Khulna, Barisal and Gazipur City Corporations did not receive any budget in the past,

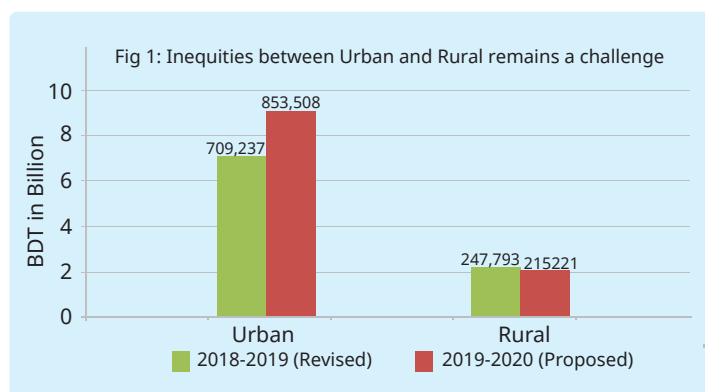
three years, from the initial allotment in FY2016-17. It is also observed that before the revised allocation, Cumilla, Rangpur and Rajshahi City Corporations did not receive any budget in FY2018-19. However, these corporations have been allocated funds in the revised FY2018-19 budget.

## Water-related environmental protection and risk reduction projects have been undertaken but allocation is a concern

In a positive development for the sector, environmental and risk reduction issues have been integrated in two projects in vulnerable areas. The project names are: i) Dhaka Environmental Sustainable Water Supply Project (DWASA) and ii) Environmental Sanitation and Water Supply with Piped Network in Thana Sadar and Growth Centres/ Pourashava (DPHE). The revised budget has seen an amount of BDT 4.51 billion allocated for these projects, which, however, reduced to BDT 1.73 billion in FY2019-20. Budget also shows inclusion of Environment-friendly Solar Water Desalination Unit establishment for supply of safe water but actual allocation is shown as only 1 lac.

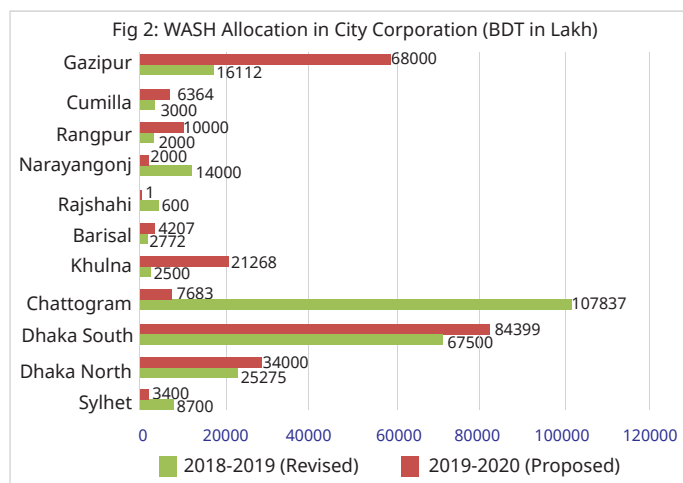
## Gap between urban and rural areas remains a challenge for achieving SDG 6

Urban allocation, mostly for 11 city corporations with 4 WASAs in Dhaka, Chattogram, Rajshahi and Khulna, increased, but rural allocation fell as has been observed in past budgets. In FY2019-20, these few cities will receive BDT 8.53 billion in contrast with only BDT 2.15 billion for rest of the country. Figure 1 shows the difference. This poses a big challenge for achieving SDG 6 which requires the country to "Ensure availability and sustainable management of water and sanitation for all."



## Disaggregated WASH allocation in cities shows sharp inequities in relative allocation

Figure 2 shows the budget allocation among the city corporations, which reveals that there is no discernible trend, with unexplained ups and down in budget allocations in some city corporations between FY2018-19 and FY2019-20. The allocation for Chattogram and Sylhet has decreased while the allocation of Dhaka South City Corporation and Gazipur City Corporation has increased substantially.



## Sanitation and FSM have been given due attention in budget allocation

Table 1 below shows a jump in allocations for sanitation and faecal sludge management (FSM) both in revised budget of FY2018-19 and FY2019-20. This is positive given the target for safely managed sanitation under SDG 6. Some solid waste disposal projects have been undertaken in different rural towns (Pauroshovas). However, successful replication of these projects are important and more budget will be required in sanitation and FSM sub-sectors.

Table-1: Sector wise WASH Allocation (BDT in billion)

Sector	Allocation in FY2018-19	Revised Allocation in FY2018-2019	Allocation in 2019-2020
Water	42.45	32.11	38.09
Sanitation	11.94	36.01	41.44
FSM	2.11	9.25	17.88

## Progress in performance as per 7th FYP

FY2019-20 is the last year of the country's 7th Five Year Plan period. The commitments made in the Plan are still yet to be achieved.

Commitment in 7FYP	Achievement
Safe water and sanitation for all.	Not achieved. Even the water supplied by Dhaka WASA, the highest receiver of WASH budget, has been questioned for its cleanliness and safety.
Sustain and replicate total sanitation campaign.	Yet to be achieved.
Special attention to rural and hard-to-reach areas.	Rural allocation is still very low in proportion to urban allocation. In the case of hilly districts, only Rangamati received an allocation of BDT 42 lac, which was BDT 2,009 lac in the FY 2018-19 budget (revised), for all three hilly districts.
Integrated water treatment and supply for urban areas.	Yet to be achieved.

## Recommendation in Pre- Budget Press Conference (March 2019)

Recommendations	Reflection in FY 2019-20 Budget
Enhance rural and secondary towns' allocations through DPHE.	Allocation of DPHE has been doubled.
Ensure WASH allocations for unfunded city corporations and hard-to-reach areas.	All city corporations have received budget in FY2018-19 (revised) and in FY 2019-20.
Ensure priority focus on FSM, hygiene and awareness-building in sub-sectoral allocations.	Budget for FSM has increased. Some allocation has also been made for hygiene and awareness-building.
Overcome HR deficits and strengthen work culture in implementing agencies.	This will remain a challenge requiring a comprehensive solution involving government, development partners and the implementing agencies themselves.
Establish WASH budget utilisation monitoring unit in Ministry of Finance to under Public Money and Budget Management Act, 2009	Yet to be established. More advocacy and expert support may be required.
Build policy awareness on the complexity of the SDG 6 challenge. Reduce financing gap for WASH in order to realise SDG 6 targets.	More awareness campaigns are required. Private sectors' investment needs to be ensured. Sector Development Plan 2011-2025 and other sectoral policies need to be updated to reflect SDG 6 targets.



## New Recommendations

**Increasing allocation to hard-to-reach areas, hills, chars, haors and coastal islands, to ensure no one is left behind, including women, children, people with disabilities and other marginalised groups. Special attention should be paid to the lowest two income quintiles, with provision for subsidies to support access to safe water and sanitation where possible.**

**LGD's Sector Development Plan 2011-2025 needs to be reviewed and implemented in order to reduce gaps between rural and urban areas.**

**Monitoring unit in Ministry of Finance under Public Money and Budget Management Act, 2009 should be established for implementing the commitments of 7th Five Year Plan and SDG 6.**

**Human resource capacity for local government, DPHE and Pauroshovas need to be enhanced for proper utilisation of funds.**