

109TH CONGRESS
1ST SESSION

S. 492

To make access to safe water and sanitation for developing countries a specific policy objective of the United States foreign assistance programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 2, 2005

Mr. FRIST (for himself, Mr. REID, and Mr. LUGAR) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To make access to safe water and sanitation for developing countries a specific policy objective of the United States foreign assistance programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Safe Water: Currency
5 for Peace Act of 2005”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

8 (1) Water-related diseases are a human trag-
9 edy, killing and debilitating millions of people annu-

1 ally, preventing millions of people from leading
2 healthy lives, and undermining development efforts.

3 (2) Providing safe supplies of water, and sani-
4 tation and hygiene improvements would save millions
5 of lives by reducing the prevalence of water-borne
6 diseases, water-based diseases, water-privation dis-
7 eases, and water-related vector diseases.

8 (3) An estimated 1,800,000 people die of
9 diarrhoeal diseases every year. Ninety percent of
10 these people are children under the age of five who
11 live in developing countries. Simple household and
12 personal hygiene measures, such as household water
13 treatment and safe storage and effective hand wash-
14 ing with soap, reduce the burden of diarrhoeal dis-
15 ease by more than 40 percent.

16 (4) According to the World Health Organiza-
17 tion, 88 percent of diarrhoeal disease can be attrib-
18 uted to unsafe water supply, and inadequate sanita-
19 tion and hygiene.

20 (5) Around the world, more than 150,000,000
21 people are threatened by blindness caused by tra-
22 choma, a disease that is spread through poor hy-
23 giene and sanitation, and aggravated by inadequate
24 water supply.

1 (6) Chronic intestinal helminth infections are a
2 leading source of global morbidity, including cog-
3 nitive impairment and anemia for hundreds of mil-
4 lions of children and adults. Access to safe water
5 and sanitation and better hygiene practices can
6 greatly reduce the number of these infections.

7 (7) Schistosomiasis is a disease that affects
8 200,000,000 people, 20,000,000 of whom suffer seri-
9 ous consequences, including liver and intestinal dam-
10 age. Improved water resource management to reduce
11 infestation of surface water, improved sanitation and
12 hygiene, and deworming treatment can dramatically
13 reduce this burden.

14 (8) In 2002, 2,600,000,000 people lacked ac-
15 cess to improved sanitation. In sub-Saharan Africa,
16 only 36 percent of the population has access to im-
17 proved sanitation. In developing countries, only 31
18 percent of the population in rural areas has access
19 to improved sanitation.

20 (9) Improved management of water resources
21 can contribute to comprehensive strategies for con-
22 trolling mosquito populations associated with life-
23 threatening vector-borne diseases in developing coun-
24 tries, especially malaria, which kills more than

1 1,000,000 people each year, most of whom are chil-
2 dren.

3 (10) Natural disasters such as floods and
4 droughts threaten people's health. Floods contami-
5 nate drinking-water systems with industrial waste
6 refuse, sewage, and human and animal excreta.
7 Droughts exacerbate malnutrition and limit access
8 to drinking water supplies. Sound water resource
9 management can mitigate the impact of such natural
10 disasters.

11 (11) The United Nations Population Fund re-
12 port entitled "Water: A Critical Resource" stated
13 that "Nearly 500 million people [suffer from] water
14 stress or serious water scarcity. Under current
15 trends, two-thirds of the world's population may be
16 subject to moderate to high water stress by 2025".
17 Effective water management and equitable allocation
18 of scarce water supplies for all uses will become in-
19 creasingly important for meeting both human and
20 ecosystem water needs in the future.

21 (12) The participants in the World Summit on
22 Sustainable Development, held in Johannesburg,
23 South Africa, in 2002, agreed to the Plan of Imple-
24 mentation of the World Summit on Sustainable De-
25 velopment which included an agreement to work to

1 reduce by one-half “the proportion of people who are
2 unable to reach or afford safe drinking water,” and
3 “the proportion of people without access to basic
4 sanitation” by 2015.

5 (13) At the World Summit on Sustainable De-
6 velopment, building on the U.S.-Japan Partnership
7 for Security and Prosperity announced in June 2001
8 by President Bush and Prime Minister Koizumi, the
9 United States and Japan announced a Clean Water
10 for People Initiative to cooperate in providing safe
11 water and sanitation to the world’s poor, improve
12 watershed management, and increase the produc-
13 tivity of water.

14 (14) At the World Summit on Sustainable De-
15 velopment, the United States announced the Water
16 for the Poor Initiative which committed the United
17 States to provide \$970,000,000 over 3 years to in-
18 crease access to safe water and sanitation services,
19 improve watershed management, and increase the
20 productivity of water. During fiscal year 2004, the
21 United States provided an estimated \$817,000,000
22 in assistance to the Water for the Poor Initiative, in-
23 cluding funds made available for reconstruction ac-
24 tivities in Iraq, of which \$388,000,000 was made

1 available for safe drinking water and sanitation pro-
2 grams.

3 (15) During fiscal year 2004, the United States
4 provided \$49,000,000 in assistance for activities to
5 provide safe drinking water and sanitation in sub-
6 Saharan Africa, an amount that is equal to 6.5 per-
7 cent of total United States foreign assistance pro-
8 vided for all water activities in the Water for the
9 Poor Initiative.

10 (16) At the 2003 Summit of the Group of
11 Eight in Evian, France, the members of the Group
12 of Eight produced a plan entitled “Water: A G8 Ac-
13 tion Plan” that stated that a lack of water can un-
14 dermine human security. The Action Plan committed
15 the members of the Group of Eight to playing a
16 more active role in international efforts to provide
17 safe water and sanitation to the world’s poor by mo-
18 bilizing domestic resources in developing countries
19 for water infrastructure financing through the devel-
20 opment and strengthening of local capital markets
21 and financial institutions, particularly by estab-
22 lishing, where appropriate, at the national and local
23 levels, revolving funds that offer local currency
24 financings, which allow communities to finance cap-

1 ital-intensive water infrastructure projects over an
2 affordable period of time at competitive rates.

3 (17) The G8 Action Plan also committed mem-
4 bers of the Group of Eight to provide risk mitigation
5 mechanisms for such revolving funds and to provide
6 technical assistance for the development of efficient
7 local financial markets and building municipal gov-
8 ernment capacity to design and implement finan-
9 cially viable projects and provide, as appropriate,
10 targeted subsidies for the poorest communities that
11 cannot fully service market rate debt.

12 (18) The United Nations General Assembly
13 Resolution 58/217 of February 9, 2004, proclaimed
14 “the period from 2005 to 2015 the International
15 Decade for Action, ‘Water for Life’, to commence on
16 World Water Day, 22 March 2005” for the purpose
17 of increasing the focus of the international commu-
18 nity on water-related issues at all levels and on the
19 implementation of water-related programs and
20 projects.

21 **SEC. 3. WATER FOR HEALTH AND DEVELOPMENT.**

22 (a) IN GENERAL.—Part I of the Foreign Assistance
23 Act of 1961 (22 U.S.C. 2151 et seq.) is amended by in-
24 serting after section 104C the following new section:

1 **“SEC. 104D. WATER FOR HEALTH AND DEVELOPMENT.**

2 “(a) FINDING.—Congress makes the following find-
3 ings:

4 “(1) Access to safe water and sanitation and
5 improved hygiene are significant factors in control-
6 ling the spread of disease in the developing world
7 and positively affecting economic development.

8 “(2) The health of children and other vulner-
9 able rural and urban populations in developing coun-
10 tries, especially sub-Saharan Africa and South Asia,
11 is threatened by a lack of adequate safe water, sani-
12 tation, and hygiene.

13 “(3) Efforts to meet United States foreign as-
14 sistance objectives, including those related to agri-
15 culture, the human immunodeficiency virus (HIV)
16 and acquired immune deficiency syndrome (AIDS),
17 and the environment will be advanced by improving
18 access to safe water and sanitation and promoting
19 sound water management throughout the world.

20 “(4) Developing sustainable financing mecha-
21 nisms, including private sector financing, is critical
22 to the long-term sustainability of improved water
23 supply, sanitation, and hygiene.

24 “(5) The annual level of investment needed to
25 meet the water and sanitation needs of developing
26 countries far exceeds the amount of Official Develop-

1 ment Assistance (ODA) and spending by govern-
2 ments of developing countries, so attracting greater
3 public and private investment is essential.

4 “(6) Long-term sustainability in the provision
5 of access to safe water and sanitation and in the
6 maintenance of water and sanitation facilities re-
7 quires a legal and regulatory environment conducive
8 to private sector investment and private sector par-
9 ticipation in the delivery of water and sanitation
10 services.

11 “(7) The absence of robust domestic financial
12 markets and sources for long-term financing are a
13 major impediment to the development of water and
14 sanitation projects in developing countries.

15 “(8) At the 2003 Summit of the Group of
16 Eight in Evian, France, the members of the Group
17 of Eight produced a plan entitled ‘Water: A G8 Ac-
18 tion Plan’ that contemplated the promotion of do-
19 mestic revolving funds to provide local currency fi-
20 nancing for capital-intensive water infrastructure
21 projects. Innovative financing mechanisms such as
22 revolving funds and pooled-financings have been ef-
23 fective vehicles for mobilizing domestic savings for
24 investments in water and sanitation both in the
25 United States and in some developing countries.

1 These mechanisms can serve as a catalyst for great-
2 er investment in water and sanitation projects by vil-
3 lages, small towns, and municipalities.

4 “(9) The G8 Action Plan also committed mem-
5 bers of the Group of Eight to improving coordina-
6 tion and cooperation between donors, and such im-
7 proved coordination and cooperation is essential for
8 enlarging the beneficial impact of donor initiatives.

9 “(b) POLICY.—It is a major objective of United
10 States foreign assistance—

11 “(1) to promote good health and economic de-
12 velopment by providing assistance to expand access
13 to safe water and sanitation, promote sound water
14 management, and improve hygiene for people around
15 the world; and

16 “(2) to promote, to the maximum extent prac-
17 ticable and appropriate, long-term sustainability in
18 the provision of access to safe water and sanitation
19 by encouraging private investment in water and
20 sanitation infrastructure and services.

21 “(c) AUTHORIZATION.—

22 “(1) IN GENERAL.—To carry out the policy set
23 out in subsection (b), the President is authorized to
24 furnish assistance, including health information and
25 education, to advance good health and promote eco-

1 nomic development by improving the safety of water
2 supplies, expanding access to safe water and sanita-
3 tion, promoting sound water management, and pro-
4 moting better hygiene.

5 “(2) LOCAL CURRENCY.—The President may
6 use payments made in local currencies under an
7 agreement made under title I of the Agricultural
8 Trade Development and Assistance Act of 1954 (7
9 U.S.C. 1701 et seq.) to provide assistance under this
10 section, including assistance for activities related to
11 drilling or maintaining wells.”.

12 (b) CONFORMING AMENDMENT.—Section 104(c) of
13 the Agricultural Trade Development and Assistance Act
14 of 1954 (7 U.S.C. 1704(c)) is amended by adding at the
15 end the following new paragraph:

16 “(9) SAFE WATER.—To provide assistance
17 under section 104D of the Foreign Assistance Act of
18 1961 to advance good health and promote economic
19 development by improving the safety of water sup-
20 plies, including programs related to drilling or main-
21 taining wells.”.

1 **SEC. 4. PILOT PROGRAM FOR WATER SUSTAINABILITY IN-**
2 **FRAS**TRUCTURE DEVELOPMENT AND CAPAC-
3 **ITY BUILDING.**

4 (a) IN GENERAL.—Section 104D of the Foreign As-
5 sistance Act of 1961, as added by section 3, is amended
6 by adding at the end the following new subsection:

7 “(d) PILOT CLEAN WATER SUSTAINABILITY INFRA-
8 STRUCTURE DEVELOPMENT PROGRAM.—

9 “(1) AUTHORITY FOR PILOT PROGRAM.—In
10 order to study the feasibility and desirability of a
11 program to assist countries that have a high propor-
12 tion of the population that is susceptible to water-
13 borne illnesses as a result of a lack of basic infra-
14 structure for clean water and sanitation, the Presi-
15 dent, in close coordination with the Administrator of
16 the United States Agency for International Develop-
17 ment and the Director of the Overseas Private In-
18 vestment Corporation, is authorized to establish a 5-
19 year pilot program under which the President may—

20 “(A) provide for the issuance of investment
21 insurance, investment guarantees, or loan guar-
22 antees, provide for direct investment or invest-
23 ment encouragement, or carry out special
24 projects and programs for eligible investors to
25 assist such countries in the development of safe

1 drinking water and sanitation infrastructure
2 programs; and

3 “(B) provide assistance to support the ac-
4 tivities described in subparagraphs (A) through
5 (D) of paragraph (2) for the purposes of—

6 “(i) carrying out the policy set out in
7 subsection (b); and

8 “(ii) maximizing the effectiveness of
9 assistance provided under subparagraph
10 (A).

11 “(2) ACTIVITIES SUPPORTED.—Assistance pro-
12 vided to a country under paragraph (1)(B) shall be
13 used to—

14 “(A) assess the water development needs
15 of such country;

16 “(B) design projects to address such water
17 development needs;

18 “(C) develop the capacity of individuals
19 and institutions in such country to carry out
20 and maintain water development programs
21 through training, joint work projects, and edu-
22 cational programs; and

23 “(D) provide long-term monitoring of
24 water development programs.

1 “(3) GEOGRAPHIC LIMITATION.—The President
2 may only provide assistance under the pilot program
3 under paragraph (1) to a country based on consulta-
4 tion with Congress.

5 “(4) ADDITIONAL CRITERIA.—In making deter-
6 minations of eligibility under this subsection, the
7 President should give preferential consideration to
8 projects sponsored by or significantly involving
9 United States small businesses or cooperatives.

10 “(5) IMPLEMENTATION.—To the extent pro-
11 vided for in advance in appropriations Acts, the
12 President is authorized to create such legal mecha-
13 nisms as may be necessary for the implementation of
14 its authorities under this subsection. Such legal
15 mechanisms may be deemed non-Federal borrowers
16 for purposes of the Federal Credit Reform Act of
17 1990 (2 U.S.C. 661 et seq.).

18 “(6) LOAN GUARANTEES.—Notwithstanding
19 any other provision of law, the President is author-
20 ized to provide assistance under the pilot program
21 under paragraph (1) in the form of partial loan
22 guarantees, provided that such a loan guarantee
23 may not exceed 75 percent of the total amount of
24 the loan.

1 “(7) COORDINATION.—The President is author-
2 ized to coordinate the activities of each agency or de-
3 partment of the United States to provide to a coun-
4 try assistance for an activity described in subpara-
5 graphs (A) through (D) of paragraph (2).

6 “(8) FEDERAL AGENCY RESPONSIBILITIES.—
7 Under the direction of the President, the head of
8 each agency or department of the United States is
9 authorized to assign, detail, or otherwise make avail-
10 able to the Department of State any officer or em-
11 ployee of such agency or department who possesses
12 expertise related to an activity described in subpara-
13 graphs (A) through (D) of paragraph (2).

14 “(9) REPORT TO CONGRESS.—The President
15 shall annually prepare and submit to the Committee
16 on Appropriations, the Committee on Foreign Rela-
17 tions, and the Committee on Health, Education,
18 Labor, and Pensions of the Senate and the Com-
19 mittee on Appropriations, the Committee on Inter-
20 national Relations, and the Committee on Energy
21 and Commerce of the House of Representatives a re-
22 port concerning the implementation of the pilot pro-
23 gram under this subsection.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall be effective during the 5-year period
3 beginning on the date of enactment of this Act.

4 **SEC. 5. SAFE WATER STRATEGY.**

5 (a) REQUIREMENT FOR STRATEGY.—The Secretary
6 of State, in close coordination with the Administrator of
7 the United States Agency for International Development
8 and in consultation with other appropriate Federal agen-
9 cies, appropriate international organizations, foreign gov-
10 ernments, United States nongovernmental organizations,
11 and other appropriate entities, shall develop and imple-
12 ment a strategy to further the United States foreign as-
13 sistance objective to promote economic development by
14 promoting good health through the provision of assistance
15 to expand access to safe water and sanitation, to promote
16 sound water management, and to improve hygiene for peo-
17 ple around the world.

18 (b) CONTENT.—The strategy required by subsection

19 (a) shall include—

20 (1) an assessment of the activities that have
21 been carried out, or that are planned to be carried
22 out, by the United States to improve hygiene or ac-
23 cess to safe water and sanitation by underserved
24 rural or urban poor populations, the countries of
25 sub-Saharan Africa, or in countries that receive as-

1 sistance from the United States Agency for Inter-
2 national Development;

3 (2) methods to achieve long-term sustainability
4 in the provision of access to safe water and sanita-
5 tion, the maintenance of water and sanitation facili-
6 ties, and effective promotion of improved hygiene, in
7 the context of appropriate financial, municipal,
8 health, and water management systems;

9 (3) methods to use United States assistance to
10 promote community-based approaches, including the
11 involvement of civil society, to further the objectives
12 described in subsection (a);

13 (4) methods to mobilize and leverage the finan-
14 cial, technical, and managerial expertise of busi-
15 nesses, governments, nongovernmental, and civil so-
16 ciety in the form of public-private alliances such as
17 the Global Development Alliances of the Agency
18 which encourage innovation and effective solutions
19 for improving sustainable access to safe water and
20 sanitation;

21 (5) goals to further the objectives described in
22 subsection (a) and methods to measure whether
23 progress is being made to meet such goals, including
24 indicators to measure progress and procedures to
25 regularly evaluate and monitor progress;

1 (6) assessments of the challenges and obstacles
2 that impede the provision of access to safe water
3 and sanitation, as well as the improvement of hy-
4 giene practices, critical in developing countries;

5 (7) assessments of how access to safe water,
6 sanitation, and hygiene programs, as well as water
7 resource programs, effectively support the goal of
8 combating the human immunodeficiency virus (HIV)
9 and the acquired immune deficiency syndrome
10 (AIDS);

11 (8) assessments of the roles that other coun-
12 tries or entities, including international organiza-
13 tions, could play in furthering such objective and
14 mechanisms to establish coordination among the
15 United States, foreign countries, and other entities;

16 (9) assessments of the level of resources that
17 are needed each year to further such objective; and

18 (10) methods to coordinate and integrate pro-
19 grams of the United States to further such objective
20 with other United States foreign assistance pro-
21 grams.

22 (c) REPORTS TO CONGRESS.—

23 (1) INITIAL REPORT.—Not later than 180 days
24 after the date of enactment of this Act, the Presi-

1 dent shall submit to Congress a report that de-
2 scribes the strategy required by subsection (a).

3 (2) REPORT.—Not less than once every 2 years
4 after the submission of the initial report under para-
5 graph (1), the President shall submit to Congress a
6 report on the status of the implementation of the
7 strategy and progress made in achieving the objec-
8 tive described in subsection (a).

9 **SEC. 6. AUTHORIZATION OF APPROPRIATIONS.**

10 (a) IN GENERAL.—There are authorized to be appro-
11 priated for each of the fiscal years 2006 through 2011
12 such sums as may be necessary to carry out this Act and
13 the amendments made by this Act.

14 (b) OTHER AMOUNTS.—Amounts appropriated pur-
15 suant to the authorization of appropriations in subsection
16 (a) shall be in addition to the amounts otherwise available
17 to carry out this Act and the amendments made by this
18 Act.

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