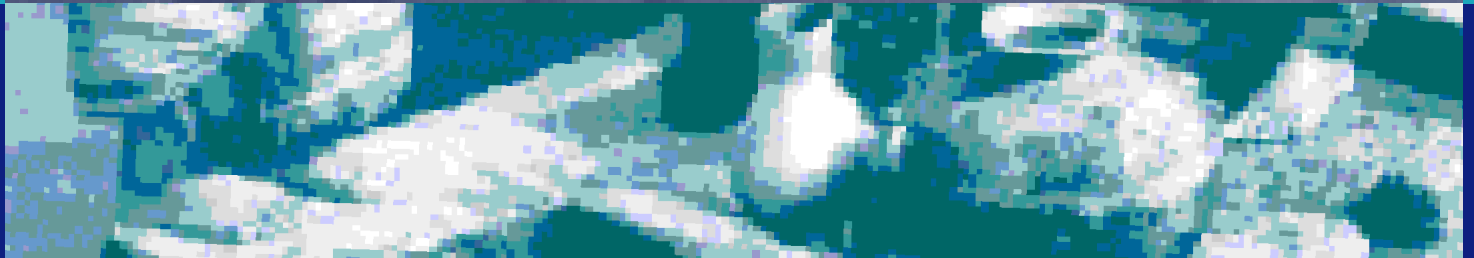
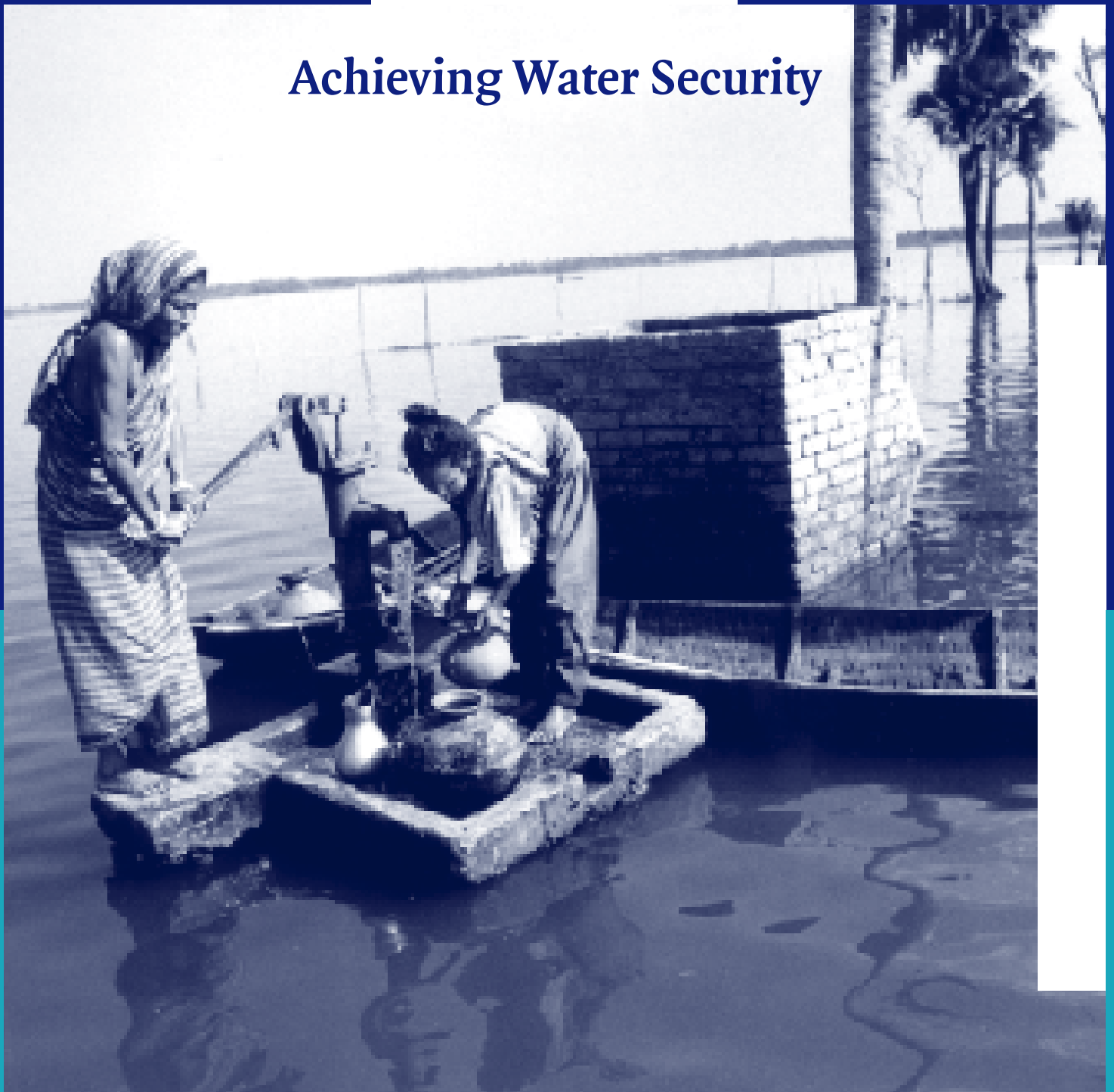


Achieving Water Security



Water Support Unit

Foreword

The Second World Water Forum and Ministerial Conference, which took place in The Hague in March 2000, focused attention on the world's water crisis. The analysis and discussions at these events and since have shown that many parts of the world face acute problems today; problems that will spread and intensify unless something is done to reverse current trends. To quote the Ministerial Declaration, "business as usual is not an option".

The events leading up to The Hague, and particularly the preparation of the Vision on Water Security in the 21st Century, and the momentum created at the Forum itself have been tremendously important in raising the awareness of experts, politicians and the general public about the world water crisis.

The sub-title of the Vision, 'Making Water Everybody's Business', captures the spirit of the occasion and points the way forward, for it is essential that the momentum and wider awareness created are not lost, but are rather translated into concerted and effective action. The Forum placed the concept of "water security" as the central goal for future action. One notable feature of this process was the extent to which issues such as reducing conflict and improving the governance of water resources were at the heart of the debate, with the new awareness paralleled by a call for new approaches based around the concept of integrated water resources management.

One tangible outcome of this process is a series of commitments by governments, organisations and individuals to end the lack of access to good water and sanitation, to reduce vulnerabilities to floods, droughts and changing climates and to reverse the degradation of ecosystems. A central theme was also to ensure that the needs of different, often contentious, sectors such as agriculture, industry and power production are all taken into account within a unified framework. The consensus on these issues was tremendous, but this unity on ideas is only the start of the process. The challenge is now to turn these ideas into concrete and effective actions, with different parts of the global community working together in partnerships to achieve this common purpose.

During the Forum the Netherlands Government pledged to make an additional Nlg 100 million available for support to improved water management in developing countries. This paper intends to inform our partners in development co-operation about Dutch water sector policies, current water sector programmes and future plans. It reflects a determination on behalf of the Netherlands to play their full part in maintaining the momentum and building on the ideas that emerged from the Forum and Ministerial Conference. As part of this, the focus of future activities will be within the framework of the seven challenges identified during the Ministerial Declaration. This paper will act as a clear statement of the intentions and approach of the Netherlands in acting directly to build the partnerships to achieve water security. It is hoped that it will also inspire decision-makers, other donors, etc. to take similar actions. The future is challenging, but these challenges can only be met if all work together to move from vision to action.

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List of Acronyms

| | |
|------------|--|
| ADB | Asian Development Bank |
| CAPNET | Capacity Building in Integrated Water Resources Management |
| DFID | Department for International Development |
| DGIS | Directorate-General for International Co-operation |
| EU | European Union |
| FFA | Framework for Action |
| GEF | Global Environmental Facility |
| GTZ | Gesellschaft für Technische Zusammenarbeit |
| GWP | Global Water Partnership |
| INBO | International Network of Basin Organisations |
| INPIM | International Network on Participatory Irrigation Management |
| IOB | Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie |
| IRC | International Water and Sanitation Centre |
| IUCN | The World Conservation Union |
| NGO | Non-Governmental Organisation |
| NIO | Nederlandse Investeringsbank voor Ontwikkelingssamenwerking |
| ODA | Official Development Assistance |
| SADC | Southern African Development Committee |
| SADC-HYCOS | Southern African Hydrological Cycle Observation System |
| UNDP | United Nations Development Programme |
| UNEP | United Nations Environmental Programme |
| UNESCO | United Nations Educational, Scientific, and Cultural Organisation |
| UNICEF | United Nations Children's Fund |
| USAID | United States Agency for International Development |
| WB | World Bank |
| WHO | World Health Organisation |
| WMO | World Meteorological Organisation |
| WSP | Water and Sanitation Programme |
| WSSCC | Water Supply and Sanitation Collaborative Council |
| WUP | Africa Water Utilities Partnership |

1. Introduction

In March 2000 the Netherlands Government, in partnership with the World Water Council, hosted the Second World Water Forum and convened a parallel Ministerial Conference. At the Ministerial Conference, the Netherlands Government pledged to increase its commitment over the next four years to make an additional NLG 100 million per year available for water-related activities in developing countries. It was further stated that co-operation would focus on support for the development of coherent strategies and policies and for building institutional capacities to achieve integrated water resources management.

This document provides a further elaboration of this pledge and provides a strategy to govern the response of the Netherlands Government and the first elements of its expanding programme of support. This programme will be yearly updated and, as we learn from our experience, new elements and activities will be added.

2. The Netherlands Water Sector Policy

Water is vital for the life and health of people and ecosystems and a basic requirement for the development of countries. But around the world women, men and children lack access to adequate and safe water to meet their most basic needs. Water resources, and the related ecosystems that provide and sustain them, are under increasing threat from pollution, unsustainable use, land-use changes, climate change and many other forces.

The basic points of departure for the Netherlands constitute the existing policy on Integrated Water Resources Management (IWRM), as laid down in the policy document 'Water for the Future', and the World Water Vision and Ministerial Declaration of The Hague on Water Security in the 21st Century.

In order to improve the co-ordination of the water programme, translate the concept of integrated water resources management into policy and implementation and ensure that the programme is aimed strategically at the objectives formulated during the Ministerial Conference, a Water Support Unit was established. This Unit was set up as a temporary unit (for a three- to four-year period) to promote integrated water resources management within DGIS and assure the follow-up of the Second World Water Forum and the Ministerial Conference. The Unit also supervises the sound spending of the additional NLG 100 million, which have been made available for improved water resources management in developing countries

2.1 Integrated Water Resources Management

The basic characteristics of Integrated Water Resources Management (IWRM) are generally accepted. They are that we need to look at the whole system, including balancing the needs of different sections of society and types of economic activity within the hydrological system that links upstream and downstream resources and ecosystems. The approach integrates technical, social, political, economic and environmental issues and considers these issues at local, national and international levels.

IWRM should not be thought of as a technical planning system; it is best understood as a way of thinking, where no attempt is made to control all aspects of water management through one system, but rather the challenge is seen as helping many different water managers to understand and take account of the wider implication of their actions.

It is important to ensure that there is effective decision-making at the appropriate level and that the different actors concerned have the authority, information and resources to take decisions at each level (in other words, subsidiarity). A key to this is often to move control over decisions from centralised government agencies that have been ineffective in the past and strengthen the rights and decision-making capabilities of local governments, the private sector and, in particular, local communities.

In making decisions in particular areas of water resources management, it is important to continue the introduced trend of approaching water resources management from a more integrated perspective. In more and more countries it is understood that working from a technical perspective only is not sufficient and that social, political, institutional and ecological issues also need to be considered before decisions are made. It is essential that all alternatives be taken into consideration when deciding

what to do in any situation. There is also a need to ensure that any developments are sustainable in terms of operation and maintenance, including actions to improve the sustainability and financial viability of past investments.

In deciding which alternative is best, there is a need to move from the most technically sophisticated approaches to ones that are affordable and can be maintained by the people and institutions that will be responsible for them. In other words, sustainability should be seen as a defining factor in technology choices.

A particular area of attention within IWRM is the management of international river basins. The management of shared river basins can easily give rise to conflict between the riparian states, especially when countries downstream face water shortages or serious problems with water quality. River basins such as the Nile, the Jordan, the Euphrates and the Ganges have caused troubled international relations, while in other regions as southern Africa, South America and south-east Asia, there is a real potential for conflict. Sharing the scarce resources and adequately addressing water quality issues and hazards such as floods, droughts and the discharge of hazardous substances, require the integrated management of inter-national river basins

2.2 World Water Vision and Ministerial Declaration

The overall theme that emerged from the World Water Vision and the Ministerial Conference is “Water Security in the 21st Century”. This theme relates the management of water resources to the vulnerabilities and overall livelihoods of poor people and to the integrity of ecosystems. It is an idea that links water resources management issues to wider development and environmental concerns. This means that poor people are able to meet their needs for water for all its uses, and that this is done in a secure and sustainable manner that does not damage ecosystems and that protects them from the hazards that storms, floods and droughts can bring. A key issue is how decisions are made, who makes them and whose interests are represented in these decisions. Water security is as much about good institutions and good governance as it is about the more technical aspects of managing water resources.

These issues are reflected in the seven ‘challenges’ identified in the Ministerial Declaration. The challenges reflect the international consensus on water security and provide a structure in which the key themes for future support to the water sector can be identified. The seven challenges are the following: meeting basic needs, securing the food supply, protecting ecosystems, sharing water resources, managing risks, valuing water, governing water wisely. The different elements will be discussed later on in this document, when the implementation of the water programme is presented (see paragraph 3.2).

3. The Netherlands Water Sector Programme

The Netherlands Water Sector Programme is implemented through both bilateral and multilateral programmes. A challenge is not only to create synergies between these programmes, but also to have them mutually reinforce each other. In this way bilateral activities can support multilateral programmes and the other way round.

An example of a multilateral programme supporting bilateral activities is the Netherlands-World Bank Water Partnership Program. This programme is aimed in particular at the countries eligible for structural bilateral co-operation with the Netherlands, and notably those countries which have chosen water as a sector of development

co-operation (for more information on this programme, see paragraph 3.1.3).

The additional funds made available by the Netherlands for water-related activities in developing countries will initially be mainly used to support activities at the international level. Support will be provided to organisations like the Global Water Partnership, to regional programmes for improved river basin management and to partnership programmes with development banks and other international organisations. In addition, ad-hoc partnerships may be developed with like minded-donors (i.e. Utstein partners and Sweden) for specific programmes (such as the IUCN Water for Nature Initiative).

At the bilateral level there are ongoing and new programmes in the water sector which will receive assistance from the additional funds made available. As the absorption capacity of most recipient countries is limited and as some of the countries are still in the process of developing their water programmes, it is expected that during the first one or two years, most of the additional funding will go to international programmes for improved water management. Thereafter, the focus will shift gradually to the expansion of water sector programmes in countries, which have chosen water as a sector for development co-operation. Countries supported by the Netherlands Government in the field of agriculture, rural development and environment can also apply for additional funding to support programmes with a clear water management component.

The additional available resources will increase during the coming three years to NLG 100 million. It is expected that additional expenditures in 2001 will amount to NLG 30 million, in 2002 to NLG 70 million and in 2003 NLG to 100 million.

3.1 Collaboration at the International Level

The Second World Water Forum in The Hague in March 2000 created a new sense of consensus and direction in finding solutions to the challenges that water resources management will present to the global community. These challenges are particularly strong in the developing world and the Netherlands Government will seek to assist the developing countries by ensuring that the momentum achieved in The Hague is followed through in international programs. The Forum has clearly established the need for donor co-ordination in the water sector and, moreover, acknowledged the urgent need to involve all stakeholders (governments, NGOs, private sector, etc.) in the decision-making process and subsequent implementation; principles which are at the heart of the Netherlands policy for development co-operation.

The following sections of this document describe how the Netherlands Government intends to follow-up on the Second World Water Forum, define the development of

strategic partnerships and how it will contribute to the seven challenges as articulated in the Ministerial Declaration.

3.1.1 Towards the Third World Water Forum

Water for food and environmental security will be one of the core themes for the Third World Water Forum, which will be held in Japan in 2003. Support will be given to the development of this theme because the sustainable management of water for food security is one of the major challenges facing the water sector. The Netherlands may also support other strategic initiatives in preparation of the Third Forum, such as the issue of climate variability and change (flood and droughts, but also climate change in relation to water management).

As noted earlier, during the Forum and Ministerial Conference, governments and other stakeholders made numerous commitments. The Netherlands is following up on its own commitments and would like to help build the water movement by encouraging others to follow up on their commitments and share their plans and actions with others. The Netherlands will engage in a series of activities to co-ordinate the follow-up to the Second World Water Forum and Ministerial Conference up to the Forum in Japan. These activities include:

- Providing the outputs of the Vision exercise and Second World Water Forum to the Japanese hosts of the Third Forum (session reports, database and the website of the Second World Water Forum);
- Tracking actions made against commitments and making them available to the website of the Third World Water Forum;
- Supporting the Water and Gender Initiative; a strategic alliance of gender ambassadors of more than 100 organisations to further integrate the gender dimension in water sector strategies.

HRH The Prince of Orange will continue his activities in the field of national and international water resources management until the Third World Water Forum in 2003. With regard to his international activities, the Prince can count on the support of the Water Unit.

Until the Third World Water Forum in Japan, two international conferences related to water will take place: Dublin plus 10 in Germany and Rio plus 10 in South Africa. The objective of the German conference is to sustain the progress of the Ministerial Conference and to include it in follow-up by the UN. The main objective with respect to the Rio plus 10 conference will be to embed the water sector in the environmental agenda.

3.1.2 Global Water Partnership

The Global Water Partnership (GWP) supported the Vision process and led the development of the Framework for Action (FFA). Much of this work was done through regional organisations. The Partnership recognises that this regional structure needs to be emphasised even more as we move further into the action process. In addition, they are expanding their operations to other regions where until now TACs have not yet been established, like East Africa. For this reason, the Netherlands will provide core support to GWP as well as contribute to the second phase of the FFA.

The second phase of the FFA has been developed to build on the first phase as a means to strengthen the international approaches to water security, promote good practices in integrated water resources management, improve awareness and consensus approaches over water, develop regional structures for GWP and assist GWP to develop strategic alliances.

The process will work towards supporting developing and emerging countries in sustainable water management. Five inter-related themes constitute the basis of this process: to promote change, build consensus on hot topics, identify priorities of actions, promote good practices in IWRM and support alliances for action. This integration will ensure that the momentum that the actions create are themselves not isolated, but are rather an integral part of the wider process of global and local development

3.1.3 Partnerships with Multilateral Organisations

The development of long-term, structured and funded partnerships with multilateral institutions and other partners at the international level has the potential to greatly enhance the impact of Netherlands assistance to the water sector. This can be done through strategically placed inputs that influence the approach and effectiveness of the (often much larger) programmes of these development partners.

A first initiative in this area, the Netherlands-World Bank Water Partnership Program has been developed in the second half of 2000 and started implementation in 2001. The programme translates the principles and vision of water resources management into actions on the ground. Integral to the programme will be developing further partnerships to create capacities for change. In addition, the programme will strengthen the implementation of the World Bank's revised Water Resources Sector Strategy, which is under preparation to be brought to the Bank's Board in mid-2001. A second partnership programme in the field of water supply and sanitation with the Department for Energy and Water, Private Sector and Infrastructure of the Bank is being explored.

The programme is based on a mix of strategic approaches and models of good practice. The goal is to bring innovative approaches to ongoing water operations of the World Bank and the broader development community and to support simultaneously reforms in the water sector. The experiences will be captured and disseminated and the programme will have an active communications strategy.

The scope for similar partnerships with the United Nations Environment Programme, the Asian Development Bank and the African Development Bank will be explored and, if the outcome is positive, new partnership programmes will be developed during 2001. Likewise, support is considered to UNDP's Public-Private Partnership for the Urban Environment facility. This facility brings together government, private business and civil society to pool their resources and skills to increase the access of the urban poor to water and sanitation, waste management and other basic services.

3.1.4 Thematic Programmes

In response to the international consensus with regard to the integrated water resources management support is given to action programmes which meet the seven challenges as identified during the Ministerial Conference.

Meeting basic needs

Access to safe water and sanitation are universal needs and basic human rights. They are vital for the dignity and health of all people. Yet, despite tremendous efforts in the last two decades to provide improved water and sanitation services for the poor in the developing world, today, according to the WHO/UNICEF Global Water Supply and Sanitation Assessment 2000 Report, 2.4 billion people world-wide still do not have any acceptable means of sanitation, while 1.1 billion people do not have an adequate supply of clean water. This is a health hazard, leads to appalling living conditions and is an important element of poverty.

The Netherlands Government supports multilateral, international and regional organisations to improve the access of the poor to water supply and sanitation. One of these organisations is the Water Supply and Sanitation Collaborative Council (WSSCC). The Council aims to promote co-operation between developing countries and donors to cut the huge death toll from diarrhoeal disease in the developing countries and improve the squalid living conditions suffered by billions of the worlds poor. Other partners are UNICEF, the UNDP-World Bank Water and Sanitation Program and the Africa Water Utilities Partnership (WUP).

Securing the food supply

Water use in agriculture dominates water consumption in many parts of the world. The growth of the world population and changing diets as incomes increase means that these demands will grow in the future. The World Water Vision and Framework for Action highlighted the challenge of achieving water for food and environmental security as one of the most pressing conflicts of the coming decades.

The International Water Management Institute (IWMI), in collaboration with several other international organisations, has taken the initiative to coordinate the 'Dialogue for Water for Food and Environmental. The details of this initiative were agreed at a meeting in Colombo in December 2000 and a follow-up meeting in Rome in March 2001. This initiative will involve a wide array of partners and will be supported by several donors. The Netherlands has financially supported the first meeting and will also support the further development of the initiative up to the Kyoto Forum.

A major threat to sustainable food production is the current overdraft of groundwater in key aquifers. Groundwater contributes to over half of total food production in India and China, but groundwater levels are falling in many key aquifers. Both careful assessments to map the risks as well as coping strategies will be the focus of support. The groundwater issue is also addressed in the earlier mentioned Netherlands-World Bank Water Partnership Program.

Large numbers of resource poor farmers live in areas considered marginal for agriculture (steep lands, catchments, and wetlands) and vulnerable from an environmental perspective. Support will be provided for innovative approaches to small-scale agriculture with a strong poverty alleviation focus (smallholder drip irrigation, rainwater harvesting, scaling up small-scale technologies and building on traditional approaches of indigenous peoples).

Protecting ecosystems

There are many ways in which human use of water resources is impacting upon ecosystems. Traditional conservation approaches can work in some settings, for example, to protect critical wetlands, but will have only a limited impact on the

overall degradation of ecosystems. These systems can only be protected through approaches that take account of the whole system, by managing water resources across watersheds. The Water for Nature initiative of the IUCN has been agreed as the focal point for the development of an ecosystems-based approach to watersheds development and of innovative approaches to reconciling water exploitation with the integrity of ecosystems processes and critically threatened habitat.

In addition, approaches will be developed that focus on maintaining or improving water quality, both for environmental quality and human health purposes. Co-operation has been initiated with UNEP's Global Programme of Action for Land-Based Marine Pollution. Furthermore, other freshwater quality initiatives may be supported, such as the GWP water quality programme.

Sharing water resources

Support at the international level will be given to regional initiatives on international river basins that emerge in response to the challenge of the Ministerial Declaration on sharing transboundary water resources. Such initiatives are potentially of pivotal importance in the development of international water security. Assistance to promote their development and, in particular, encourage them once they have developed can greatly enhance their impact.

The Netherlands Government intends to support the on-going processes of collaboration and negotiation in the Nile River Basin Initiative. This initiative, coordinated by the World Bank, aims to provide a framework for international co-operation in one of the most stressed and politically sensitive river basins in the world. Netherlands support will work within the international framework being developed to create effective structures for collaboration within the region.

Further support to the management of international river basins will be explored. This will be carried out in collaboration with other donors and within the scope of the activities of the GWP and the International Basin Organisation (INBO). It is obvious that support will primarily be concentrated on river basins situated in countries eligible for structural bilateral co-operation with the Netherlands. The approach to support in these basins will be to respond to demand wherever there is momentum for collaboration in the region.

Managing risks

During discussions at the Second World Water Forum increasing exposure to the management of risks resulting from climate change and climate variability was identified as an issue that has not received enough attention. In fact, whether these climate factors are a result of human activity or whether they are natural or cyclical in nature, they have never before posed such threats. This is because of the exponential increase in the world population and the location of such a large proportion of them in vulnerable sites.

The Mozambique floods that occurred practically simultaneously with the Second Forum vividly illustrated the consequences of being unprepared to deal with such risks. The Netherlands sponsored, together with Japan, a conference in Mozambique to see what lessons could be learned from that experience. However, much more remains to be done and support will be provided to initiatives over the coming years to develop policies and concrete proposals to provide protection in specific situations and sites.

One such initiative, the further development of the Southern African Hydrological Cycle Observation System (SADC-HYCOS), is already underway. This is an initiative being developed by the Department of Water Affairs and Forestry, Government of South Africa, the World Meteorological Organisation, and the Southern African Development Committee (SADC) with the objective of enhancing the effectiveness of real-time and near real-time hydrological monitoring across the SADC region and in national water resources management.

The role of infrastructure, and dams in particular, in relation to the management of risks will receive further attention in this process. The report of the World Commission on Dams will be carefully examined by many to determine the applicability of its recommendations. The Netherlands Government has financially supported the Commission and will likely support the follow-up process and its sequels.

Valuing water

The subject of valuing water, in the sense of attributing an economic value to all goods and services provided by water, i.e. including social and ecosystem services, needs further exploration. Cost recovery of these services, which can contribute to efficient and equitable water management within water distribution systems, is considered an important issue requiring attention. Promising efforts will be supported, mainly through bilateral programmes.

Governing water wisely

The development of institutional capacities to manage water resources, resolve conflicts over these resources and ensure that the interests of all sections of society are fairly represented in decision-making processes, is recognised as a focal challenge. Such capacity development is therefore an integral part of the multilateral as well as the bilateral programme.

Support is also provided to the International Network for Capacity Building in Integrated Water Resources Management (CAPNET). A UNDP initiative, its purpose is to foster human resources development for Integrated Water Resources Management (IWRM) through the strengthening of individual and, through them, institutional capacities in a number of countries and regions. The regional approach has been most developed in Southern Africa (WATERNET) and similar networks will be developed by CAPNET in other regions.

In much of the world the population does not have access to media who can present water issues in an informed manner. During the Forum, the Netherlands began a process of training journalists from developing countries so that they can report on the issues concerning water and the environment in a scientific manner. The Netherlands Government will continue this process in collaboration with the World Bank.

3.2 Bilateral Co-operation

According to a recent IOB evaluation study, Dutch bilateral aid to the water sector totalled an estimated NLG 2 billion from 1988-1998, which is equivalent to about NLG 200 million per year. Drinking water and sanitation accounted for 45 percent of total disbursements and irrigation and drainage for 20 percent. The remaining support went to water transport, coastal protection, flood control and hydrological studies.

During this period, the emphasis in most countries changed from a technical and construction-oriented perspective within the (sub) sector to a more integrated perspective which takes account of social, institutional, economic and environmental issues. Initially, the main focus of the water sector programme was on increased access to safe drinking water and more reliable supply of irrigation water. More emphasis was subsequently placed on institutional strengthening, on social and environmental issues and on the need for integrated water resources management. As a result, the allocation of funds to the different subsectors changed.

An inventory of all water sector activities supported by The Netherlands in 1999 showed that water supply and sanitation still account for the largest amount of disbursements (30 percent of total), followed by river development (12 percent) and agricultural resources (9 percent), but that the development of water resources policy now accounts for around 8 percent of the total. Other subsectors are water transport, flood control, wetlands and waste management. In addition to this, the Netherlands Government funded the development of the World Water Vision and Framework for Action, which were the main inputs in the Second World Water Forum.

As a result of the reduction in the number of countries eligible for structural bilateral assistance and because of a concentration of assistance in three to four sectors per country, a limited number of countries receive support in the water sector. Out of the 21 countries, which remain on the bilateral list, eight countries have chosen water as a sector for development co-operation. These countries are Bangladesh, Egypt, India, Indonesia, Mozambique, Palestine Authorities, Vietnam and Yemen. Besides these eight countries, there are two countries, Tanzania and South Africa, where aid is given to water supply and sanitation within the framework of support to, respectively, health and local government. Countries which are eligible for support to the environment sector or which have chosen the environment as a sector for bilateral co-operation can also apply for support to improved water management (e.g. Cape Verde, Senegal and Sri Lanka). It goes without saying that sectors such as rural development and agriculture often have strong water components too. An overview of present water sector activities in the concerned countries, including the anticipated disbursements for the year 2001 (NLG 200 million in total), is summarised in Annex 1.

Developing a Sector Approach for the Water Sector

Central to the bilateral programme is the sector approach. The sector approach aims to improve the quality, effectiveness and sustainability of the aid provided. In this approach the donor provides, within the existing policy framework, long-term, programme-based assistance which fits within the sector policy of the receiving country.

The development of a sector approach for water resources management can be complicated, as there is almost never one single institution that is responsible for all water resources programmes and as water resources have a range of both sources and uses. A sector strategy can make an important contribution by providing the necessary coherence and integration.

Fragmentation is often reflected in existing local priorities, which are usually sub-sector in character (e.g. priorities for irrigation and drinking water) and which usually reflect immediate needs rather than long-term structural change. It is essential that any programme be seen to be responding to these immediate needs if it is to have credibility with counterparts and local people.

IWRM fits well into the sector approach in the water sector and provides a framework in which the recipient country can set priorities and long-term goals can be balanced against immediate needs. In other words, a sector strategy should be based on an approach addressing both immediate objectives and longer-term structural change and development in a coherent way.

The sector approach needs to be developed through a process of close collaboration with development partners. Sector vision, strategy, activities and indicators all need to be mutually understood and agreed in order to make the best use of Netherlands support. The development partners are not restricted to the immediate government counterparts, but also include other organisations (government and non-government), other donors active in the sector and the stakeholders who are intended to be the ultimate beneficiaries of the Netherlands assistance. Donor co-ordination as well as the involvement of organisations representing different stakeholders in the design and implementation of programmes constitutes important elements in the sector approach.

3.3 Co-operation with Private Organisations

Activities can also be funded through private organisations (i.e. local and international non-governmental organisations, research institutes, community-based organisations, private enterprises etc.). The Water and Nature initiative is an example of an activity carried out by an international NGO. There are also special programmes aiming at collaboration with the private sector, like UNDP's Public-Private Partnership Programme for the Urban Environment. During the coming years the collaboration between public and private sector will be further researched and developed.

Another promising initiative is the 'Water Campaign' of the International Council for Local Environmental Initiatives (ICLEI). The Water Campaign is an international freshwater management campaign that focuses specifically on urban water resources issues. The Campaign's mission is to build a world-wide movement of local governments with their stakeholders to achieve tangible improvements in the sustainable use of fresh water resources by protecting and enhancing local watersheds, reducing water pollution, improving the availability and efficiency of water and sanitation services and promoting public health.

ORET/MILIEV programme

The ORET/MILIEV programme is designed to promote creation of employment and income in developing countries, to boost trade and industry and to promote environmental protection in these countries. Since 1991 the programme reduces the costs to developing countries for the purchase of capital goods, services or works from the Netherlands through the award of grants.

Within the ORET/MILIEV programme, a considerable number of projects focuses on infrastructural projects in the water sector. In the last five years some 12 different Dutch companies and consultancy firms have applied for and implemented 24 typical water projects in six different countries. These countries are China (12 projects), Ghana (8 projects), Egypt, Ethiopia, Kenya and Zimbabwe (1 project each). The total transaction costs of these projects amounts to some NLG 320 million, of which NLG 128 million are grants. The water projects consist of the construction, installation, rehabilitation and monitoring of drinking water plants, (municipal) wastewater treatment plants, sewerage, improved drainage and irrigation canals.

The large number of water projects in China and Ghana can be explained by the special interest that both governments have in solving their problems with wastewater and drinking water. Dutch companies possess specific knowledge in this area and by applying for an ORET/MILIEV grant, countries can obtain high-tech capital goods and knowledge.

The basis of a special agreement between China and the Netherlands within the framework of ORET/MILIEV is the bilateral Chinese project list. On this list of potential projects, some 20% are typical water projects. The interest in the Chinese water sector was further boosted as a result of a water forum, held in Beijing in April 1999, during the State Visit of Queen Beatrix and the Economic Mission.

Annex 1

Netherlands Support to National Programmes

A number of countries have chosen water as a sector for development co-operation with the Netherlands. Besides these countries, there are a number of countries where water management is supported within the framework of support to other sectors (rural development, environment, health, etc.). An overview of each country programme is given below.

3.1 Bangladesh

The context of water sector support in Bangladesh has changed rapidly in recent years, with a clear shift from a technical approach focused on flood control to a more multi-sector agenda in which changes to institutional roles and capacities are considered the dominant challenge. This shift is part of a larger changing process of which the major elements are the enactment of the National Water Policy (1998), the development of the National Water Management Plan (NWMP) and the redefinition of mandates and functions of the sector institutions in relation to the tasks of the local authorities and NGOs.

Netherlands assistance to the water sector has played and will continue to play a key role in this process of change. The IOB evaluation and a number of individual project evaluations have identified past strengths and weaknesses and the change of approach to a sector programme based on institutional objectives will reflect these conclusions. The overall development goal for the Netherlands water sector programme in Bangladesh has been defined as supporting the implementation of the National Water Policy. This goal will be achieved through a linked set of objectives and activities:

- The development, implementation and monitoring and evaluation of the NWMP, with Netherlands support directed at enhancing the capacities of the Water Resources Planning Organisation (WARPO) to manage and improve the NWMP process, supporting high-level policy development, and supporting the development of data management and planning capabilities.
- Enhancing the institutional framework for the implementation of the NWMP through capacity development activities within different key national water sector organisations and training institutions.
- Support to the 'Coastal Zone Programme' through direct support to the core programme capacities and policy development and implementation in the coastal areas.
- Assistance to the 'Ganges Dependent Area'. In the South West of the country the Netherlands is implementing the first phase of a massive programme which aims at restoring and maintaining fresh waterflows and which will constitute the basis for agriculture development and conservation of the Sundarbans, the largest mangrove forest in the world. In partnership with the World Bank the Netherlands is now supporting the design of the second and final phase of the project which is to be implemented from mid 2002 (Protecting Ecosystems/Water and Nature).
- Continued support to small-scale water resources development, focused on water management capabilities within local government and local communities.

- The promotion of enhanced regional collaboration on the analysis and planning of water resources within the Ganges-Brahmaputra river basin, based on improved data and analytical capabilities.
- Improving donor collaboration within the framework of the NWMP, by strengthening of the local donor co-ordination within the water sector and other related sectors.

3.2 Cape Verde

Cape Verde, a semi-arid Sahelian country, has identified the water resources sector as a priority area for its socio-economic development. As this sector is considered transversal and encompasses various sub-sectors, no bilateral or multilateral donor is supporting the water sector as a whole.

Recently, the Netherlands has restructured its bilateral development assistance to the country into a programmatic approach of the overall environmental sector (including water). As such, discussions between the two Governments are under way to identify the sub-sectors of the overall environmental sector for specific Netherlands' intervention.

In the meantime and awaiting the final outcome of these discussions, the Netherlands pursues its assistance to several interventions in the water sector of Cape Verde. On a national scale, The Netherlands Government supports the introduction by the Ministry of Agriculture, Food and Environment of irrigation systems that reduce water consumption and aim for optimal use of water by especially horticultural crops (drip irrigation). Regionally, the construction of piped water systems on the island of Santo Antão is being supported, whereas flood control measures to stem water erosion are being financed as well. The Municipality of Mindelo on the island of Sao Vicente will receive assistance for a programme to re-utilise its wastewater for irrigation purposes.

3.3 Egypt

The two main sectors for Netherlands' assistance are water management and drinking water and sanitation.

Egypt has one of the oldest traditions of water management in the world, but now increasingly faces problems related to scarcity, efficiency of management, allocation and water quality. The dominance of the Nile in all aspects of water resources management also means that international water sharing issues are inevitably of concern. The government dominates water management with strong but technically oriented institutions. The majority of activities of Netherlands support to the sector will focus on developing strategies and organising efforts to look into institutional reforms and institutional change. Netherlands support is relatively small in financial terms compared to that of the World Bank, USAID and KfW. Nonetheless, its input in policy dialogue is highly appreciated as is exemplified by the role played by the 'Panel'. Structural bilateral assistance to Egypt is scheduled to finish at the end of 2004. It is essential that the remaining assistance be strategically placed to support the reform process in the water sector.

During the coming years the programme will focus on assistance to policy dialogues, the encouragement of more effective donor co-ordination and a range of activities to internalise the outputs of project activities in the field of (local) institutional development, participation, privatisation, legislative framework, planning within

governmental and civil society structures and scaling-up project findings to sector policy consultations. The programme will also stimulate the private sector to participate in activities related to water management.

The main policy for guiding activities in 2001 and beyond is to strengthen the sustainability of activities by initiating, designing and implementing processes that will ensure the continued benefit of project outcomes through their integration into a sector approach. This will reinforce ownership, management and commitment within the existing government structures and the national policies and legal frameworks. Within this context, the active participation of civil society organisations will be enhanced as much as possible.

A number of specific outputs that link the Netherlands support to the challenges identified in the Ministerial Conference can be identified for the future programme:

- Address basic needs through activities focusing on mainstreaming gender in water sector programmes and the preparation of a programme addressing water quality issues in close consultation with the Egyptian authorities, donors and civil society organisations;
- Contribute to ecosystems protection within the framework of an environmental programme which will replace the structural bilateral assistance to Egypt after 2004;
- Address sharing water issues, explore the needs, and benefits of an Egyptian Water Partnership and possible collaboration of regional river basins (e.g. Rhine and Nile).

Bilateral assistance to the water supply and sanitation sector has focused primarily on institutional development, mainly at the regional level (Fayoum), through technical and financial assistance. Activities focus on master planning, improved access to improved facilities, economic management and greater autonomy. The programme is substantial in financial terms, though relatively small in comparison to actual needs.

Focusing mainly on rural areas, the Netherlands supported activities complement urban water supply and sanitation supported by USAID. Co-ordination of donor efforts in the sector in Fayoum is effective whereby the Governorate has taken the lead.

A Presidential decree was issued in 1995, enabling the creation of autonomous Public Economic Authorities (PEAs) in seven governorates, Fayoum included. Within the framework of Sector Reform, a second presidential decree is expected soon, enabling the creation of twelve more PEAs nation-wide. The Fayoum experience will continue to serve as an example of 'best practices' to other PEAs, nation-wide.

3.4 India

The programme in India is concentrated in three states, Gujarat, Andhra Pradesh and Kerala, and the dominance of states in water provision means that each state-level programme will need to reflect policies and capabilities at that level. Netherlands development assistance to the water sector in India has a long history. Rural water supply projects were first introduced in 1977 and thereafter the water sector became the focal point of project aid provided by the Netherlands to India. In all, 86 percent

of the total Netherlands project assistance in the 1980-92 period was in the water sector under three headings, water transport (40%), rural water supply and sanitation (35%), and land and water (11%).

Support to water transport has focused on dredging (and especially the supply of dredgers manufactured in the Netherlands), which comprises more than two-thirds of total assistance to this sector. The rest is concentrated on the improvement of ports, shipbuilding and repair and inland water transport.

Netherlands support to the land and water sector only began at any significant level during 1986. It initially focused on irrigation and land reclamation but has since broadened out to include policy support and support to institutional development in the sector. The emphasis on poverty alleviation, participation and integrated development has gradually increased and is now the focal point of the programme.

The rural drinking water and sanitation programme has been a major part of Netherlands project assistance to India since it started. The Netherlands programme has undergone a series of phases. The initial phases were generally dominated by physical investments and were very technically oriented. Most projects were large scale, piped water supply projects serving tens of thousands of people and implemented through, primarily, state-level technical agencies.

There has been an emerging awareness of these shortcomings, as reflected in both the structure and scope of more recent water supply projects such as the Ghogha Project in Gujarat as well as the Vizianagaram Community managed Drinking Water Pilot Project. The present approach in the Rural Drinking Water and Sanitation sector is based on the National Guidelines as well as on a strategy paper prepared in 1999 that emphasised a capacity-building approach for Netherlands support to the water supply sector based on:

- Co-operation with the Indian Government and other bilateral and multilateral donors in the rural water supply and sanitation sector in formulating, using and assessing a common framework for sector support and capacity building activities.
- Assistance in developing suitable institutional arrangements for decentralised water supply development.
- Assistance in the development of selected sector organisations that are part of the institutional framework.
- Assistance in the development of education and training capacity.
- Assistance in developing efficient, effective and replicable field-based approaches to decentralised water supply planning, development and management.

The Netherlands support to reforms in rural drinking water supply and sanitation intends to develop these reforms primarily within the context of integrated water resources management in rural areas and aims to strengthen local capacities and support reform initiatives at the policy level.

The Netherlands support in the sector is being closely co-ordinated with the Rajiv Gandhi National Drinking Water Mission (RGNDWM), the Water and Sanitation Program WSP-SA of WB/UNDP/ European donors and Canada. At state level co-ordination is taking place with donors active in the state, such as WB, DFID, GTZ and UNICEF.

3.5 Indonesia

The 'Reformasi' in Indonesia touches upon all sectors of society, including the water sector. The reforms in this sector are fundamental and the objectives the government has in mind are challenging. They set the context within which support to the sector will operate. The water sector until recently has been managed through centralised, technically oriented and fragmented government agencies.

The reforms in the water sector must lead to an approach of integrated water management with decentralised responsibilities. A whole new water policy and action should be drafted, in which all stakeholders should be involved. On central level an inter-ministerial co-ordinating body will be set up to guide the process.

This process is in full swing right now and donors are actively involved, which means a reformulation of their programmes. The national context is consequently supportive to the development of a sector approach, with 'ownership' and donor co-ordination central themes of the process. In this, core issues are:

- Improving the national institutional framework.
- Improving river basin management.
- Improving regional water quality management.
- Improve irrigation management.

More important is however the support for how this will be done, because that is where the new water policy will differ from the past approaches. Extensive stakeholder involvement through devolved institutions and the central government moving from being a provider to becoming a facilitator are core features of the approach. Higher levels of responsibilities will be put at the level of the water users themselves, who will be stimulated to set up water user associations.

The Netherlands development aid in Indonesia is channelled via multilateral organisations. In the water sector a first financial contribution is foreseen in 2001 via the World Bank. The Bank is very active in the water sector. It supports the reforms through a Water Sector Structural Adjustment Loan (WATSAL).

3.6 Mali

The rainy season in Mali extends from July until September with a mean annual precipitation varying from 50 mm in the north to 1200 mm in the south. The period between 1975 and 1985 was characterised by severe droughts and famine. Since 1990 the precipitation was satisfactory with the exception of last year, when rainfall was hardly sufficient. However, water supply in Mali does not only depend on precipitation. The rivers Niger, Senegal and their tributaries are also important permanent sources of fresh water. Since 1985 the construction of dams (Manatali and Selingue), the rehabilitation of the irrigation scheme "Office De Niger" and the introduction of motorised pumps for irrigation purposes have significantly reduced the dependence on rainfall. The rivers offer a high potential for the economic development of Niger.

The Netherlands Government supports improved management of water resources through the following activities:

- Since 1985 support has been given to the 'Office de Niger' to make more efficient use of irrigation water by rehabilitating and constructing irrigation schemes and introducing management systems based on water users organisations;

- A system to control the water quality of the Niger has been established in collaboration with the authorities of Guinea and Mali. Simultaneously consultative bodies of the various stakeholders (fishermen, farmers, industry, etc.) have been created;
- Financial support is provided to the government to build water conservation structures in the north of Mali;
- Within the scope of the Special Programme for Food Security, which is financed by the Netherlands and implemented by the FAO, irrigation systems at village level and pisciculture are improved.

The Netherlands, together with other donors, will assist Mali in investigating what can and needs to be done to improve water resources management in the Niger River basin.

3.7 Mozambique

Although Mozambique has abundant water resources, the country faces a series of challenges over their management as it recovers from a generation of conflict and economic disruption. These problems were greatly exacerbated by the floods of early 2000, which destroyed large quantities of infrastructure and necessitated an improved capability to plan and supervise the rehabilitation activities and to cope with such events in the future.

Mozambique has a clear national water policy, which has sufficient support from national institutions. But government agencies are weak and depend on external assistance. The implementation of proposed reforms in the water sector is therefore slow. There is a long history of Netherlands support to the water sector in Mozambique, but the recent IOB report emphasised the lack of effectiveness of many recent activities in the field of institutional development. There has been a significant change of emphasis in recent years towards creating institutional capacities for IWRM at national and regional levels. These reflect the changes in national policies and institutional strategies and will be supported further in the future. The institutional development process includes an emphasis on supporting international water sharing processes and (especially since the 2000 floods) the development of capacities to manage risks.

Furthermore, attention is paid to the reforms in the urban water supply sector. These reforms include the possible collaboration with the private sector and the participation of local communities in the preparation and implementation of the programmes. In the five major cities of Mozambique, participation of private companies in improved urban water supply is already taking place.

The programme also includes a number of projects aimed at meeting basic needs for water supply and sanitation in both rural and urban areas. These projects respond to immediate and acute needs in several parts of the country. The approach to these activities is undergoing a transition, however, from a traditional supply-driven approach to one that provides both urgent infrastructure and at the same time aims to enhance institutional capacities for the long-term management of infrastructure.

3.8 Pakistan

Pakistan is an arid country and water from the Indus is of utmost importance for the production of food for the fast growing population. In the past, water of the Indus was always abundant and no special measures for protection were needed. With the increase of the population, the extension of the irrigated areas and the introduction of

new technologies, the stress on the limited water resources increased and in the near future Pakistan will become a water deficit country. Salinisation, contamination and groundwater depletion are already widespread problems with negative effects on the sustainability of the Indus irrigation system, which is the backbone of the agricultural economy of Pakistan.

In 1992, Pakistan approved the National Conservation Strategy (NCS) which is considered as a guiding document for sustainable development in Pakistan. In this document water is an important theme and 4 out of the 14 core-programme areas for priority implementation are directly related to water. These areas are 1) Increasing irrigation efficiency, 2) Protecting watersheds, 3) Protecting water bodies and sustaining fisheries and 4) Preventing/ abating pollution.

The Netherlands Government has supported water management in Pakistan for many years, especially in the area of irrigation, drainage, rural water supply and urban sanitation. From 1996 onwards, industrial wastewater pollution was added as a priority area. The last three years, the disbursements show a gradual decline from NLG 9.0 million in 1997 to around NLG 5 million in 2000. Since 1999, Pakistan does not qualify for structural bilateral assistance, but still receives assistance in areas like environment and good governance through NGOs. The current water programme includes activities on irrigation and drainage, slum-area sanitation and industrial wastewater control.

Within the environment programme of the Netherlands in Pakistan, activities related to industrial water pollution and participatory water management will be supported. The programme in the field of industrial water pollution is already rather strong and will be extended to other industrial sectors; the results will be consolidated within the private sector and the provincial Environmental Protection Agencies (EPAs).

Participatory water management is an important but difficult issue in Pakistan because of the conflicts and vested interests regarding the access and control of water resources. There is a common understanding that important changes with respect to the responsibilities for water management are necessary, but there is still not an agreement on how this will be implemented and organised. There is a sufficient scope to support initiatives and experiments with regard to this. The Netherlands will support rather small activities of NGOs, which are interested to develop, test and implement innovative concepts for the participation of farmers in water management. An example of such an activity that will be supported is the Pakistan National Chapter of INPIM (International Network on Participatory Irrigation Management).

3.9 Palestine Authorities

The water resources sector has been identified as a priority area for support to the Palestine Authorities. This programme has to be fully developed, and has inevitably been affected by the political system within the region. Despite this, the overall framework of Netherlands support is clear. Large parts of the Palestinian territory are semi-arid and there still exists an unequal distribution of water between Israel and the Palestinians. The Palestinian Territories consequently consider water to be one of the key factors of development and have given the development of the water sector the highest priority in their policy. Although the policy dialogue on general terms is undertaken with the Ministry of Planning supported technically by the Palestinian Water Authority (PWA), the PWA is, within a clear policy framework, the only responsible institute for the development of the policy on water supply and sanitation.

Until now the Dutch support to the water sector has been rather limited compared with other donors. It is proposed to broaden and extend the present programme and, in consultation with the regional land and water policy advisor in Cairo, a plan has been developed to spend within the next years a substantial part of the allocated budget in the water sector. This plan suggests also the development, within the PWA, of one or two large projects on water supply and sanitation in rural poor regions presently almost unattended by the big donors Germany and the US. The Dutch assistance could perfectly fit in the new strategic plan, in which the PWA has established clear priorities. In 2001 a thorough, integrated institutional sector and organisational analysis, in which special attention will be paid to the organisational as well as the financial capacity of the PWA, will form the basis for the Dutch strategy in the water sector.

Besides the suggested support to the programme within the PWA, the Dutch Embassy will continue to support some small-scale activities presently not executed by PWA through capacity problems or due to the Oslo-agreement. It concerns the following activities:

- Palestinian Hydrology Group: the rehabilitation of rural small-scale water supply systems (wells, cisterns etc.).
- Save the Children: small-scale activities directed towards the improvement of water use and sanitation.
- American Near East Refugee Aid: experimental project directed at the reuse of treated wastewater.

3.10 Senegal

Bilateral development co-operation of the Netherlands with Senegal concentrates upon the environmental sector. Within this sector Dutch support focalises (apart from on forestry development) on the protection of wetlands. The major wetlands of Senegal, the National Park of Djoudj and the Biosphere of Saloum, belong to the internationally recognised Ramsar Sites and UNESCO-protected Man and Biosphere Regions. The Netherlands financed the development of management plans for these major wetlands and, within this framework, supported activities for a participatory sustainable exploitation of these water resources by all stakeholders.

In the north of the country, The Netherlands will support a major UNDP/GEF programme with Mauritania and Senegal for a better sharing of water and other natural resources in the valley of the Senegal.

3.11 South Africa

The Republic of South Africa has undergone an unprecedented transformation process since the ending of the Apartheid era. For water resources, this is reflected in a conscious and carefully planned process of legal and institutional change. A new water law (the National Water Services Act of 1997) sets a framework within which IWRM based on a river catchment approach is to be developed. This framework includes an emphasis on decentralisation and the increased participation of water users at all levels.

This process sets the context within which Netherlands assistance is to be provided. The programme will be a new one, with the Government of South Africa selecting local government as a priority sector in late 1999. This was, after further

consultations, narrowed down to the specific issue of Integrated Development Planning and Water Service Delivery.

Within this focus, there will be an emphasis on meeting the basic needs of the 8 million South Africans who lack access to adequate quantities of good quality water. The Netherlands will also be involved, with the EU and DFID, in supporting the Water Sector Support Programme that is scheduled to start in April 2001. This will concentrate on rural water supply and sanitation in three provinces (Eastern Cape, Northern Province and KwaZulu Natal) that face particularly acute problems and, within this focus, there will be an emphasis on institutional strengthening of local government. The approach is demand driven to cater for the specific needs of the different provinces.

The Netherlands Embassy has recently financed a Human Resources Development exercise in the national-level Department of Water Affairs, with the aims of articulating the new skills needed in the changes planned for the sector. It is intended that this will be followed by additional support in this area, with in particular inter-institutional co-operation seen as of critical importance.

An additional activity will be the funding of a partnership between the National Community Water and Sanitation Training Institute (NCWSTI) and the International Water and Sanitation Centre (IRC). The NCWSTI was appointed by the Minister of Water Affairs to be the national centre for expertise and training in community water supply and sanitation. The partnership is aimed at enhancing the capacity of the South African Institute, with a special focus on gender-related training. The project will form part of the WSSP management structure and will assist to address the gender gaps in the South African water services programme.

Lastly the Netherlands Government funds the development of a groundwater information system (REGIS Africa) at the Department of Water Affairs. The last phase of the development will start in 2001.

3.12 Sri Lanka

Two large activities in the field of water resources management are supported with Dutch funds:

a) The Integrated Resource Management Project (IRMP). This five-year project (until 2003) results from earlier support to the National Wetlands Programme, that terminated in 1997. In the IRMP, a model will be developed for the sustainable use of a wetland close to the coast within a single ecosystem (de Muturayawela Marsh and Ngombo Lagoon). Experiences will be collected with respect to the participatory approach and management of income-generating activities that contribute to the conservation of the ecosystem. A land use plan, in which various uses and protection co-exist, is elaborated in the management plan. The overfishing and pollution of the lagoon is considered one of the major problems.

b) The Coastal Resource Management Programme (CRMP). This programme implements the developed Coastal Zone Management Plan, which is carried out by the Ministry of Coastal Management and Fisheries and financed by the Asian Development Bank (ADB) with Dutch co-financing. The ADB finances the components of coastal protection and the construction of fishing ports, while the Government of the Netherlands supports the following components with a contribution of Nlg. 32 million:

- Institutional Strengthening of Coastal Management and Fisheries;
- “Special Area Management” of 6 selected ecologically important areas.

This programme, running from September 2000 until 2007, is focussed on sustainable use with attention for fisheries.

3.13 Tanzania

Netherlands support to the water sector in Tanzania is channelled through a rural water supply and sanitation programme. More than 80% of the population in Tanzania resides in rural areas. Rural water supply coverage increased slightly from 42 % in 1992 to 48% in 1999. However, about 30% of these installed facilities are not operational so the actual coverage is lower. Water supply in peri-urban and urban areas is inadequate as well. The coverage of sanitation is not well documented, but there is little doubt that the level of provision is poor in most areas.

Both the policy and legal framework of the water and sanitation sector is currently being revised as a part of the wider process of governmental reforms. The Ministry of Water is in transition and is trying to identify in concrete terms the contents and mandate of its new function. The Rural Water Supply and Sanitation Policy has been revised and, when combined with key planning and finance documents, presents a clear and comprehensive guide for the future direction of the sector. The revised draft policy has incorporated many years of experience of both government and donor supported programmes in Tanzania. The main challenge now is the implementation of the policy and plans.

Reforms are enabling a radically new approach. The government is now focussing on policy formulation, regulation and monitoring rather than implementation. The Local Government Reform devolves responsibilities from central to Local Government Authorities. NGOs and private sectors are expected to provide non-core functions previously done by the government. Experience learnt that technology is only one aspect for sustainability. Liberalisation of ownership and adequate scheme management are equally crucial (factors) and that a direct focus on communities is a pre-condition for success. Netherlands support will aim to facilitate this process of reform, working in close collaboration with other donors in the sector.

3.14 Vietnam

Water resources development in Vietnam is crucial to rural development, food security and poverty reduction. Frequent flooding severely and repeatedly sets back development achievements. It is recognised that Dutch expertise can be of good use in this area and a programme of bilateral co-operation in the water sector has been developed recently. The emphasis in the programme is directed at structural change. The opportunities for a sector or programme approach in the water sector still need further exploration and the recent appointment of a sector specialist to the Embassy will help to further shape the bilateral co-operation in this sector.

Joint activities in the water management sub-sector focus on river basin management, capacity building and flood mitigation, including coastal zone management. Principal counterpart ministries are the Ministry of Agriculture and Rural Development (MARD) and the Ministry of Science technology and Environment (MOSTE). The Netherlands, together with ADB, supports the implementation of the new

Law on Water Resources, promoting an integrated river basin approach in water resources management.

In response to disastrous flooding in Central Vietnam in 1999, the Netherlands, together with the government of Vietnam, UNDP and other donors joined in a coherent partnership developing a flood mitigation programme for central Vietnam. This partnership resulted in a Government-Multi-Donor mission in 2000, which proposed a set of programmes on structural and non-structural measures for the short, medium and longer term to manage the risks that the floods represent. Further institutional and practical elaboration is presently undertaken.

In the sub-sector water transport the Ministry of Transport (MOT) is the principal counterpart. Bilateral co-operation has so far been limited to harbour development and the support to two inland waterway schools. It is felt that this area of support does not reflect the wider IWRM agenda and in consequence the Embassy recently has refrained from actively promoting a policy dialogue and developing new activities. Nevertheless possibilities will be investigated to integrate water transport into the river basin and coastal management approach.

3.15 Yemen

The Yemeni Government has identified water as one of the two major challenges facing the country (the other one being "population") and water became a priority in the Netherlands sector policy in Yemen. This sector policy will be based on integrated water resources management, linking the management of the resources as such with the development and management of resources by water users (drinking-water supply and sanitation, and agricultural water use). A dialogue will be started on how to address gender within the water sector reform. Combining the programme for the water sector with the others sectors in the development programme will lead to mutual strengthening.

The National Water Resources Authority (NWRA) is a new organisation, which is responsible for policy development in the field of Integrated Water Resources Management and the granting of licenses and concessions. The existence of an organisation such as NWRA is considered essential for tackling the water crisis. The Dutch Government, in co-operation with the UNDP, is involved in the institutional strengthening of the NWRA through the Sustainable Water Resources Program, which is aimed at building full managerial and technical capacity of NWRA to ensure sustainable development of Yemen's scarce water resources in the immediate future.

The National Water and Sanitation Authority (NWSA), which comes under the Ministry of Energy and Water (MEW), is responsible for urban water supply and sanitation. Inspired by the so-called "Rada Principles" a decentralised and customer-oriented approach has been adopted and 30 urban water supply and sewerage utilities are in the process of decentralisation. The German Government is supporting this orientation and finances some of the decentralised branches, while the Dutch Government is involved in water development and management by capacity building of NWSA branches within the Institutional Strengthening of Five NWSA Branches Programme. In the beginning of 2001 the European Union will also commence to support the recently established Aden Local Water Supply and Sanitation Corporation and as well five sub-branches in the south of Yemen.

The General Authority for Electricity and Water (GAREW) is responsible for the rural water supply and sanitation. The Government has taken steps to develop sector reform for rural areas, to be pursued in 2000. The Dutch Government is supporting the rural water and sanitation sub-sector through SURWAS and will be involved in the new World Bank Rural Water and Sanitation Program (SRWSP), which is scheduled to commence in February 2001. The demand responsive approach, initiated by the Dutch Government, was applied in the SURWAS and has proven to be successful. The SRWSP is an important tool in the decentralisation process in which the target group decides the scale and type of the water supply intervention. The emphasis in the intervention will be put on the aspects of maintenance-friendly solutions with the input of local materials and manpower.

The capacity building programme directed at the Irrigation Department of the Ministry of Agriculture and Irrigation focuses at the reduction of the amount of water needed in agriculture. The improvement of the irrigation efficiency and water conservation is a new field for assistance by the Netherlands. This activity will very much contribute to proper water resources management, since agriculture is the main consumer of Yemen's water resources (90% of overall water use). Also the Dutch technical assistance to the WB Farmers Development Program, which encourages spate irrigation and promotes rainfed agriculture, are in line with this approach. Policies for agricultural water use and management are part of the Aden Agenda, which contains the overall policy for agricultural reform.

