

Working Together to Improve AID EFFECTIVENESS IN THE WATER SECTOR

Mapping EU Development Assistance to the Water Sector in Africa:

Exercise of the Africa Working Group of the European Union Water Initiative 2007–2008

Headline Issues

This mapping exercise has confirmed that, despite difficulties and statistical constraints, it is feasible to disaggregate the ODA to the water sector from European Union donors into the three component sub sectors of sanitation & hygiene, water supply and IWRM, and to map these aid flows geographically to African recipients.

Despite earlier doubts on the feasibility of conducting this exercise, this report provides a baseline to benchmark and assess European Union progress in implementing the EU “Code of Conduct on Complementarity and Division of Labour in Development Policy” and the Paris Declaration specifically for water sub-sectors: sanitation and hygiene, water supply and IWRM. We have used a methodology which has been effective in answering many of the questions related to aid allocations, harmonisation and co-ordination, but which should nevertheless be improved.

Africa is a priority recipient for European Union aid to the water sector: 60% of the EU’s ODA to the water sector goes to Africa. This provides a strong incentive to enhance a more coordinated policy dialogue between Europe and Africa, for example through the mechanisms of the European Union Water Initiative (Africa Working Group) and the African Ministers’ Council on Water (AMCOW).

Improving aid effectiveness is a dual responsibility: from the donor countries as well as the recipient countries. Strategic policy dialogues should be based on evidence and facts which allow both parties to make informed decisions. The data from this study can contribute to this dialogue, conducted preferably at national or country level.

30% of European ODA to the WASH sector in Africa is allocated to sanitation and hygiene. Whilst sanitation is the most off track MDG target, we do not have a benchmark figure against which to judge whether or not this proportional allocation is sufficient.

Sanitation is one of the most neglected MDG sectors, afforded low priority by donor and recipient governments alike. Interventions in the WASH sector regularly cover both water and sanitation, and under the current project-level reporting system there is no incentive to collect information about the support for each component separately. The situation is complicated further by a lack of data about investment by governments in hygiene and sanitation promotion in comparison to investment in infrastructure, although hygiene and sanitation promotion is often considered the most effective intervention particularly in rural areas. Despite these caveats, this report provides a most useful first snapshot against which progress can be measured.





European ODA does not necessarily flow to countries in greatest need, for example to fragile states and states with low service coverage; there is scope for improvement in targeting more water sector ODA in all the sub sectors to identified “donor orphans”.

The report provides evidence that EU donors tend to concentrate on some countries while leaving aside others in a way which is difficult to justify on the basis of a commitment to achieving the MDG targets. In some countries, there is a high concentration of EU donors, resulting in excessive transaction costs, in the absence of improved coordination and ‘silent partnerships’ in accordance with the EU Code of Conduct.

Alignment of European ODA to the water sector with recipient countries’ systems needs improvement; only 29% of European ODA to the sector is provided through sector budget support and the rest is provided through separate programmes and projects; many donors still use Programme Implementation Units.

The target of the Paris Declaration is that ALL donors use the recipient country’s system for Public Financial Management and Procurement where that adheres to broadly accepted good practices or there is a reform programme in place to achieve this.

With the current systems, it is not feasible to capture either the extent of pro-poor targeting of European ODA or the investments made in capacity building through analysis of donor commitments or disbursements.

There are no commonly agreed indicators to measure to what extent existing allocations go to pro-poor interventions, which contribute to the MDGs. It also seems impossible, under existing reporting systems, to track large parts of

the EU ODA which goes specifically for capacity development in the water sector. One reason is that capacity development for the water sector is “hidden” under general budget support, sector support and several other types of interventions. Whether we need to capture this information and, if so, how to address this gap more effectively remains to be answered. However, the answer may lie, not so much in more detailed tracking of aid flows from donors, as in supporting and improving recipient country monitoring systems and indicators, in a way which proves useful for them.

Monitoring aid flows is critical to improving the effectiveness and efficiency of the sector.

The range of data provided in this report will help decision makers target aid more effectively, and this will be even more effective if the data is collected regularly in the future. By monitoring and tracking aid commitments and, most significantly, disbursements it will be possible to see where aid to relatively neglected areas, such as sanitation and hygiene, has proved to be effective. Ideally, this data should be collected using existing instruments and methodologies to avoid duplication. There is therefore an urgent need to refine existing systems and strengthen further integration and co-operation on the donor and the recipient side.

Future allocations of European ODA to African countries cannot be predicted using systems currently in place.

This exercise intended to collect information on the amount of future allocations (intended or forthcoming commitments) which European donors plan to sign in the near future. This would provide insights into the predictability and continuity of EU ODA to Africa for the coming five or ten years, for instance. However, donors are very cautious in providing estimates, fearful that they might be considered as actual commitments, when this information is not yet in donors’ official planning documents.

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