

# Aid effectiveness in the water and sanitation sector

Policies, practices and perspectives



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Cover Photos: *Left:* Yaase village, Bosomtwe district, Ashanti region, Ghana. Georgia Osei collecting water from a mechanised borehole with pump attendant Naomi Manu. (PHOTO by Peter McIntyre).

*Centre:* Peace village, Bosomtwe district, Ashanti region, Ghana. 11-year-old Agnes Adoma collecting water for her school from one of the handpumps in the community. (PHOTO by Peter McIntyre).

*Right:* Bathing by the roadside in rural Rajasthan, India. (PHOTO by Charles Batchelor).



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# **Aid effectiveness in the water and sanitation sector**

*Policies, practices and perspectives*

## **Thematic Overview Paper 26**

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# Contents

<b>Abbreviations .....</b>	<b>5</b>
<b>Thematic Overview Papers (TOPs).....</b>	<b>7</b>
<b>1 Introduction.....</b>	<b>8</b>
<b>2 Policy: the aid effectiveness framework.....</b>	<b>10</b>
2.1 What is aid effectiveness? .....	10
2.2 The main drivers for aid effectiveness.....	11
2.2.1 <i>High transaction costs for recipient countries</i> .....	11
2.2.2 <i>Lack of donor coordination</i> .....	12
2.2.3 <i>No country ownership</i> .....	12
2.2.4 <i>Little accountability</i> .....	12
2.3 The aid effectiveness framework: from the MDGs to Seoul.....	13
2.3.1 <i>2000: Millennium Development Goals</i> .....	13
2.3.2 <i>2002: Monterrey Consensus</i> .....	14
2.3.3 <i>2003: Rome Declaration on Harmonisation</i> .....	14
2.3.4 <i>2005: Paris Declaration on Aid Effectiveness</i> .....	14
2.3.5 <i>2007: Code of Conduct on Division of Labour</i> .....	15
2.3.6 <i>2008: Accra Agenda for Action</i> .....	15
2.4 Declarations on aid effectiveness in the WASH sector in Africa.....	16
2.4.1 <i>2008: eThekweni Declaration on Sanitation</i> .....	16
2.4.2 <i>2008: Sharm el Sheikh Commitment on Water and Sanitation</i> .....	17
2.5 Main mechanisms to deliver aid .....	17
2.5.1 <i>Project based approach</i> .....	17
2.5.2 <i>Programme based approach</i> .....	18
2.5.3 <i>Budget support</i> .....	20
2.5.4 <i>Technical assistance</i> .....	21
2.5.5 <i>Silent partnerships</i> .....	21
2.5.6 <i>Global or vertical funds</i> .....	21

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<b>3</b>	<b>Practice: aid effectiveness in the water and sanitation sector .....</b>	<b>23</b>
3.1	Global coverage of basic sanitation and drinking-water .....	23
3.1.1	<i>Performance of the water and sanitation sector in making effective use of aid..</i>	25
3.1.2	<i>There is a lack of political priority for water and sanitation resulting in a decreasing share of aid to the sector .....</i>	25
3.1.3	<i>Lack of information on financial flows is hampering efficient targeting of resources .....</i>	27
3.1.4	<i>Aid flows are still unpredictable .....</i>	27
3.1.5	<i>Harmonisation has improved at international level but is difficult to put into practice both between donors and at country level.....</i>	27
3.1.6	<i>Alignment is lagging behind as clear country policies and systems are often missing .....</i>	28
3.2	Obstacles to increasing the effectiveness of aid.....	28
3.2.1	<i>Implementation of sector policies is a challenge.....</i>	29
3.2.2	<i>Country sector planning and monitoring is weak.....</i>	29
3.2.3	<i>Lack of reliable information about local progress at country level forms a barrier to aid effectiveness.....</i>	29
3.3	On-going initiatives to improve aid effectiveness .....	30
3.3.1	<i>Global initiatives to improve aid effectiveness.....</i>	30
3.3.2	<i>Regional initiatives to improve aid effectiveness .....</i>	34
3.3.3	<i>Country initiatives to improve aid effectiveness.....</i>	37
<b>4</b>	<b>Perspectives: the way forward to increase aid effectiveness.....</b>	<b>46</b>
4.1	Possible way forward to strengthen aid effectiveness .....	46
4.2	From aid effectiveness to development effectiveness .....	50
<b>5</b>	<b>Conclusion .....</b>	<b>51</b>
	<b>References .....</b>	<b>53</b>
	<b>Resources.....</b>	<b>60</b>
	Relevant literature .....	60
	Relevant websites .....	81

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## Figures

Figure 1	Main principles and terminology related to aid effectiveness .....	10
Figure 2	From the Millennium Declaration to Seoul .....	13
Figure 3	Essential components of a SWAp .....	20
Figure 4	Use of improved sanitation facilities .....	24
Figure 5	Use global coverage levels, improved drinking water sources and improved sanitation, urban and rural, 1990 and 2008 .....	24
Figure 6	Trends in targeting of WASH Aid commitments .....	26

## Boxes

Box 1	Poverty Reduction Strategy Papers .....	18
Box 2	Sector Wide Approach .....	19

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## Abbreviations

AAA	Accra Agenda for Action
ACP	African Caribbean and Pacific (countries)
AfDB	African Development Bank
AMCOW	African Ministers' Council on Water
AWG	Africa Working Group
BRIC	Brazil, Russia, India and China
CSO	Civil Society Organisation
CSO	Country Status Overview
DAC	Development Assistance Committee
DoL	Code of Conduct on Division of Labour
DWAF	Department of Water Affairs and Forestry
EC	European Commission
EECCA	Eastern Europe, Caucasus and Central Asia
EU	European Union
EUWI	European Union Water Initiative
EUWI-AWG	European Union Water Initiative Africa Water Group
FOCARD	Council of Central American and Dominican Republic Health Ministers
GBS	General Budget Support
GLAAS	Global Annual Assessment of Sanitation and Drinking Water
GDP	Gross Domestic Product
GNP	Gross National Product
GSF	Global Sanitation Fund
HLF	High Level Forum
IATI	International Aid Transparency Initiative
IMF	International Monetary Fund
IWRM	Integrated Water Resource Management
JDP	Joint Donor Programme for Macro-Financial Support
JMP	Joint Monitoring Programme for Water Supply and Sanitation
LDC	Least Developed Country

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MDG	Millennium Development Goal
MTEF	Medium-term Expenditure Framework
MIC	Middle Income Country
MoU	Memorandum of Understanding
NGO	Non-Governmental Organisation
NPRI	National Planning for Results Initiative
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PAF	Performance Assessment Framework
PD	Paris Declaration on Aid Effectiveness
PRSP	Poverty Reduction Strategy Paper
PRONASAR	National Rural Water Supply and Sanitation Program <i>[Programa Nacional de Abastecimento de Água e Saneamento Rural, Mozambique]</i>
RWSSI	Rural Water Supply and Sanitation Initiative
SAP	Structural Adjustment Programme
SBS	Sector Budget Support
SWA	Sanitation and Water for All
SWAp	Sector Wide Approach
SP	Silent Partnership
TA	Technical Assistance
TOP	Thematic Overview Paper
UN	United Nations
UNDP	United Nations Development Programme
WASH	Water, Sanitation and Hygiene
WB	World Bank
WHO	World Health Organization
WSP	Water and Sanitation Program
WSS	Water and Sanitation Sector
WSSCC	Water Supply Sanitation Collaborative Council



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# 1 Introduction

Aid effectiveness is about improving the *quality of aid* and its *impact* on development and as such on the socio-economic, political and environmental living conditions of people and their well-being.

The purpose of this Thematic Overview Paper (TOP) is to present the latest thinking on aid effectiveness in the water and sanitation sector and the context in which this has taken place.

Increasing the effectiveness of aid is a relevant challenge within the water and sanitation sector. Despite increased nationally generated income in many developing countries, the sector remains very much dependent on donor funds. Today 900 million people still lack access to drinking water and 2.5 billion people lack access to basic sanitation (JMP, 2010). Donors have been trying to support countries by increasing the effectiveness of their disbursements through better coordination and targeting of their actions with recipient countries. However, in the last decade, both donors and recipients of aid recognise that creating greater access to drinking water and basic sanitation is not just about increasing funding for the sector. It is also about increasing the effectiveness of aid.

Aid effectiveness has been on the international development agenda since the 1990s. The disappointing development results of past decades sparked an intense debate on the effectiveness of aid in development in general, but also within the water and sanitation sector. In recent years, while the official aid volume for water, sanitation and hygiene (WASH) sector has been increasing, public and political support for development assistance is under pressure. The start of the global financial crisis and economic recession in 2008 increased pressure to improve aid effectiveness and deliver results. This is essential to justify aid and sustain public and political support for the international development agenda.

Aid effectiveness is also very much on the agenda in the water and sanitation sector. Initiatives to make aid more effective include the Sanitation and Water for All (SWA) global partnership and the EU Water Initiative (EUWI). At regional level efforts are being made to contribute to more effective aid. Examples are the efforts of the African Ministers' Council on Water (AMCOW) and the Council of Central American and Dominican Republic Health Ministers (FOCARD). At country level in recent years many governments, together with their development partners, have increasingly been addressing ways of improving the effectiveness of aid and optimising available resources to increase the world population's access to sustainable WASH services. These efforts have brought to the fore the need for sector coordination and harmonisation through mechanisms such as the development and/or adoption of a Sector Wide Approach (SWAp). Countries such as Uganda, South Africa and Mozambique are good examples of these concerted efforts. However, current debate and discussions seem to have reached a consensus that a new paradigm is needed with a shift from aid effectiveness to *development* effectiveness.

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This TOP explores current policies, practices and perspectives on aid effectiveness in the water and sanitation sector. The first part discusses the international policy framework to increase aid effectiveness; it defines the concept and the main drivers for the debate. The second chapter focuses on the current status and challenges of aid effectiveness in the water and sanitation sector and provides an overview of on-going initiatives to improve the effectiveness of aid at international, regional and country levels. The paper concludes with different perspectives on the future of aid effectiveness in the sector.

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## 2 Policy: the aid effectiveness framework

In the last decade aid effectiveness has become a central part of the international development agenda and dialogue. Since early 2000, donors and recipients of aid have made a concerted effort to develop a common policy framework on aid effectiveness. This chapter explains what aid effectiveness is, where it has come from and how it has evolved within the international development agenda. It also addresses the main modalities for delivering aid.

### 2.1 What is aid effectiveness?

Aid effectiveness is the effectiveness of development aid in achieving economic, social and environmental development. It aims to improve *the quality of aid* and its *impact* on development. Stimulating the effectiveness of aid is based on five operational principles. These principles are mutually-reinforcing (OECD, 2006):

**Ownership:** Partner countries exercise effective leadership over their development policies, strategies and programmes and coordinate development actions.

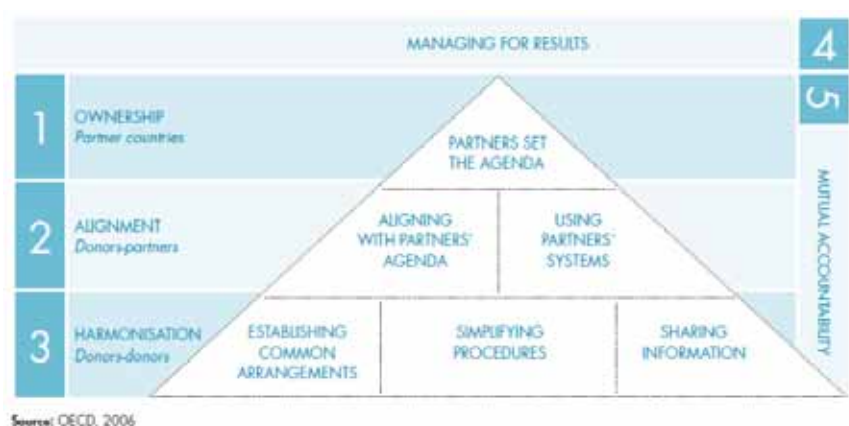
**Alignment:** Donors base their overall support on partner countries' national development strategies, institutions and procedures.

**Harmonisation:** Donor actions are coordinated, their procedures are simplified and they share information to avoid duplication.

**Managing for results:** Managing resources and improving decision-making for results.

**Mutual accountability:** Donors and partners are accountable for development results.

These five operational principles are most commonly depicted in the form of a pyramid (see figure 1). The pyramid reflects the way the different principles relate to each other.



**Figure 1** Main principles and terminology related to aid effectiveness

Source: OECD, 2006.

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Within the aid effectiveness paradigm, recipient countries take ownership and leadership by setting the development agenda and defining the necessary policies, strategies and programmes. **Country ownership** is the overarching purpose of aid effectiveness that harmonisation and alignment must support. To achieve this, countries need to ensure that the necessary policies, strategies, programmes and public financial management systems are in place so that aid can be aligned to them. In this way country governments lead the development process and direct resources to **achieve results**.

Development partners **align** their aid to the partner country development agenda as well as to its financial, procurement, performance monitoring and other systems. In this way aid funding supports the national policy priorities defined by the country government. In order to ensure effective use of funds, it is important that countries take decisions based on evidence and quality information. To achieve aid effectiveness donors come together to **harmonise** their efforts so that common arrangements are established, procedures are simplified, information is shared and duplication is avoided. Ultimately, both donors and partners are accountable for development results through **mutual accountability**.

## 2.2 The main drivers for aid effectiveness

The main driver for the emergence of the aid effectiveness agenda was the realisation among donors and developing countries that the way aid was being managed was unsuccessful in reducing poverty and creating development. From the mid-1990s it became apparent that promoting sustainable development was not only about the amount of aid provided, but also about *how* aid is provided, used and contributes to results. This led to the emergence of the aid effectiveness paradigm.

### 2.2.1 High transaction costs for recipient countries

One of the reasons for the ineffectiveness of aid in achieving development is the many different requirements and approaches of donors which result in huge transaction costs for developing countries. From the 1970s to mid-1990s, the predominant financing modality in development was the project-based approach. Each donor had their own requirements and procedures with which recipient countries had to comply. Projects ran in parallel to the country's own policies and institutions. Managing these different donor procedures brought high costs for developing countries and undermined domestic (institutional) capacity development, especially in the poorest and most aid-dependent countries. Meeting multiple donor requirements deployed a significant proportion of their administrative capacity, impaired ownership over development plans and weakened public financial management skills.

Another main lesson of the last decade has been that even when donor-initiated stand-alone projects are well implemented, they often do not result in sustainable development. In most cases in the WASH sector, once a project has been implemented, the project capacity disappears without

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leaving sufficient local capacity or institutional arrangements to provide a service, leading to service break down.

### *2.2.2 Lack of donor coordination*

At the same time, development aid has also suffered from a lack of coordination of donor activities. This has led to duplication of effort and resources being wasted, making aid inefficient. Certain countries, areas and sectors ('aid orphans') have received little or no funding, and have been left behind. Other countries and sectors ('aid darlings') have been struggling to effectively handle large amounts of aid and a multiplicity of donors working within the same sector.

### *2.2.3 No country ownership*

During the 1990s donor policies and objectives dominated the development agenda. Examples of this lack of country ownership were the Structural Adjustment Programmes (SAPs) of the World Bank (WB) and the International Monetary Fund (IMF) that many developing countries were implementing. The SAPs had been introduced in the late 1950s as a condition for receiving new loans or obtaining lower interest rates on existing loans. The plans contained reforms to be implemented by recipient countries to bring about economic growth and reduce poverty. However, in most cases they failed to do so. The fact that the SAP reforms were externally imposed and countries lacked ownership over their own development is seen as one of the most important reasons for this failure.

### *2.2.4 Little accountability*

From the 1990s onwards, citizens in donor countries started to question the results of aid, asking for evidence of its outcome and impact, and demanding greater accountability. The lack of accountability from both donors and recipient countries created demand for aid to be more effective and results-based, since there was little evidence of concrete results and impact of development assistance. In recent years, public and political support for development assistance has been falling. The global financial crisis and economic recession that started in 2008 has increased pressure to improve aid effectiveness and deliver results.

### 2.3 The aid effectiveness framework: from the MDGs to Seoul

Development of the international policy framework for aid effectiveness started in 2000 at the Millennium Summit in New York (see figure 2) with the adoption of the Millennium Development Goals (MDGs).



Figure 2 From the Millennium Declaration to Seoul  
Source: de la Harpe, 2011.

#### 2.3.1 2000: Millennium Development Goals

The Millennium Development Goals were adopted based on the belief that aid must be evaluated not only in terms of inputs, but also on the basis of its concrete outcomes (Takamasa and Masanori, 2003). The MDGs, to be achieved by 2015, promote development by improving social, economic and environmental conditions in the world's poorest countries and set poverty reduction as the primary goal for international development cooperation.

The MDGs form an agreement on targets and indicators against which all governments and development partners can be measured and held accountable for. The eighth MDG recognises that it is not viable to make progress on the MDGs without a global partnership for development where all partners work together, including developed and developing countries, with the aim of improving aid effectiveness (United Nations Millennium Declaration, 2000).

In this way, all signatories committed themselves to the newly emerged paradigm on development cooperation and aid effectiveness (Takamasa and Masanori, 2003). In this sense the MDGs serve as a tool for increasing accountability to citizens in donor and recipient countries by showing the results and impact of aid.

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### 2.3.2 2002: Monterrey Consensus

Commitment to the newly introduced principles of ownership and partnership in the Millennium Development Goals gained further support in 2002 at the International Conference on Financing for Development in Monterrey, Mexico. This meeting was a first acknowledgement that a new 'aid as a partnership' paradigm was needed to improve aid effectiveness, as well as increased development funding. The conference was motivated by announcements from the United Nations and the World Bank that current Official Development Assistance (ODA) needed to be doubled in order to achieve the MDGs. Over fifty heads of state adopted the **Monterrey Consensus**, which urges developed countries to make concrete efforts to achieve a target of 0.7% of gross national product (GNP) as ODA to developing countries and 0.15-0.20% of GNP of developed countries to Least Developed Countries (LDCs). The Monterrey Consensus also committed developing countries to strengthen their policies and institutions, and to take the lead within their own development processes (OECD, 2002; UN, 2002; Danida, 2006).

### 2.3.3 2003: Rome Declaration on Harmonisation

In 2003 a High Level Forum (HLF) on harmonisation was convened in Rome, Italy, by the Organisation for Economic Cooperation and Development (OECD) as a follow up to the Monterrey Consensus. The forum resulted in the **Rome Declaration on Harmonisation**. The overarching goal of this declaration is to improve development effectiveness and it commits donor agencies to work with developing countries to better coordinate and streamline their activities at country level. The Rome Declaration identifies the need to harmonise the operational policies, processes, procedures and practices of donor institutions with those of partner country systems to improve the effectiveness of development assistance and thereby contribute to achieving the MDGs. It provides practical guidelines on how donors can support country ownership by harmonising their procedures.

### 2.3.4 2005: Paris Declaration on Aid Effectiveness

The Rome Declaration prepared the ground for the High Level Forum in Paris, France, in 2005, where over 100 donors and partner countries endorsed the Paris Declaration on Aid Effectiveness (PD). While some progress had been made in harmonising and aligning the work of donors in developing countries, it was acknowledged that much more needed to be done. Aid processes were still strongly led by donor priorities and administered through donor channels, making it hard for developing countries to take the lead and own their development processes. Donor aid was still uncoordinated, unpredictable and not transparent.

The Paris Declaration is a practical action-oriented roadmap which lays the basis for changing the way donors and developing countries work together based on principles of partnership. It is a joint commitment by donors and partner countries to make aid more effective by 2010. The ultimate goal is that developing countries' governments take the lead in formulating nationally owned poverty reduction strategies and sector-level development programmes, with the participation of a wide range of stakeholders (Welle et al., 2008).



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Apart from increased commitment to the aid effectiveness principles of ownership, alignment and harmonisation two, new principles were introduced in Paris: managing for results and mutual accountability (OECD, 2005). Through the PD, donors and partner countries committed themselves to monitoring their progress in improving aid effectiveness against 56 specific actions and 12 progress indicators. Monitoring is a key mechanism within the PD to ensure that donors and partner countries act on the commitments they have made.

### *2.3.5 2007: Code of Conduct on Division of Labour*

As part of the Paris Declaration, donors have to ensure the coherence of their aid programmes by reducing the number of countries and sectors in which they operate. European Union (EU) donors have made more specific commitments in this respect and agreed on new guidelines for the division of labour, laid down in the **Code of Conduct on Division of Labour (DoL)**. The DoL is intended to enhance aid effectiveness by avoiding overlapping actions between donors. It addresses the problem of aid fragmentation and donor congestion and can be viewed as an operational strategy to achieve complementarity and reduce transaction costs. It includes guidance on the maximum number of active donors per country sector, the establishment of priority countries and the problem of 'orphaned' or neglected countries. The EU is a major player in international development cooperation, accounting for more than half of global ODA and including 15 of the 22 bilateral donors in the OECD Development Assistance Committee (DAC). The DoL is therefore an important step in increasing worldwide aid effectiveness (EC, 2007; Roeske, 2007; EUWI-AWG, 2008; EC 2009).

### *2.3.6 2008: Accra Agenda for Action*

Commitment to accountability in development aid was further strengthened at the Third High Level Forum on Aid Effectiveness in Accra, Ghana, in 2008. Approximately 100 countries endorsed the **Accra Agenda for Action (AAA)** which committed all signatories to strengthening the partnership for effective aid. The AAA builds on the Paris Declaration and aims to accelerate the pace of change by setting standards for an inclusive approach to development. It adds four additional principles to the policy framework laid out in the Paris Declaration:

**Predictability:** Donors will provide three to five-year advance information on their planned aid to partner countries.

**Country systems:** Partner country systems will be used to deliver aid as the first option, rather than donor systems.

**Conditionality:** Donors will switch from reliance on prescriptive conditions about how and when aid money is spent to conditions based on the partner country's own development objectives and priorities.

**Untying aid:** Donors will relax restrictions that prevent developing countries from buying the goods and services they need from whomever and wherever they can get the best quality at the lowest price.

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Where the Paris Declaration set broad targets for the whole development community, the Accra Agenda is a political statement in which donors set out individual targets and concrete plans for how they will meet their commitments. It focuses foremost on country ownership. In Accra, developing countries declared that they will take stronger leadership of their policies and will engage further with their parliaments and citizens in shaping them. They committed themselves to making their revenues, expenditures, budgets, procurements and audits public in order to support these processes. For their part, donors committed themselves to supporting developing countries' national systems by providing regular and timely information on their aid flows, respecting countries' priorities, and investing in their human resources and institutions (OECD, 2008a). In both the Paris Declaration and the Accra Agenda for Action, donors commit themselves to systematically use country systems and support countries in strengthening their systems, whether in terms of financial management, procurement, statistics or the management of technical assistance.

Since 2008, the Working Party on Aid Effectiveness has focused on areas where more progress is needed, including country ownership and accountability, country systems, transparent and responsible aid, and monitoring and evaluating progress made on implementation of the Paris Declaration and the Accra Agenda for Action. It is also preparing for the next High Level Forum, which will take place at the end of 2011 in Seoul, Korea. This includes the on-going evaluation of the Paris Declaration and the 2011 Monitoring Survey to determine where further change is needed. Emphasis is now being placed on the country level to determine what change in behaviour is needed by all parties to make aid more predictable and effective, and to strengthen development strategies and accountability for aid (OECD, 2010a; OECD, 2010b).

## **2.4 Declarations on aid effectiveness in the WASH sector in Africa**

In line with the international policy framework that has been developed, there are also a number of important declarations that contribute to aid effectiveness in the WASH sector. Two with a regional outreach for Africa are the eThekweni Declaration on Sanitation and the Sharm el Sheikh Commitment on Water and Sanitation.

### **2.4.1 2008: eThekweni Declaration on Sanitation**

At the Second African Conference on Sanitation and Hygiene (AfricaSan) in 2008 in South Africa, the eThekweni Declaration was signed by the ministers of 32 African countries. In the declaration all signatories pledged to create separate budget lines for sanitation and hygiene in their countries and to commit at least 0.5% of their GDP to funding water and sanitation infrastructure. The declaration also pledges to establish, review, update and adopt national sanitation and hygiene policies and to address issues pertaining to agricultural water use for food security. The eThekweni Declaration is an important instrument in promoting and enabling more national ownership in tackling the challenges in the sanitation sector, in a more result-oriented framework of mutual accountability. In subsequent AfricaSan meetings, such as the third meeting in Kigali, Rwanda, in July 2011, countries report on their progress in implementing the commitments made in eThekweni.

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### 2.4.2 2008: Sharm el Sheikh Commitment on Water and Sanitation

The eThekwini Declaration was endorsed by the African Heads of State at the African Union Summit Agenda, in Sharm el Sheikh (Egypt) in 2008. In Sharm el Sheikh, the participants agreed commitments to make water and sanitation a priority. They reaffirmed their commitment to raise the profile of sanitation by addressing the gaps in the context of the African Conferences on Sanitation and Hygiene and the eThekwini Declaration. The Sharm el Sheikh Declaration embraces all of the commitments made in the eThekwini Declaration and aims to accelerate progress in achieving the MDG targets on water and sanitation across the whole African continent. It recognises that many African countries are not on track to meet the MDG target of reducing by half the proportion of people with access to drinking water and sanitation by 2015.

The Sharm el Sheikh commitments are based on the understanding that water is and must remain key to sustainable development in Africa, and water resources are under-utilised and shared unevenly across the continent. The overall aim of the commitments is to develop water and sanitation infrastructure and institutions in order to provide sufficient and sustainable quantity and quality for all types of services and to provide acceptable levels of protection from the risk of water-related disasters and the impact of climate change.

The African Ministers' Council on Water (AMCOW) convened a meeting in October 2008 to prepare a roadmap for implementation of the Sharm el Sheikh commitments. Subsequent meetings have culminated in an updated roadmap supported by an implementation plan. Theme 3 of the implementation plan, 'Meeting the Sanitation, Hygiene and Water MDG targets', is the most relevant to the eThekwini and Sharm el Sheikh Declarations. This theme includes activities to create an enabling environment by giving greater attention to fragile states, and preparing national water and sanitation policies and costed implementation plans. Capacity building and training, governance and partnerships, reporting and monitoring of country progress and achievements, and raising the profile of the sanitation, hygiene and water sectors are also identified as priority areas for support for implementation of the eThekwini Declaration.

## 2.5 Main mechanisms to deliver aid

The ways in which donors provide aid to recipient countries can be roughly divided into three modalities: the project-based approach, the programme-based approach and budget support. In practice, the distinction is often blurred as donors use a variety of modalities at the same time. In addition to these three modalities, donors also provide support through technical assistance (TA), multilateral organisations and silent partnerships (SPs).

### 2.5.1 Project based approach

The project-based approach is the most commonly used modality to deliver aid. It may be applied on a large scale and has many advantages for donors. Project aid is relatively easy to manage, monitor and evaluate. Project resource flows are clearly visible, reliable and simple to control. They

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can also easily be made visible to the public, which is useful for increasing donor legitimacy, both in the developing country and in the donor country itself (Williamson et al., 2008; Goody, 2009). Project aid can easily be used to target a specific problem in a developing country. It can also be administered more quickly as it involves fewer parties than programme-based aid.

There is general agreement among development partners that donors have to increase their efforts to move away from project-based aid. One of the problems with project aid is that it is often provided through parallel systems, creating fragmentation and duplication of efforts. Moreover, project aid does not encourage cooperation because different donors design their own projects and use their own disbursement and accountability procedures. As projects are often designed in isolation, they do not always respond to country priorities and sometimes even undermine national policies. Projects are frequently questioned for their limited contribution to endogenous development as they often bring 'imported' solutions to development challenges which are not always sufficiently tailored to the particular context and needs. The impact of projects in the longer term is also a problem as frequently little to no local capacity or institutional arrangements are left behind to take what was developed in the project forward. Furthermore, they are seldom embedded in national strategies that could guarantee institutionalisation of the project results.

### 2.5.2 Programme based approach

The programme-based approach is defined by the OECD DAC (2006, p. 37) *as a way of engaging in development cooperation based on the principle of coordinated support for a locally owned programme of development*. The Paris Declaration set as a target for 2010 that 66% of aid flows are provided in the context of programme-based approaches. Programme-based assistance should involve leadership by the host country and a single comprehensive programme and budget framework, as well as a formalised process of donor coordination and harmonisation of donor procedures for reporting, budgeting, financial management, auditing and procurement. Another important feature of the programme approach is the use of local systems for programme design and implementation, financial management, monitoring and evaluation. Practical examples of a programme-based approach are Poverty Reduction Strategy Papers and the Sector Wide Approach (SWAp) which are described in detail in Boxes 1 and 2.

#### **Box 1 Poverty Reduction Strategy Papers**

In a large group of countries, Poverty Reduction Strategy Papers (PRPs) are the focal point for donors' delivery of aid. A PRSP is a national document that analyses the causes of poverty in a country and sets out a strategy to overcome them. The document is created in a process of donor coordination. The aim of the paper is to strengthen management systems through the development of common monitoring systems, and an agreed process for harmonisation of reporting, budgeting and accounting. As part of a PRSP all development partners agree on a strategic framework and a Medium-Term Expenditure Framework (MTEF). In this process indicators for progress are established and annual and medium-term targets for countries are set (Radelet, 2004; ODI, 2005; Danida, 2006). Five summarising principles guide the creation of PRSPs (ODI, 2005):

**Country-driven:** steered by the government based on broad participation by non-state actors including civil society.

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**Results-oriented:** focusing on outcomes that benefit the poor.

**Comprehensive:** integrating macro-economic, sectoral, structural and social dimensions of poverty.

**Partnership-oriented and participatory:** involving all relevant stakeholders in formulating, implementing, monitoring and evaluating strategies.

**Long-term:** reforming institutions and building capacity based on a long-term perspective of poverty reduction.

Poverty Reduction Strategy Papers are criticised by many national actors for being donor-driven. The origins of this lie in the original purpose of the PRSPs. After the principles were first set out by the World Bank in 1999, they soon became a precondition for low-income countries to access aid and receive a debt cancellation from donors. The fact that the quality and feasibility of the documents were externally judged by donors meant that they lost their credibility as a completely nationally formulated set of priorities. Especially in aid-dependent countries, it is often argued that donor requirements for PRSPs tend to undermine national ownership of the strategy (Rogerson, 2005). It is even reported that in some cases the strategies have been drafted by donor-paid consultants. Another complaint is that the papers are often not strategic but more of a 'shopping list' of actions to address poverty with no room to prioritise one sector over another or deal with structural issues that are the root causes of poverty.

## Box 2 Sector Wide Approach

In many countries, the programme-based approach is established through the adoption of a Sector Wide Approach (SWAp). A SWAp is a process aimed at broadening government and national ownership over public sector policy and resource allocation decisions within a sector, increasing coherence between policy, spending and results, and reducing transaction costs. It provides a means whereby government, development partners and other key sector stakeholders can work together towards common objectives. Although there is no blueprint for planning and implementing a SWAp, there are some essential components that are part of the approach.

These are:

- An approved sectoral policy located within an overall strategic development framework.
- Sector consultation and dialogue.
- A sectoral medium-term expenditure framework.
- A performance monitoring system.
- A formalised government-led coordination process including donor coordination
- Harmonisation of reporting, budgeting, financial management and procurement systems.
- A performance monitoring system.
- Institutional building.

The components of a SWAp vary depending on the sector, the country context, institutional capacity and the stakeholders involved, and are visualised in figure 3.

Case studies illustrate that the process of developing a SWAp involves bringing different sector players together to work collaboratively. A SWAp serves as a mechanism to coordinate donor aid within a common framework. It also provides a framework for partners' participation within a national sector strategy and ensures that all contributions are consistent and complimentary. As a result, donors evolve from supporting specific activities to collectively co-financing the national government's sector policy.



**Figure 3 Essential components of a SWAp**

*Source: de la Harpe, 2011.*

### 2.5.3 Budget support

Budget support is a financial aid modality by which funds are provided directly to the recipient government, thereby enabling the government to manage the aid as part of its own resources. The main types of budget support are general budget support (GBS) and sector budget support (SBS). GBS entails funds that are not earmarked for a specific sector of government spending while, with SBS, funds are allocated for use in a specific sector or budget line, e.g. water and sanitation.

Budget support is often accompanied by accountability systems between donors and the recipient government, such as a Memorandum of Understanding (MoU). These accountability systems include agreed procedures for monitoring or programmes to strengthen the developing countries' management of public funds (Williamson et al., 2008; Goody, 2009).

In comparison with other aid modalities, budget support has the most advantages for aid effectiveness as it makes full use of country systems. It also allows the recipient country to allocate funding according to its sector development strategies. For example, budget support allows a national government to reallocate resources and delegate the main responsibilities to decentralised levels of government. As sector budget support registers aid in national and local government's budgets, it offers possibilities to strengthen accountability structures because the use of aid becomes subject to scrutiny by the national parliament and civil society (Task Force on Water and Sanitation Millennium Project, 2004; Corre, 2009; OECD, 2010b). SBS is most beneficial to a particular sector (e.g. the water and sanitation sector) if the sector has a good framework of sector policies and/or a sector plan in place that can direct the allocation of the available resources.

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#### 2.5.4 *Technical assistance*

In addition to the three main aid modalities, support can also be provided through technical assistance (TA). Technical assistance is generally applied to bridge local capacity constraints and is often intended to support institutional reforms when governments and other national actors lack capacity. It is most often provided in the context of projects but can also be part of a programme-based approach. Technical assistance includes (OECD, 2010b):

- Grants to nationals of aid recipient countries, receiving education or training at home or abroad.
- Payments to consultants, advisers and similar personnel as well as teachers and administrators serving in recipient countries (including the cost of associated equipment).

Technical assistance can have some disadvantages for country-level aid effectiveness. It is argued that, as contracts are issued by the donor, it is donor-driven. TA also makes the country dependent on expatriate expertise. It can disempower countries in terms of developing their own coherent strategy for filling technical and knowledge gaps. It is therefore argued that it would be both more sustainable and more effective if donors made use of local expertise, and only provided TA when such expertise is not available (ActionAid, 2005).

#### 2.5.5 *Silent partnerships*

With only a small group of donors making use of silent partnerships (SPs), they do not constitute a common approach on a large scale. SPs are a modality through which donors channel their ODA through another like-minded donor agency. As a consequence the partner country only needs to have contact with one party instead of two. SPs can contribute to aid effectiveness as they reduce the number of donors that a recipient country has to deal with. A silent partnership can also be advantageous for the 'active partner' because it receives additional financial resources for its activities. For the 'silent partner' it offers a chance to make financial contributions without having to employ staff, experts and infrastructure to manage them (Sida, 2002).

The effectiveness of SPs is not yet clear. It often takes a long time to prepare for a partnership (sometimes up to two years). The gains in terms of reduction of transaction costs are not considered to be significantly high.

#### 2.5.6 *Global or vertical funds*

Global programmes or 'vertical funds' focus 'vertically' on specific issues or themes, in contrast to the 'horizontal' approach of the country-based model of aid. Global funds started to gain importance in the late 1990s. 'Verticalisation' or earmarking of ODA also occurs in bilateral assistance programmes.

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Vertical funds may lead to an increase in the importance of the specific interventions they support in the overall financing for a given country. For example, the Global Fund to Fight AIDS, Tuberculosis and Malaria has increased the weight of infectious disease control in total aid for the health sector, particularly in Sub-Saharan Africa. An example of a large vertical fund in the water and sanitation sector is the ACP-EU Water Facility, with the principal objective of providing water and basic sanitation to the poor, and of improving water management governance in African, Caribbean and Pacific (ACP) countries.

Vertical funds are considered to bear the risk of being counterproductive to aid effectiveness in circumstances when they are not supportive of in-country sector priorities and systems.



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## 3 Practice: aid effectiveness in the water and sanitation sector

This chapter focuses on aid effectiveness in the water and sanitation sector. It first describes the enormous challenges in the sector by focusing on the status of global coverage of basic sanitation and drinking water. It also highlights the lack of sustainability in existing services which adds up to the challenge of achieving the MDGs and universal access to WASH services. The challenges described underpin the need for all sector actors to use the available resources, including aid money, in the most effective and efficient way. The second part of the chapter addresses the main obstacles to increasing the effectiveness of aid in the water and sanitation sector. The last part discusses on-going international, regional and country initiatives to increase aid effectiveness.

### 3.1 Global coverage of basic sanitation and drinking-water

Global coverage levels for access to safe drinking water and basic sanitation are increasing. Within the framework of the water and sanitation MDGs, progress has been made towards achieving greater access to safe drinking water. In 2010, 84% of people in developing regions were getting their drinking water from improved sources (WHO/UNICEF, 2010). However, this still leaves 884 million people in the world who do not get their drinking water from improved sources. Sub-Saharan Africa is the only region lagging behind in progress towards the MDG target for drinking water supply, with only 60% of the region's population using improved sources (WHO/UNICEF, 2010).

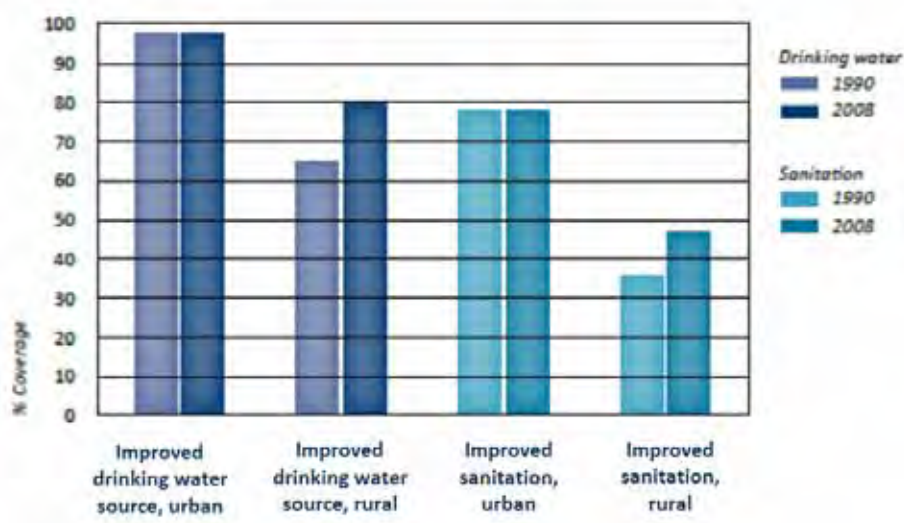
Access to basic sanitation has increased but is insufficient to achieve the MDG target. The Joint Monitoring Programme for Water Supply and Sanitation (JMP) 2010 update states that if the trend continues as currently projected, an additional billion people who should have benefited from MDG progress on sanitation will miss out, and by 2015 there will be 2.7 billion people without access to basic sanitation. There are also great disparities between regions (see figure 4). There have been noteworthy increases in the use of improved sanitation in Northern Africa, South-East Asia and Eastern Asia. However, coverage levels remain low, with the greatest number of people without sanitation in Southern Asia, although the figures in Eastern Asia and Sub-Saharan Africa are also high (WHO/UNICEF, 2010). In addition to these differences between geographical regions, there are also – sometimes vast – differences within countries in the number of persons with access to safe drinking water and improved sanitation services.



**Figure 4 Use of improved sanitation facilities**  
*Source: WHO/UNICEF, 2010.*

Large urban and rural disparities exist in access to both basic sanitation and drinking water.

An estimated 45% of the world’s population living in rural areas uses improved sanitation facilities, compared with 76% of the urban population (WHO/UNICEF, 2010). The rural population without access to an improved drinking water source is over five times greater than that in urban areas. Of the people gaining access to improved drinking water in the period 1990-2008, 59% live in urban areas and, of those who gained access to improved sanitation during the same period, 64% live in urban areas. Urban-rural disparities are particularly striking in Sub-Saharan Africa. In spite of the increases in urban areas, they are barely enough to keep pace with population growth in these areas. There is also an equity aspect to this: the poorest segments of the population remain without access to water and sanitation (Smits et al., 2011).



**Figure 5 Use global coverage levels, improved drinking water sources and improved sanitation, urban and rural, 1990 and 2008**  
*Source: WHO, 2010.*

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One of the main challenges in the water and sanitation sector is the sustainability of service delivery. Alongside the challenge of increasing global water and sanitation coverage are high rates of system failure and cases of ‘slippage’ where near-complete coverage is achieved but not sustained. Most commonly cited figures of non-functionality of water systems range between 30-40% of all systems at any one time (Lockwood and Smits, 2011). The importance of sustainability of services also increases as coverage levels go up and stocks of assets rise. There are now more and more systems that need to be maintained in order to prevent slippage. Whilst the water and sanitation MDGs are stated in terms of access, the emphasis on achieving the targets has tended to focus on putting in place new infrastructure, without attention to the systems needed to provide access to improved and sustainable services (WHO, 2010). Too little attention has been paid to the sustainability of services.

### *3.1.1 Performance of the water and sanitation sector in making effective use of aid*

In the light of the challenges in the water and sanitation sector described above, with a large proportion of the population still without access to sustainable drinking water and basic sanitation, it is important that the available resources are used as efficiently as possible. Various assessments illustrate that aid in the water and sanitation sector is currently not as effective as it should be. The assessments identify the following main challenges.

### *3.1.2 There is a lack of political priority for water and sanitation resulting in a decreasing share of aid to the sector*

Insufficient political prioritisation of the water and sanitation sector, by both developing countries and donors, underlies many of the sector’s key problems at the moment. Despite the increase in absolute terms, donors’ aid commitments to water and sanitation comprised only 5% of reported total development aid in 2008, and commitments to sanitation and drinking water were lower than all other commitments to the social sectors, which include health and education (WHO, 2010). The GLAAS report (WHO, 2010) also reported that the median contribution of developing countries to their WASH sector through national taxes is estimated at 0.48% of Gross Domestic Product (GDP)<sup>1</sup>.

The water and sanitation sector has not been effective in accessing available resources. Although analyses of aid flows shows that ODA for sanitation and drinking water is increasing in absolute terms, its total share decreased from 8% in 1997 to 5% in 2008 (WHO, 2010). As a result, especially in the least developed countries, resources are still inadequate to support the expansion of services. More funding than is currently available is needed to fill the investment gap and to achieve the MDGs.

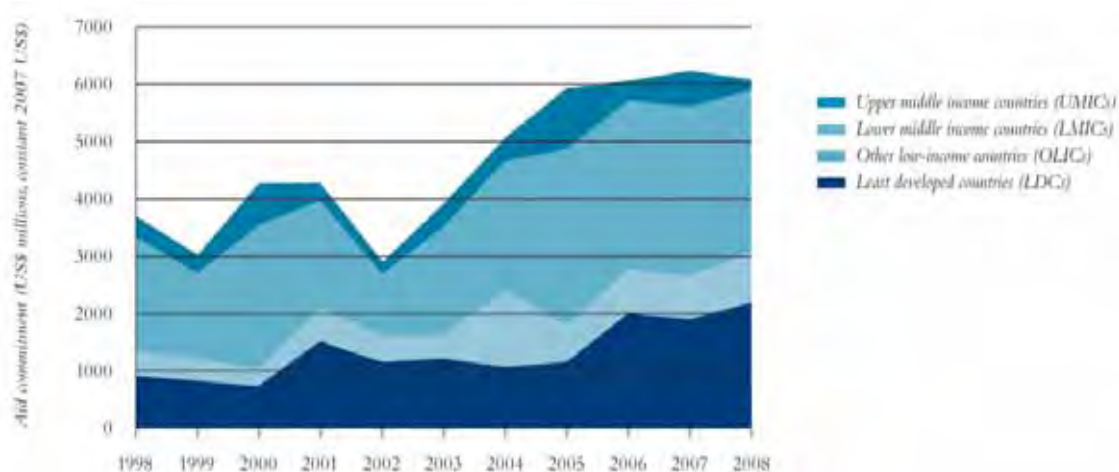
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<sup>1</sup> This data refers to 14 developing countries which answered this question.

Together with the increase – in absolute terms – in total aid to the water and sanitation sector there is a need for more and better coordination in the sector.

Many countries are still heavily dependent on donor aid for sanitation and drinking water. The water and sanitation sector is highly aid-dependent. Particularly in the least developed countries, ODA accounts for a larger share of investments in capital costs than the public sector (Foster and Briceño-Garmendia, 2010). AMCOW (2010) indicates that around 70% of WASH sector investments in non-fragile low-income countries come from external sources (Smits et al., 2011). In Asia and Latin America, more and more expenditures on water and sanitation come directly from the government or through (soft) loans, as more countries reach middle income status (WHO, 2010).

Aid for drinking water and sanitation is not well targeted. Funds in the water and sanitation sector are often poorly allocated as they do not flow to where they are most needed (Smits et al., 2011). Countries in greatest need, such as those with low service coverage and fragile states, are not prioritised for (European) ODA. From 2003 to 2008, low income countries received less than half (42%) of total aid for water and sanitation services, and only a small proportion (16%) of this aid was allocated to basic water and sanitation services (WHO, 2010, see figure 6). In 2010, out of the top ten recipient countries of per capita aid for sanitation and drinking water, only one country classified as a least developed country (LDC); all the others were middle income countries (MICs). There are no clear criteria to better inform targeting of water and sanitation aid, both across countries and in-country. This points to the need for more in-depth analysis of what 'effective aid' means for LDCs and MICs to acquire a better understanding of the rationale for skewed aid distribution according to development level. This affects both donors and recipient governments.



**Figure 6** Trends in targeting of WASH Aid commitments  
Source: WHO, 2010.

Another dimension of the poor targeting of aid in the water and sanitation sector is the almost complete neglect (in relative terms) of the needs in the sanitation sector. While sanitation is the most off-track of all the MDG targets, EU countries only spent 30% of their WASH ODA on the

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sanitation and hygiene sub-sector in Africa (EUWI-AWG, 2008). Sanitation is often excluded from annual reviews and most of the funds allocated to rural sanitation are 'off budget'. Sanitation is afforded low priority by both recipient governments and donors and is consequently one of the most neglected of the MDG sectors (EUWI-AWG, 2008).

### *3.1.3 Lack of information on financial flows is hampering efficient targeting of resources*

Few comprehensive overviews on financing flows for the WASH sector are available, particularly at global and regional levels. The GLAAS report (WHO, 2010) and Foster and Briceño-Garmendia (2010) are among the few consolidated analyses of current investment patterns and needs. In their review of rural water supply, Lockwood and Smits (2011) encountered few complete financial reports at country level of financial flows and needs for the WASH sector. Water and sanitation may be included in governments' public expenditure reviews, but these then exclude other sources of financial flows in the sector. Where expenditure reports do exist, they are often difficult to compare because of the different definitions and categories used between countries, and therefore cannot easily be aggregated to arrive at an overall analysis of sector trends. Especially at sub-national and local levels, this prevents effective implementation of policy, as processes are not evidence-based, or are based on incorrect evidence. In addition, even where data collecting mechanisms do exist, they often work in an unequal way, with donors determining the targets and indicators to which the recipient countries' sectors are to be assessed.

### *3.1.4 Aid flows are still unpredictable*

There is a lack of information on where development agencies are planning to spend their budgets. The EU mapping exercise reports that "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" (EUWI-AWG, 2008). Donors thus wish to retain the right to withdraw their aid, or to move to more ad hoc mechanisms. This is especially the case in fragile states and LDCs where donors perceive the risk that governance problems and/or political change may negatively affect the performance of development actors (Welle et al., 2008). In these countries in particular, donors are reported to deliver aid late, incompletely, and/or without respect for national planning priorities. Consequently, many recipient countries have limited information available about the resources that they can expect to receive in a given period of time. However, if these countries are to produce effective and long-term sector development strategies, they need more reliable information to base them on. Within the global policy framework for aid effectiveness, donors are now encouraged to change their behaviour and provide projections on future aid flows to the development community (Moon and Williamson, 2010; ActionAid, 2007).

### *3.1.5 Harmonisation has improved at international level but is difficult to put into practice both between donors and at country level*

Initiatives like the European Union Water Initiative (EUWI) and Sanitation and Water for All (SWA) contribute to increased international dialogue and coordination between donors. At country level coordination is difficult. On average, developing countries have to deal with up to twenty donors, each with their own specific programmes and projects (WHO, 2010). The features of the

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programme-based approach as defined by the OECD-DAC are seldom in place. Many donors are still working with their own conditionalities and systems which are not aligned to those of the recipient country.

The water and sanitation sector in many countries is still characterised by fragmentation and lack of coordination between development partners. Too many donors are still supporting too many activities in too many countries, resulting in a fragmentation of their efforts. As part of the Code of Conduct on Division of Labour (DoL), European Union donors agreed that the number of active donors should be limited to a maximum of three to five per sector per country. However, there are still a number of African countries where the water and sanitation sector is a priority for at least six European Union donors (EUWI-AWG, 2008). An analysis of the water sector in Africa conducted in 2010 for the EUWI African Working Group supports the picture of a highly fragmented aid structure (EUWI-AWG, 2011a; EUWI-AWG, 2011b). The principles of the DoL are starting to be implemented in countries with a large presence of EU donors. Most countries receiving significant amounts of aid organise donor coordination meetings and joint sector performance reviews. Donors in those countries use some government procurement systems. However, as some of the largest non-European donors are often not part of these national coordination and harmonisation efforts, the impact of such efforts can remain limited.

### *3.1.6 Alignment is lagging behind as clear country policies and systems are often missing*

Twelve of the 38 reporting countries in the GLAAS survey (WHO, 2010) do not have a sanitation policy covering both urban and rural areas. Many countries indicated that they have not developed or applied criteria for the distribution of funding to un-served populations, especially with respect to sanitation. In some countries, including Ghana, an OECD evaluation shows a decline in the proportion of donors using country systems (from 61% to 51%), even though the quality of these systems (such as the public procurement and the financial and auditing management systems) is noted as being improved (OECD, 2010a). Only 29% of European ODA to the water and sanitation sector is provided through sector budget support (using recipient country systems for public financial management and procurement) while the rest (71%) continues to be provided through separate and unaligned programmes and projects. Stakeholders report that donors have not aligned support to national development priorities, and continue to exert too much influence on the development of national plans, resulting in lack of ownership (EUWI-AWG, 2011a).

## **3.2 Obstacles to increasing the effectiveness of aid**

In recent years the aid effectiveness discussion has mainly taken place at the international level, with the development of the policy framework. The main current challenge in improving the effectiveness of aid within the water and sanitation sector remains in translating the policy framework into action and implementing aid effectiveness principles at country level (Rogerson, 2005; OECD, 2008b; Working Party on Aid Effectiveness, 2009). The main obstacles at country level are as follows:

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### *3.2.1 Implementation of sector policies is a challenge*

Strong sector policies and clear strategies are key for national governments in taking a leading role in coordinating and directing the investment of resources (either nationally generated or made available externally) in support to national policy goals and targets.

One of the biggest challenges currently facing the water and sanitation sector is to ensure more effective linkages between the goals in national sector policy strategies and the capacity and resources available for implementation at decentralised levels (Plummer and Slaymaker, 2007). Defining appropriate institutional roles and responsibilities also remains problematic for both sanitation and drinking water. A third challenge is the implementation of sector policies, partly caused by the rather weak capacity to enforce existing laws and bye-laws on local authorities.

Enhancing local capacity could reduce this problem, as it would place decision-making about water and sanitation where delivery realities lie, and would make development actors responsive to local needs. For example, the development of local models for delivering services to poor consumers can effectively contribute to pro-poor targets. An African Development Bank report shows that whenever water utility reforms are implemented at local level, access to sustainable services and financial management capacity is higher compared to countries where local processes are weak (Boesen et al., 2008; OECD-DAC 2008; AfDB, 2009).

### *3.2.2 Country sector planning and monitoring is weak*

One of the most common constraints to effective and inclusive sector planning, monitoring and evaluation reported by countries in the 2010 GLAAS report was lack of capacity and resources at local level (WHO, 2010). The water and sanitation sector is an especially demanding setting for planning because in most countries, responsibilities are either badly defined and/or split between several ministries and institutions (EC, 2010). Generally, national sector capacities to plan, implement and monitor for sustainable results are constrained. In many countries there is a vicious circle of lack of investment plans and capacity to absorb aid. This mainly takes place in the most vulnerable countries with the least access to basic sanitation and drinking water, and which are most off-track to achieve the MDGs. The question is how to break this cycle. There are also no, or weak, results-based monitoring systems to provide reliable and accurate information in support of timely decision-making and planning at all levels of WASH delivery. Related to this issue is the limited funding to sector M&E in terms of ensuring the necessary in-country capacity, including qualified human resources and the appropriate infrastructure to support it.

### *3.2.3 Lack of reliable information about local progress at country level forms a barrier to aid effectiveness*

The lack of accurate and reliable data adversely affects the effective planning and decision-making needed to mobilise adequate resources, including the preparation of good investment plans that will clearly indicate a country's status and intentions from the short to long-term perspectives. Many countries are still unable to implement their investment plans. Decision-making on resource

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mobilisation, including human resources, (skilled personnel) to deliver services, particularly to the poor and vulnerable, is hampered by the lack of adequate data.

In the GLAAS report lack of reliable data, especially at sub-national and local levels, was the most common reason cited for the failure to implement investment plans. While on one hand the lack of information and reliable data inhibits the formulation of realistic and implementable plans, monitoring implementation of the plans and investments is also difficult as national information systems are often fragmented in unrelated sub-systems and outdated, hampering aggregation of information at sector level. In addition, information in country monitoring and evaluation systems can often not be linked to global systems because of variations in measurement. For example, some governments count the use of shared latrines as ‘access to improved sanitation’, while the JMP does not.

There is a growing perception that – despite all the obstacles mentioned – political leadership on both the donor side and the recipient government side can make a tremendous difference, generating a boost to make more effective use of the resources in the sector, including donor aid.

### **3.3 On-going initiatives to improve aid effectiveness**

The difficulties in improving the effectiveness of aid in the water and sanitation sector are not unique to this sector, but are faced by all development sectors. The OECD, and particularly the DAC, is one of the few institutions mandated and recognised for their role in promoting, enabling and monitoring aid effectiveness generally. Some good initiatives have been established to address the challenges in the water and sanitation sector, including Sanitation and Water for All (SWA) and the European Union Water Initiative (EUWI). This section describes the most important initiatives at global, regional and country level.

#### *3.3.1 Global initiatives to improve aid effectiveness*

Partnerships at a global (and regional) level provide an opportunity for global donor coordination and can function as effective accountability mechanisms to make sure that development partners deliver on their commitments. They involve many development actors in the water and sanitation sector and increasingly function as fora for high-level policy dialogue. Providing political leadership at these levels is important for progress on aid effectiveness because it takes a step away from development policy based on bilateral interests towards full commitment to international water and sanitation goals through the most effective aid strategies (OECD-DAC, 2008; 2009). The most important global initiatives in the water and sanitation sector are:



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## Sanitation and Water for All<sup>2</sup>

The Sanitation and Water for All (SWA) Global Framework for Action is a global partnership between developing countries, donors, multilateral agencies, civil society and other development partners. SWA aims to work together to achieve universal and sustainable access to sanitation and drinking water, with an immediate focus on achieving the MDGs in the most off-track countries. The partnership is based on mutual trust, support and commitment to the principles of aid effectiveness, including national ownership of plans. SWA aims to address critical barriers to achieving universal and sustainable sanitation and drinking water for everyone. These barriers include insufficient political prioritisation, weak sector capacity to develop and implement effective plans and strategies, uncoordinated and inadequate investments and weak sector monitoring and evaluation. It is the most prominent example of a global platform for overall coordination of water and sanitation development efforts. The SWA framework defines three priorities under which partners align to overcome critical obstacles and to accelerate progress towards achieving universal access to water and sanitation: increased political prioritisation, improved evidence-based decision-making and robust country-led strategic planning to make countries more investment-ready.

The SWA approaches include:

- A biannual High Level Meeting of global decision-makers to focus on key water and sanitation issues. The HLM is an important platform for improving mutual accountability between donors and developing countries for delivery on sector commitments.
- Improving information on the sector, to assist evidence-based decision-making, with updated information, such as in the annual UN-Water GLAAS Report, the Joint Monitoring Programme (JMP) and the Country Status Overviews (CSOs).
- The National Planning for Results Initiative (NPRI) providing additional support to developing country processes, through coordinated and harmonised technical assistance, for strengthening national planning capacities.

## Global Annual Assessment of Sanitation and Drinking Water<sup>3</sup>

An important SWA instrument is the Global Annual Assessment of Sanitation and Drinking- Water (GLAAS). GLAAS is a UN-Water initiative implemented by the World Health Organization (WHO). Its objective is to provide policy-makers at all levels with a reliable, easily accessible, comprehensive and global analysis of the evidence to make informed decisions in sanitation and drinking water.

GLAAS aims to identify national drivers for increased access to water and sanitation in developing countries and to place them into a global context. It addresses different

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<sup>2</sup> For more information see <http://www.sanitationandwaterforall.org>

<sup>3</sup> For more information see [http://www.who.int/water\\_sanitation\\_health/glaas/en/](http://www.who.int/water_sanitation_health/glaas/en/)

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dimensions of the water and sanitation sector: current levels of access to safe water and adequate sanitation (highlighting where progress is lagging behind), which countries are implementing national plans for achieving international targets and how, the proportion of countries' public budgets that go to water and sanitation, and the extent to which development partners are fulfilling their promises (including future financial commitments).

The findings of the GLAAS report were presented at the first biannual High-Level Meeting of SWA, hosted by UNICEF in April 2010 in Washington. The meeting provided a forum for finance ministers from developing countries and representatives from donor countries to share in a dialogue that focused on steps to target donor aid and coordination, and enhance accountability and action on the ground.

#### National Planning for Results Initiative<sup>4</sup>

In September 2011, SWA launched the National Planning for Results Initiative (NPRI) to strengthen countries' national plans and planning processes. NPRI is an instrument to coordinate and harmonise technical assistance (TA) in the water and sanitation sector. It coordinates TA on results-oriented planning and matches demand from countries committed to meeting internationally agreed goals on sanitation and water supply with donor resources. The objectives of the initiative are to sustain political will to own and drive national plans and planning processes (including M&E), support a consultative and sustainable planning process, and develop clear, actionable and accountable plans. The aim is also to strengthen linkages between plans and large-scale finance. NPRI will define indicators and establish targets for improving national plans and strategies, using measures from the GLAAS and CSO reports.

#### European Union Water Initiative<sup>5</sup>

The EU Water Initiative (EUWI) was launched at the 2002 Johannesburg World Summit on Sustainable Development as a joint commitment by the governments of EU Member States and the European Commission to give priority to the important role of water and sanitation in achieving the MDGs. EUWI is a political initiative that aims to:

- Raise political awareness among high-level decision-makers.
- Improve aid effectiveness through dialogue and coordination.
- Promote capacity building and awareness raising.
- Identify additional financial resources for the sector.

EUWI has a number of working groups that either have a regional focus (e.g. Africa, the Mediterranean, and Latin America) or concentrate on cross-cutting issues (e.g. research,

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<sup>4</sup> For more information see <http://www.sanitationandwaterforall.org>

<sup>5</sup> For more information see <http://www.euwi.net/>

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finance). Each working group plans its own strategy and activities according to the needs in its field.

EUWI aims to contribute to aid effectiveness by improving the quality of cooperation and coordination between key stakeholders in the water and sanitation sector. One notable development has been the establishment of country dialogues. These dialogues establish cooperation structures with representatives from national governments, local governments, private sector players and civil society organisations in developing countries, and enable them to collaboratively review political and financial strategies in the sector (WaterAid, 2005b; EUWI-AWG, 2008).

EUWI also helps to improve the effectiveness of aid by increasingly targeting ODA to the poorest countries. EUWI has especially contributed to the progress on drinking water and sanitation in Africa, where 60% of EU ODA for the sector is now allocated. It has also given stronger voice to African governments within international development processes, by contributing to the establishment and legitimacy of the African Ministerial Council on Water (AMCOW).

Interestingly, the Green Paper 'European Union development policy in support of inclusive growth and sustainable development – Increasing the impact of EU development policy' explores the option of aligning the EU strategy for development cooperation with the categorisations of countries according to GNI per capita (low income, lower middle income, upper middle income, and high income). The paper places development cooperation and aid within a wider policy framework of international cooperation and development.

#### Joint Monitoring Programme for Water Supply and Sanitation<sup>6</sup>

The Joint Monitoring Programme for Water Supply and Sanitation (JMP) is an initiative of WHO and UNICEF. The purpose of the JMP is to monitor the status of countries' and regions' access to and use of safe drinking water and basic sanitation. The JMP publishes updated estimates every two years on the use of various types of drinking water sources and sanitation facilities at the national, regional and global levels. The JMP also collaborates with international organisations and individual countries to further develop national and global monitoring. It is the main global instrument for monitoring progress towards attainment of the MDGs relevant to the water and sanitation sector.

Like GLAAS, the JMP is an important initiative for aid effectiveness as it encourages evidence-based decision-making in the water and sanitation sector (Working Party on Aid Effectiveness, 2009). JMP monitors outcomes, while GLAAS provides information on the drivers and bottlenecks behind the JMP figures, monitoring inputs, processes and outputs in the sector. However, GLAAS and the JMP still need to overcome some problems. The indicators for sector progress are often not compatible with indicators used by national development actors. This decreases both developing countries' ownership of monitoring

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<sup>6</sup> For more information see <http://www.wssinfo.org/>

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processes and the reliability of the data they generate (DFID, 2006; Working Party on Aid Effectiveness, 2009; WHO, 2010).

In addition to these sector-specific initiatives at global level, a number of important international policy institutions also impact on the sector. These include the OECD Development Assistance Committee (DAC), the World Bank (WB) and the International Monetary Fund (IMF). The African, Asian, and Inter-American Development Banks and various United Nations agencies, like the UN Development Programme (UNDP), have also played important roles in policy development in the WASH sector (Radelet, 2006; Niekerk, and Steenbergen, van, 2008). The influence of the development banks on the exchange of knowledge, the formulation of policies and the planning of programmes in the water and sanitation sector has been increasing. For instance, multilateral development banks feature prominently in the sector, with the World Bank representing 21.8% of all ODA in 2004 (Working Party on Aid Effectiveness, 2009).

### 3.3.2 *Regional initiatives to improve aid effectiveness*

In addition to global initiatives there are also important examples at regional level, namely:

#### The Eastern Europe, Caucasus and Central Asia Working Group

The EUWI-EECCA Working Group targets the 12 EECCA countries. By supporting the national policy dialogues, which involve public authorities and representatives of civil society, the initiative helps countries improve their priority-setting and develop capacities in the EECCA region. This includes the development of road maps as an important contribution to achieving the water-related MDGs. The output of a national policy dialogue, known as a 'policy package', consists of a number of policy tools, developed together so as to ensure synergies and achieve policy objectives in a cost-effective manner whilst avoiding policy conflicts.

#### Africa Working Group<sup>7</sup>

The Africa Working Group (AWG) is another of the EUWI's regional components. It emerged from the EU-Africa Strategic Partnership on Water Affairs and Sanitation, signed in September 2002 during the World Summit on Sustainable Development. The AWG aims to contribute to the objectives of the EU-Africa partnership by facilitating the coordination and cooperation of major European and African stakeholders in water resources management, water supply and sanitation. The AWG is co-chaired by a European donor, representing the EU member states, and the AMCOW Technical Advisory Committee (TAC) chair. The AWG is promoted by SWA and the results of its studies are used to inform the preparatory process for the SWA High Level Meeting.

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<sup>7</sup> For more information see <http://www.euwi.net/wg/africa>

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The AWG has more than 140 registered members, coming from AMCOW-TAC, EU member states, the EU Committee (EU COM), civil society, financing institutions, knowledge institutions and the private sector. The diversity of its membership is considered one of its strengths. Membership is open to organisations active in the fields of policy dialogue and national policy framework development, accountability and transparency, and donor harmonisation.

The AWG provides a platform for dialogue and contributes to better evidence-based decision-making by undertaking studies such as the 2008 mapping of EU aid to water and sanitation in Africa, 'Working together to improve aid effectiveness in the water sector'. The study focused on inputs to the water and sanitation sector and mapped out how EU member states allocated their aid. It was perceived as an important step in analysing how effective EU aid is and how it contributes to evidence-based decision-making and policy dialogues (EUWI-AWG, 2008). The results of the study were further enhanced in consecutive studies on mapping sanitation aid in Africa and on implementation of the EU Code of Conduct (EUWI-AWG, 2010; 2011b).

#### African Ministers' Council on Water<sup>8</sup>

The African Ministers' Council on Water (AMCOW) was formed in 2002 to promote cooperation, security, social and economic development and poverty eradication among member states through the management of water resources and provision of water supply services.

AMCOW contributes to aid effectiveness by providing political leadership, policy direction and advocacy for water supply and sanitation in Africa. It recently established the African Water Facility (AWF), hosted by the African Development Bank (AfDB). The AWF is a mechanism to coordinate resource mobilisation for sector development in Africa.

Some of AMCOW's most important recent activities included the development of a roadmap and workplan for implementation of the Sharm el Sheikh commitments of 2008. In addition, it proposed strategic policy and legal and institutional changes for the water and sanitation sector at all levels across Africa.

AMCOW has emerged as an important actor within global aid effectiveness efforts. During the SWA High Level Meeting in Washington (April, 2010) for example, the AMCOW presidency asked the donor community to increase sanitation and water commitments for LDCs from 42% in 2008 to 50% in 2013.

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<sup>8</sup> For more information see <http://www.uneca.org/awich/AMCOW/AMCOW%20Corp%20profile%20brochure.pdf>

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### Country Status Overviews

As a monitoring body AMCOW commissioned a report on the Country Status Overviews (CSOs) that map progress in water supply and sanitation in 32 countries in Sub-Saharan Africa. The Water and Sanitation Programme (WSP) carried out the country studies together with the African Development Bank, in close partnership with UNICEF and WHO. The aim of the CSOs is to measure and track progress towards achieving the water and sanitation MDGs.

The data and summary assessments in the Country Status Overviews are drawn from local data sources. As much as possible, the assessments are subjected to broad-based consultations with lead government agencies and country sector stakeholders, including donor institutions. The overviews are meant to form a comparative basis for sharing country experience and identifying remedial action. AMCOW intends the country reports to be used in designing better, demand-driven and result-oriented national programmes. They should also support the coordination of water and sanitation programmes and projects, aiming at a more effective use of existing funds and mobilising additional financial resources (where this is required) based on a gap analysis. The CSOs will enhance cooperation for proper implementation of programmes and projects, based on peer review and strategic assessment.

Ultimately, the CSOs are expected to help African countries to align their national priority-setting processes to global targets on water supply and sanitation, in terms of policy reforms, institutional change and resource allocation, and to link these country efforts to existing supportive regional frameworks. In preparation for each SWA High Level Meeting, the data from the CSOs is combined with the data from the JMP and GLAAS to form country profiles for each country attending the meeting, to enhance discussions. A challenge now for both donors and national development actors is to ensure the actual use of these overviews as a basis for future policy design at country level, and to link them to other monitoring initiatives.

WSP also supports the elaboration of the Country Status Overviews in four Central American countries.

Another example of a regional institution enabling concerted efforts in addressing the major obstacles to achieving improved sector performance is the Council of Central American and Dominican Republic Health Ministers (FOCARD), the Latin American equivalent of AMCOW. FOCARD is the regional council of health ministers, who have the highest national authority on drinking water and sanitation development strategies. Like AMCOW, FOCARD contributes to aid effectiveness as it provides political leadership, policy direction and advocacy for drinking water supply and sanitation in Central America and the Dominican Republic. FOCARD has defined a Regional Sanitation Strategy, which provides a common framework to increase progress on sanitation development in the region. The agreement states that FOCARD will strengthen links between the health ministries and water and sanitation regulating institutions in countries, to make sure that sanitation efforts are jointly coordinated by different development partners (WSP, 2010).

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### Rural Water Supply and Sanitation Initiative<sup>9</sup>

The Rural Water Supply and Sanitation Initiative (RWSSI) of the African Development Bank (AfDB) mobilises funds to address the urban/rural divide in access to basic services in Africa. A crucial part of the initiative is to establish permanent cooperation structures with donors and increase the mobilisation of funds from their ODA. This means that at the political level, AfDB holds consultations with all water and sanitation sector donors and invites them to join the RWSSI prior to starting operations in any given country.

### Global Sanitation Fund<sup>10</sup>

Another coordinating mechanism that mobilises funds to accelerate progress on water and sanitation development is the Global Sanitation Fund (GSF). The GSF was set up in 2008 by the Water Supply Sanitation Collaborative Council (WSSCC) to increase financing in the sanitation sector. It is a pooled fund that provides donors in the water and sanitation sector with financial and technical support for programmes based on the principles of aid effectiveness. Programmes are therefore only considered for funding if they are in line with the national government strategies of developing countries and are carried out through national programmes (WSSCC, 2008).

It is important to note that the initiatives described above do not constitute an exhaustive overview of all relevant global and regional initiatives to improve aid effectiveness in the water and sanitation sector, but only a limited selection.

### *3.3.3 Country initiatives to improve aid effectiveness*

Some examples of initiatives at country level to improve the effectiveness of aid are described below:

#### Ghana: development of a compact

The Ghana Compact<sup>11</sup> was launched in August 2010 by the country's President, within the framework of Sanitation and Water for All (SWA). The Compact was prepared for the SWA High Level Meeting in 2010 and aims to make rapid progress to achieve the MDGs in sanitation and water, and sustain efforts beyond 2015. It is a clear statement of the government of Ghana's commitment to the SWA principles as well as those of the Paris Declaration, the Accra Agenda for Action, the e-Thekwini and Sharm el Sheik Declarations, and others. The practical steps being taken include enhancement of the entire governance environment to promote accountability, ownership and leadership of the WASH sector in terms of setting appropriate institutional and legal frameworks, use of public financial and procurement systems, adoption of the SWAp, and parliamentary approval of all loans. Others are the adoption of a decentralised approach to WASH delivery in rural and small

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<sup>9</sup> For more information see <http://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/rural-water-supply-sanitation-initiative/>

<sup>10</sup> For more information see <http://www.wsscc.org/global-sanitation-fund/how-it-works>

<sup>11</sup> For more information see [http://www.sanitationandwaterforall.org/files/The\\_Ghana\\_Compact.pdf](http://www.sanitationandwaterforall.org/files/The_Ghana_Compact.pdf)

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towns, the institutionalisation of annual reviews, donors signing the Code of Conduct, the development of actionable strategic plans for drinking water and sanitation, the promotion of sector participation in the sector by all relevant stakeholders in sector dialogue, the Ministry of Finance developing aid policy working towards general and sector support instead of project support. Furthermore, the Compact entails a political commitment by the government of Ghana and its partners to leverage more funding to the sanitation and water sector and to spend up to 200 million US dollars annually from 2010 to 2015. It also includes an additional commitment of 50 million US dollars annually to reinforce hygiene education and improve sanitation promotion.

A Compact is considered a good tool to strengthen country ownership and increase the mutual accountability of stakeholders. It can facilitate increased action to strengthen institutional capacity to fulfil country leadership roles. The Ghana Compact is, above all, a clear statement of the government's commitment to the principles of aid effectiveness. It has improved government ownership of the water and sanitation sector and helped align development partners with national development strategies (EUWI-AWG, 2011b). The Compact has also increased donors' efforts to harmonise their actions and rekindled high political commitment to the sector, and particularly to sanitation. Following Ghana's example, Liberia also prepared a WASH Compact in May 2011, in collaboration with the SWA partnership. The President spearheaded the process and actively participated.

#### South Africa: a well-established SWAp

South Africa started developing a Sector Wide Approach (SWAp) for the water and sanitation sector as early as 2001. It called its SWAp 'Masibambane', which means 'Let's work together'. Masibambane was developed by bringing different sector players together to work collaboratively. In the process, various policies and strategies were developed, including the Strategic Framework for Water Services in South Africa, the overriding policy for the water and sanitation sector. This strategic framework sets targets for the entire sector and provides clarity on sector roles and responsibilities.

The national Department of Water Affairs and Forestry (DWAF) took responsibility for leading the Masibambane process. First a National Sector Collaboration Office was established to facilitate the development process. The office included the various line ministries, local government, water and sanitation NGOs, donors, civil society representatives and water boards and other service providers. Local government played a significant role in Masibambane by developing action plans which articulate both the capacity support and financial requirements at local level towards achieving sustainable services provision.

In 2011 DWAF commissioned an independent external evaluation of Masibambane. The evaluation assessed the overall impact of the approach, the effective and efficient use of resources, and the approach's likely long-term sustainability. The overall finding is that there remains a need for considerable capacity support in the sector. Donor funding represented only 1.3% of the overall sector budget for the 3<sup>rd</sup> phase of Masibambane, from 2007 to 2011. This funding was allocated almost entirely to strategic initiatives, including piloting innovative approaches, knowledge-sharing and technical assistance. The evaluation



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warns that if this strategic investment in the sector does not continue beyond 2012, there will be substantial consequences for capacity within the sector, particularly at local government level where there are serious capacity gaps.

Mozambique: increased harmonisation and alignment around a common framework

The coordination of donors in Mozambique is based on the government's Poverty Reduction Strategy Paper (PRSP). In 2000, donors in Mozambique also formalised their efforts in a Joint Donor Programme for Macro-Financial Support (JDP). The national government's development results are monitored annually by means of a Performance Assessment Framework (PAF). The PAF provides the basis for an annual joint review process whereby donors make aid commitments for the following year.

Since 2007 EU donors in Mozambique have had a division of labour with operational policy guidelines that focus on different sectors, including the water and sanitation sector. The nineteen EU donors (known as the 'G19'), with the UN and the United States as associate members, provide general budget support for which an institutional framework has been created. The behaviour of the G19 donors is monitored under the Program Aid Partners Performance Assessment Framework, which assesses amongst others their commitments to GBS, the technical cooperation, the use of country systems and the joint missions undertaken. The reports are publicly available.

To help track the impact of aid, all donors can enter information on Mozambique's aid in a database managed by the national government. It collates information on commitments and disbursements from donors, including relevant information on joint funds. The database is jointly funded by the European Commission, the United Nations and the Dutch Embassy. Information is available by sector, donor, province, MDG and funding criteria. The database is updated on a quarterly basis following Mozambique's official budget cycle.

However, the database still has some challenges to overcome. It does not yet include information of all donors (Eurodad, 2008). Chinese aid, for instance, is not included, and most civil society organisations are unaware of its existence. There are also reported problems of double counting when donors implement projects through UN agencies. The government of Mozambique still considers the information to be inadequate for their macro-economic and budgetary analysis.

Since mid-2009, the rural water and sanitation sector in Mozambique has been structured by a Sector Wide Approach (SWAp) known as the Programa Nacional de Abastecimento de Água e Saneamento Rural (PRONASAR). PRONASAR aims to address imbalances in coverage within provinces and districts, and promotes aid harmonisation and institutional reforms in the rural water and sanitation sub-sector, with a particular focus on capacity development at district and local levels. It is implementing the Rural Water Supply and Sanitation Strategic Plan (PESA-ASR) for 2006-2015 which aims to achieve the MDG target of 70% coverage for rural water supply and 50% coverage of rural sanitation.

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PRONASAR is being implemented in two phases (phase 1 from 2009 to 2011 and phase 2 from 2012 to 2015) and consists of four main components<sup>12</sup>:

1. Support for a sustainable increase in rural water supply and sanitation coverage
2. Development of appropriate technologies and management models for rural water supply and sanitation
3. Capacity-building and human resource development in the rural water supply and sanitation sub-sector
4. Support for decentralised planning, management, monitoring and financing of rural water supply and sanitation activities.

In 2006 the status of aid effectiveness in Mozambique was assessed by Rocha Menocal and Mulley (2006) against the situation in 2000. The assessment showed a strong commitment by the government of Mozambique to lead the development agenda and initiate a number of improvements.

The number of donors providing budget support increased from six to eighteen. Seven donors met or exceeded the national government's target for more than two thirds of aid to be provided through a programme-based approach. Fourteen donors had a multi-year financing arrangement in place. Most of the donor disbursements took place on schedule. Another recent achievement is that twelve of the fourteen EU member states will concentrate their efforts in three or less sectors by 2012.

#### Honduras: policy in development

In recent decades Honduras has made steady progress in increasing its coverage for water and sanitation services. Nevertheless, a significant proportion of the population still remains without access to these services. They are the poorest population groups, particularly those living in dispersed rural areas and in peri-urban zones. In addition, quality levels are low and often inadequate. Although limited consolidated information on service levels is available, a large part of the population is expected to remain without adequate services in the coming years.

At the same time huge efforts have been made to implement a new legal and institutional framework for the sector. This framework, established in 2003, clearly identifies the different institutions and their respective responsibilities and roles, emphasising the separation of roles, the decentralisation of authority and ownership from the national government to the municipalities, and service delivery to autonomous services providers. In addition, in 2006 the government issued a strategic plan for modernisation of the water sector to support the decentralisation of services.

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<sup>12</sup> National Rural Water Supply and Sanitation Program Document, Final Version, Government of Mozambique, Ministry of Public Works and Housing, National Directorate of Water, 2009: 8.

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In the absence of a sector policy and explicit sector goals – with the exception of enhancing coverage – most institutional policies focus on enhancing sector coverage and improving service levels by strengthening the professional capacity of service providers and developing institutional capacity at different levels (service providers, municipalities and the national governing bodies) to ensure that these actors have the capacity to fulfil the responsibilities assigned to them in the national legal framework.

The legal and institutional framework is considered to provide an important and solid base for achieving the implicit policy goals for the sector. However, alignment between the different actors and their efforts in achieving their respective institutional goals is a true challenge. Hence the need for better guidance and coordination in planning sector interventions and investments.

While the sector has advanced significantly in getting the regulatory framework in place, sector leadership is probably one of the less developed elements of the legal framework. This is evidenced by the lack of a clear structure and enabling instruments for planning and prioritising sector investments and financing. In the absence of such a framework, '*proyectismo*' prevails in the sector, resulting in fragmentation and duplication of effort, with the risk of not reaching particular target groups. This is also reflected in how sector investments are monitored; monitoring is, above all, an organisational activity driven by organisational interest and priorities. Progress in the sector towards national goals is not yet monitored.

Although various coordination platforms exist, such as the National Council for Water and Sanitation (CONASA), a sector coordination platform and the coordinated donor group, these have not yet reached their full potential in reducing fragmentation and achieving more effective use of the resources available in the sector.

According to the 2003 Water Framework Law, sector policies are defined by CONASA, which is chaired by the Minister of Health. CONASA is supported by a technical secretariat operating under the responsibility of the national executive secretary for the national authority for technical assistance (SANAA). While political priority given to CONASA is low, the technical secretariat – despite very limited operational capacity – is committed to supporting CONASA in playing its expected leadership role in the sector.

The formulation of a national policy for water and sanitation under CONASA's leadership is an important initiative in this context (2010-2011). The policy was formulated through a multi-stakeholder consultation process with meetings at national and decentralised levels. The process triggered an intensive dialogue and debate around sector issues and priorities between all sector stakeholders. It also aimed to increase national leadership by the government, currently one of the main limitations. The consultation meetings and working sessions, especially those held in the regions with local stakeholders, contributed to CONASA's visibility. However, throughout the process it became clear that CONASA's leadership capacity is still weak and that enhanced political priority and operational

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capacities are desperately needed, not only to lead the proposed policy through the political process of official endorsement by the national government but also to enable it to be implemented as an important instrument to direct and coordinate all sector efforts in Honduras.

The proposed policy includes clear sector goals and targets as well as arrangements for sector monitoring with a coordination platform between donors, government and civil society. It introduces measures for the alignment of funding arrangements to address the current fragmentation in the financial framework. It also highlights the need for more national priority for the sector and sector leadership by enhancing its visibility in the national budget and by institutionalising the sector. By doing so, it goes beyond the arrangements outlined in the existing legal framework.

#### Burkina Faso: a clear sector framework and sector budget support

The water and sanitation sector in Burkina Faso is guided by the Programme National d'Approvisionnement en Eau Potable et d'Assainissement (PN-AEPA). The PN-AEPA runs from 2006 to 2015 and includes arrangements for formal sector dialogue and a different coordination process, including an annual sector review, the development of investment planning and monitoring elements, and the creation of a budget programme (Danida, 2006, p.9). Although the PN-AEPA is considered a clear framework, the rural sanitation sector is lagging behind on policy adoption and implementation (WHO, 2010).

Based on the PN-AEPA, the development partners in Burkina Faso signed a Memorandum of Understanding and a partnership framework. These documents guided the development of sector budget support, which was initiated in 2010 and consisted of 20% of all funds (EC, 2010). According to an EC study on the implementation of the DoL (EC, 2010a, p. 48), the establishment of SBS was a reaction to the fact that few funds from the general budget were going to the sector due to national prioritisation. Sector budget support is also still being called into doubt by the development partners in Burkina Faso as monitoring of the usage of funds is not yet completely in place (EC, 2010a).

However, the project-based approach still dominates in Burkina Faso, with approximately 78% of all funds in the water and sanitation sector being dispersed through projects (EC, 2010a). Since large parts of the government budget are donor-financed in the form of projects, the use of national procedures has been more the exception than the rule. Sector budget support is therefore quite new and requires time and resources to adjust to (Danida, 2009).

A sector review process is in place in Burkina Faso which includes the decentralised levels. Before the biannual meetings at national level there are meetings at regional level in the 13 different regions, which feed information into the process. Five permanent thematic working groups have also been set up on monitoring and evaluation, sanitation, integrated water resource management (IWRM), finance and decentralisation. The working groups meet every two to three months and follow up issues.

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While there have been attempts by European donors to fast track their division of labour in Burkina Faso, the process is still in its infancy (Meja, 2011). A study for the Reality of Africa Network by Meja (2011, p. 316) shows that the government has little influence on how donors assign roles to themselves. With the Working Party on Aid Effectiveness discourse on reforming the division of labour at the global level, the government of Burkina Faso sees an opportunity to negotiate with donors on who should be the lead donor and in which sectors and regions donors should prioritise.

However, civil society organisations (CSOs) are not part of the division of labour process and find it difficult to participate in budget monitoring as there is limited access to data (Meja, 2011). They claim that the government of Burkina Faso does not readily provide them with information to facilitate their monitoring of budget execution. This is further compounded by the lack of legislation guaranteeing public access to information to enable qualified participation on the basis of relevant data (Meja, 2011).

#### Uganda: coordination and decentralisation

Since 1997, the government of Uganda and donors have coordinated their actions in the WASH sector under Uganda's PRSP, known as the National Development Plan (NDP). The government of Uganda has centralised donor coordination for the water and sanitation sector in one ministry, the Ministry of Water and Environment (MWE), and has developed a set of Partnership Principles as a framework for coordination and dialogue in the long term. Cooperation between development partners is based on a common policy framework, which outlines the government's strategy for poverty eradication. Donors share information with the national government in a sector working group, which also includes all major domestic stakeholders (Rocha Menocal and Mulley 2006).

Adoption of a Sector Wide Approach to planning in the water and sanitation sector in 2001 led the way for the government and development partners to support a single policy and expenditure programme. The expenditure programme is under government leadership and follows a common approach. Prior to the SWAp, implementation was through projects. Donors are now providing support to the water and sanitation sector in the form of common funds and budget support. While in the 1990s budget support accounted for just 26% of total donor aid, in 2003-04 this was reported to have increased to 58%. In 2011 69% of expenditure in the sector was on-budget (MWE, 2011).

At the same time, the government of Uganda has engaged in efforts to build its public financial management capacity and to decentralise service delivery by providing districts with substantial budget increases for water supply and sanitation. The Annual Joint Sector Review helps to create convergence on the on-going sector reforms. In addition, the establishment of a Performance Measurement Framework (PMF) standardises and improves monitoring of water and sanitation programmes by establishing 'golden indicators' at national and local level (Rocha Menocal and Mulley, 2006).

In 2008, the government and its development partners started implementing the Joint Water and Sanitation Sector Programme Support (JWSSPS) which further harmonised and

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aligned development partner support for the water and sanitation sector, providing one coordinated and flexible sector programme through which the partners channelled their support. The programme provided funding through sector budget support primarily targeting rural water supply and sanitation and through the Joint Partnership Funds (JPF) which address other components such as urban water supply and Water for Production (WfP). JPF appears to be more popular among development partners and the sector and has attracted funding for small town water supply development in all the various regions of the country.

Uganda's donor coordination mechanism is composed at high level by the Local Development Partner Group (LDGP), which brings on board all heads of development agencies and over 25 macro and thematic sector working groups that meet regularly on a broad spectrum of national issues. The Water and Environment Sector Working Group (WESWG) is the formal decision-making body on water supply, sanitation and environment-related issues. The WESWG meets at least twice a year and is supported by two sub-sector working groups: the Water and Sanitation Sub-Sector Working Group (WSSWG) and the Environment and Natural Resources Sub-Sector Working Group (ENRSWG). The sub-sector working groups meet quarterly. Each has a supporting Development Partner Working Group (WSSDPG) which meets on a monthly basis.

Other coordination mechanisms include the Joint Sector Review and Joint Technical Review as well as numerous thematic groups. All provide platforms for improved coordination and guidance to efficient implementation of sector activities.

WASH policy alignment is strong in Uganda, especially in the rural sub-sector, where 87% of aid flows are channelled through sector budget support. The urban sub-sector remains relatively unaligned, with parallel financial systems under a Common Fund and a number of independent donor projects (Welle et al., 2008, p. 23). Generally however, Ugandan ownership of its poverty reduction and public expenditure programmes has been strengthened, as have its budgetary institutions. The transaction costs of aid have been reduced and a comprehensive approach has been developed, which addresses sector and system-wide problems in service delivery (Danida, 2006; OECD, 2003; WSP 2002).

According to the Sector Performance Report for 2011 (MWE, 2011, p. 3) the main challenges in the water and sanitation sector are inadequate government funding to the sector and inadequate capacity of local governments to deliver sector services. Inadequate funding is also worsened by increasing inflation and the rising costs of materials.

#### Vietnam: government leadership and alignment efforts

In 2002 the government of Vietnam developed a Comprehensive Poverty Reduction and Growth Strategy (CPRGS). Under the CPRGS, the government has succeeded in establishing some division of responsibility among donors, legal rules that structure national actors' relationships with donors, and a joint results-based monitoring system.

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In order to align their practices in the water and sanitation sector the government of Vietnam and key donors conducted joint sector reviews in 2004/2005 and again in 2009. The 2004/2005 JSR led to the establishment of a common framework for sector analysis and later a pilot phase was started up to establish a programme through which donors can provide sector budget support for rural water supply and sanitation. At the same time, a Rural Water Supply and Sanitation Partnership was established, which provides a platform for dialogue and learning on the alignment practices of all development partners. Efforts are now being made to develop a collaborative and collective framework for implementation of a national water and sanitation programme (Danida, 2006; Welle et al., 2008).

Generally, the government of Vietnam is reported to display strong ownership of its public policy agenda and provide leadership in managing relationships with donors (Rocha Menocal and Mulley, 2006). Its drive to improve overall aid effectiveness, along with on-going reform efforts and a commitment to achieve development goals, have given Vietnam a status as a pilot country on harmonisation within the international development community. Vietnam has been an active participant at OECD/DAC meetings and its progress on harmonisation was showcased at the first HLF in Rome. Two key initiatives on aid effectiveness have been developed in Vietnam: the Vietnam Harmonisation Action Plan (HAP) and the Hanoi Core Statement (HCS). Both enjoy high-level support among donors and the national government. The HAP and its accompanying Monitoring Framework are intended to provide development partners with both a vision and concrete steps to achieve aid effectiveness. Under the HAP, donors have committed themselves to supporting the formulation and implementation of the government's Five Year Socio-Economic Development Plan (2006-2010), and to aligning with its sector/sub-sector policies, strategies, and priorities (Rocha Menocal and Mulley, 2006).

The major challenges facing the water and sanitation sector are the lack of data and the poor financial viability (Government of Vietnam, 2009). The latest Water Sector Review Report mentions lack of good and available data and information (Government of Vietnam, 2009, p. 179) as one of the most serious issues facing the sector, which is crippling good decision-making. It is also being worsened by a practice of charging for data collected with state funds. Initial steps have been taken with economic measures but these are constrained by government controls and have not been applied effectively.

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## 4 Perspectives: the way forward to increase aid effectiveness

As highlighted in the previous chapter, there are still many obstacles to improving the effectiveness of aid in the water and sanitation sector. At the same time, there are also many promising initiatives and new insights to increase aid effectiveness in the sector. A new paradigm seems to be emerging with a shift from aid effectiveness to *development* effectiveness. This chapter explores the possibilities of strengthening aid effectiveness in the water and sanitation sector at international and country level and outlines a possible way forward.

### 4.1 Possible way forward to strengthen aid effectiveness

There are many new insights to increasing aid effectiveness in the sector globally and at country level. At global level these insights include:

#### ***Aid effectiveness needs to adapt to a changing world***

The current aid effectiveness model and principles are based on the majority of aid coming from OECD countries and other traditional donors. In recent years the international aid landscape has rapidly changed with new ‘emerging donors’ becoming increasingly important for international development cooperation (Smits et al., 2011). Countries like China, India, South Korea and Brazil, and private foundations like the Bill and Melinda Gates Foundation and the Ford Foundation have developed into important players in the water and sanitation sector. Civil society organisations and non-governmental organisations are also increasingly influential in national and international development processes. These actors bring new resources and expertise to the aid process, but also increase the complexity that developing countries face in managing aid. Some emerging donors, like India and Brazil, are also recipients of aid with a large proportion of their populations still living in poverty and lacking access to water and sanitation services. This is adding a new layer of complexity to the international aid agenda. The current aid effectiveness policy framework does not take into account the new challenges resulting from the changing donor landscape in the water and sanitation sector.

#### ***Aid effectiveness is about more than aid funding***

The current aid effectiveness agenda focuses primarily on the management of aid flows. However the effectiveness of aid is not solely a technical process of managing aid flows. It is more about the *political decisions* that development actors make to prioritise one sector, one country or one aid modality over another. To achieve development results, the water and sanitation sector needs to be given higher political priority. At the same time, aid effectiveness extends further than just donor funds. It also includes loans received by country governments and private investments by households. Private investments by households themselves in water and sanitation are very high, representing just under half of all the investments in capital expenditure (Smits et al., 2011). The



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focus of the aid effectiveness agenda needs to be enlarged to include the political realities of decision-making and all funding flows.

***Power relations between donors and developing countries are shifting***

One of the core challenges in achieving sustainable development lies in the shifting power relations between donor and recipient countries. To be able to design effective development policies, recipient countries have to become more influential within cooperation structures at both country and international level. A first step is to address the way that international development cooperation is being managed. At the moment, the most important international aid effectiveness processes are hosted by the OECD, which is mostly donor-driven. Development actors increasingly point to the limitations of this set-up. The aim is to establish a multilateral governance system for ODA, based on equitable power sharing between donors and recipients with more representation by civil society. In the SWA Steering Committee, recipient countries and civil society organisations are represented on an equal footing with representatives of donors and other sector organisations.

***All development partners need to become involved in the dialogue on aid effectiveness***

As the Accra Agenda for Action pointed out, in order to increase aid effectiveness, all development actors have to participate in inclusive and systematic forms of dialogue. The new players in the water and sanitation sector, CSOs and NGOs have not taken part in the dialogue on aid effectiveness and often do not participate in sector coordination platforms. Many civil society organisations feel that they also lack the information and opportunities to be involved in policy processes. They argue that they are left out of the aid effectiveness agenda and only are mobilised by donors as service providers, as a means to implement top-down policy plans for water and sanitation (Plummer and Slaymaker, 2007; Eurodad, 2008; Mwanjisi, 2010). Together with all development actors, the roles and responsibilities of NGOs and CSOs at national and local levels in improving aid effectiveness need to be defined (Danida, 2006; ISG, 2007).

Although there has been an increase in dialogue between donors and national governments, citizens and parliaments are still largely marginalised. Civil society organisations argue for a more democratic understanding of country ownership under the Paris Declaration, which promotes citizen participation and political diversity. In order to engage key segments of society, donors and recipient governments must first recognise that the involvement of citizens and their organisations is crucial to policy quality. Secondly, donors and recipient governments need to provide CSOs with adequate resources to effectively participate in policy dialogue. This implies not only providing financial resources, but, in particular, more especially understandable information. Governments' transparency efforts must shift their focus; from upwards towards the demands of donors to downwards towards the demands of citizens (Eurodad, 2008; Mwanjisi, 2010).

***Accountability structures need to be strengthened***

Donors now largely conduct self-assessments and peer reviews to demonstrate their progress in implementing the Paris Declaration principles. It would be more effective if these were to be performed by an independent institution. In this sense International Aid Transparency Initiative

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(IATI) is an interesting initiative as it provides an emerging standard for aid data that makes it easier to share and compare what is being spent on international aid in countries around the world. Both the UK and the Dutch governments have started publishing their aid data according to this new standard. From this perspective, OpenAid (<http://www.openaidregister.org/>) provides an interesting web-based tool for creating more transparency in the use of aid money. Independent monitoring could provide a basis for better accountability structures between development partners and create more pressure to deliver on commitments. For example, CSOs such as Eurodad have begun to organise their own fora to examine aid effectiveness issues and hold donors and national governments to account for their practices. By playing a watchdog role within the global policy framework for aid effectiveness, these organisations encourage development partners to deliver. Strengthening such independent monitoring systems might create the possibility to manage future aid relationships by agreements that are both more transparent and binding, with effective sanctions against those who do not deliver on results. This is likely to contribute to improvements in the power balance between donors and partners in developing countries, and to offer new opportunities for aid effectiveness (ActionAid, 2007; Eurodad, 2008). Sanitation and Water for All intends to provide such a platform for the water and sanitation sector.

New insights on improving aid effectiveness at country level include:

More focus at country level, rather than improving aid effectiveness at global level

Civil society organisations claim that the Paris Declaration has led to 'technocratisation' of the aid architecture for water and sanitation (Meyer and Schulz, 2008). Donors and national governments are too focused on the technical and political dimensions of aid relationships, instead of local implementation; too much on developing tools and setting up initiatives at international level. In the coming years, the focus needs to shift to implementing aid effectiveness principles at country level to make them more meaningful to local needs and circumstances.

At country level, sector coordination platforms often only exist at national level and there is little dialogue between all stakeholders at regional and district level

Although coordination among donors is important, aid effectiveness at country level can only be achieved by establishing and strengthening multi-level and multi-stakeholder coordination mechanisms. The development of coordinated sector policy requires a combination of bottom-up and top-down processes. This calls for a pragmatic and flexible approach that allows different development partners to participate gradually. Stakeholder coordination is now increasing in the water and sanitation sectors in many countries. However, there is room for improvement in the participation of actors at decentralised and local levels including civil society organisations.

Strengthening national capacities for sector monitoring and planning

The availability of information on both donor commitments and developing countries performance systems has to be improved by strengthening local monitoring and evaluation (M&E) systems. The establishment of results-based sector M&E systems at all levels (local, regional and national) within a country can enhance effective planning and timely

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decision-making. This will further support accountability and transparency in the WASH sector and help actors to develop a clear understanding of what service levels are required in which regions by whom. M&E systems can provide such information to national as well as local sector institutions, and help them to fulfil their responsibilities (de Renzio, 2006; OECD-DAC, 2008; Goody, 2009; WHO 2010,). Global monitoring systems such as the JMP and GLAAS need to be linked to local and national monitoring systems. Currently there are many different monitoring systems at different levels which provide different information.

#### Information collected by country level M&E systems needs to be widened to include information on service levels received by users

M&E systems in the water and sanitation sector have historically focused on the presence or absence of particular infrastructure, measuring inputs and outputs with limited focus on outcome, and impact related issues. Information about the functioning, use and reliability of systems has typically not been collected. In the light of the global aid effectiveness agenda, a more accurate picture of access to water and sanitation services has to be obtained. Attention should be paid to access to services, rather than infrastructure. Social indicators, including the convenience, sustainability, and adequacy of water supply and sanitation services, should also be measured. Currently, country level M&E systems are rarely found, as systems lack capacity and there has not yet been agreement on methodological issues (Taskforce on Water and Sanitation Millennium Project, 2004; Shordt et al., 2005; AusAid, 2009; Schouten et al., 2011).

#### Country ownership needs to be increased

The current aid effectiveness principles can have a negative impact on country ownership. Some development actors argue that Performance Monitoring System Assessments imply more intrusion by donors in national governments' policy-making. Donor ratings of recipient country performance go hand in hand with certain conclusions about the appropriate way to govern the sector and, in many cases, increased policy conditionalities (Rogerson, 2005; Radelet, 2006,). As a result, many developing countries argue that donors still set the agenda on aid and find ways to fund their priorities. CSOs and NGOs are concerned that, particularly in the provision of budget support, donors are undermining government ownership by loading their support with too many policy conditions (ActionAid, 2005; Eurodad, 2008).

Commitment by authorities in developing countries to take charge of their national sector development is crucial for aid to be effective. This is illustrated by an OECD-DAC evaluation of country implementation of aid effectiveness principles (2007). The evaluation shows that there is a correlation between domestic leadership of aid effectiveness reform processes and their overall success.

#### Peer countries need to exchange experiences on aid effectiveness

Most initiatives to strengthen aid effectiveness, like SWA or the EUWI, take the form of cooperation between Northern and Southern countries. These initiatives also provide an excellent platform for sharing and learning among peers. Greater advantage could be taken

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of these initiatives to strengthen exchange of experiences and lesson-sharing between Southern countries on ways to improve aid effectiveness or donor coordination. More concerted efforts are needed to ensure that important lessons learned are not lost.

#### Aid effectiveness can draw attention away from the need to increase funds

There is a risk that donors use the current focus on increasing the effectiveness of aid to maintain or decrease funding levels. Using the available funds in a more effective manner does not necessarily exclude the need for more funds in the water and sanitation sector.

## 4.2 From aid effectiveness to development effectiveness

A new paradigm seems to be emerging with a shift from aid effectiveness to *development* effectiveness. The aid effectiveness agenda currently focuses on poverty reduction as the primary goal for development cooperation. It is being increasingly realised that the aid effectiveness agenda should be widened beyond poverty reduction. A new framework should not be based solely on the concept of aid effectiveness, but on development effectiveness.

Development effectiveness refers to the long-term socio-economic and environmental impacts of development processes. Besides poverty reduction, it includes goals like global human rights, solidarity and equality, and inclusiveness and promotes sustainable change that addresses the root causes as well as the symptoms of poverty, inequality and marginalisation (BetterAid, 2010). Development effectiveness is based on the perspective of the developing country rather than the donor. It is not just about increasing the effectiveness of aid but achieving sustainable development.

For the water and sanitation sector, the shift from aid effectiveness to development effectiveness implies a shift in focus from increasing access to water and sanitation services towards ensuring the delivery of services that are accessible, affordable, reliable and that last over time. Effective national leadership is becoming an even more crucial factor in securing the required resources – internally generated or provided externally – and directing them through coordinated efforts to achieve nationally agreed levels for water and sanitation service delivery.

It is increasingly recognised that the aid effectiveness agenda is very much driven and influenced by traditional donors (OECD-DAC members). With the increased importance of relative newcomers in the water and sanitation sector, such as the BRIC countries and private development foundations, the complexity of the aid architecture is increasing. At the same time, with many developing countries going through a period of high economic growth, the relative dependency of national economies on foreign aid is decreasing. With countries generating more national income, the capacity of the water and sanitation sector to access these resources becomes an even more crucial factor. This reality is another explanation for the emerging paradigm shift.

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## 5 Conclusion

Since 2000, a common international policy framework on aid effectiveness has been developed. Many donors and aid recipients have signed international agreements like the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008) which identify arrangements to strengthen the impact of development assistance.

Improving the effectiveness of aid is a priority in the water and sanitation sector, as many countries are off-track to meet the Millennium Development Goals on drinking water and basic sanitation. Maintaining and improving service provision levels beyond 2015 adds to the pressure on available resources. The gap between progress in access to drinking water and to basic sanitation and the divide between urban and rural areas in terms of services are a cause for concern. There are also large differences in how the regions around the world are performing; Sub-Saharan Africa in particular is lagging behind.

Aid in the water and sanitation sector is still poorly targeted. Many donors continue to concentrate their efforts in the same countries and sectors. Countries with the greatest need, such as those with low service coverage and fragile states, are not prioritised for funding. Sanitation is also being neglected. Even though it is the most off-track of all the MDG targets for water and sanitation, more funds are allocated to water than to sanitation.

Attempts to facilitate harmonisation and alignment processes are hindered at country level by a lack of institutional capacity, skills, tools, methodologies and reliable information. As a consequence, many countries still have a high concentration of donors with poor coordination, harmonisation and alignment and thus unnecessarily high transaction costs. Strong national policy plans that include clear roles and responsibilities for all relevant actors are needed. Forming partnerships with all development actors, including NGOs and CSOs, is a key component of this. Apart from financial solutions, development partners have to increasingly focus on institutional capacity and good governance within country-level sector processes. This will help developing countries to build well-functioning local structures and systems, so that they will be able to manage their own development processes and reduce their dependency on aid (or to make more efficient use of available aid).

There are many promising initiatives in the water and sanitation sector at international, regional and country level aiming to increase aid effectiveness. New initiatives like Sanitation and Water for All (SWA), which started in 2009, try to increase the overall coordination of water and sanitation development efforts. In September 2011, SWA launched the National Planning for Results Initiative (NPRI) to strengthen countries' national plans and planning processes. Political partnerships such as the African Ministers' Council on Water (AMCOW), formed in 2002, are also important high-level initiatives to promote cooperation in the sector and political re-prioritisation of WASH in countries' development agendas.

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However, there is a need to link global and regional efforts and commitments to measures to make aid more effective in national and local development processes. In recent years debates on effectiveness have mainly taken place at international level, leading to the development of an international aid effectiveness policy framework. One of the current challenges to improve the effectiveness of aid within the water and sanitation sector lies in implementing aid effectiveness principles at country level. This calls for broadening the dialogue to include NGOs, CSOs, parliaments and citizens in aid recipient countries.

Solutions to increase aid effectiveness in development processes in the sector will be a combination of different efforts by local, national and international actors. In the first place, donors and recipient governments will need to prioritise basic water and sanitation in their policies and increase their financial investments in the sector. At the same time, they will have to make sure that resources are effectively allocated to the countries and population groups that most need them, on the basis of transparent and predictable plans, and are used for investments in lasting services rather than in infrastructure and systems.

The topic of aid effectiveness in the water and sanitation sector is very much in development. On-going initiatives and discussions are leading to new insights on potential for improvement. There is an increasing realisation in the sector that the aid effectiveness agenda should be broadened beyond poverty reduction. A new paradigm seems to be emerging with a shift from aid effectiveness to *development* effectiveness. Development effectiveness refers to the long-term socio-economic and environmental impacts of development processes. Besides poverty reduction it includes goals like global human rights, solidarity and equality, and promotes sustainable change that addresses the root causes as well as the symptoms of poverty, inequality and marginalisation. Development effectiveness is based on the perspective of the country rather than the donor. It is not just about increasing the effectiveness of aid but achieving sustainable development, and having a deep impact in transforming people's quality of life.

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## Resources

### Relevant literature

#### **Publications on the global policy framework for aid effectiveness**

ActionAid, 2005. *RealAid: An agenda for making aid work*. Prepared for ActionAid International. Johannesburg: ActionAid. Available at: <[http://www.actionaid.org.uk/doc\\_lib/69\\_1\\_real\\_aid.pdf](http://www.actionaid.org.uk/doc_lib/69_1_real_aid.pdf)>.

*The authors argue that too much donor aid is driven by geopolitical and commercial objectives, rather than by efforts to protect the rights of poor people. They argue that far-reaching changes are needed by donors, in order to make aid effective and to eradicate poverty. They also state that recipient governments need to reform: accountability, transparency, democracy and the protection of human rights must all be improved. Throughout the article, it is emphasised that all changes to the aid system need to happen in the context of genuine mutual accountability between rich and poor countries. The report falls into three parts. First, it is argued that aid must be provided as an entitlement based on rights. Second, the authors present an assessment of 'real' aid by donors, and show how far donors are falling short of meeting the target of providing 0.7% of their GDP as 'real' aid. And finally, proposals for a new aid architecture based on mutual accountability between donors and recipients are presented.*

ActionAid, 2007. *Making aid accountable and effective: The challenge for the Third High Level Forum on Aid Effectiveness, Accra, Ghana 2008. An ActionAid ten point plan for real aid reform*. Johannesburg: ActionAid. Available at: <[http://www.actionaid.org.uk/doc\\_lib/making\\_aid\\_accountable\\_and\\_effective.pdf](http://www.actionaid.org.uk/doc_lib/making_aid_accountable_and_effective.pdf)>.

*The authors argue that the common objective of aid effectiveness efforts, and of the Third High Level Forum on Aid Effectiveness (Accra) in particular, should be to reform the aid system to make it more transparent, accountable and effective for the poorest countries and most marginalised people in the world. The article sets out a Ten Point Plan for donors and governments of developing countries to achieve the necessary reforms. The recommendations include: respect real ownership of the development process, support participation, and end economic policy conditionality; develop open, transparent mechanisms that allow citizens to hold their governments and donors to account for the use of aid; and introduce agreed, transparent, binding contracts to govern aid relationships. Throughout this paper it is highlighted that women's rights are central to the aid-quality agenda and should therefore be a main focus at Accra and beyond.*

Booth, D., 2008. *Aid effectiveness after Accra; How to reform the Paris Agenda*. ODI Briefing Papers 39. Available at: <<http://www.odi.org.uk/resources/download/1885.pdf>>.

*This paper examines aid effectiveness and the impact of the Paris Principles. It concludes that the importance of political change in aid recipient countries is underestimated, and that donor alignment efforts are compromised by a mix of risk-avoidance and political correctness. It argues that both donors and country authorities should assume greater responsibility for their own incentive structures. The paper was an output of the ODI project Good Governance, Aid Modalities and Poverty Reduction.*

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Booth, D. and Fritz, V., 2008. *Good governance, aid modalities and poverty reduction; From better theory to better practice*. Final Synthesis Report. Available at:  
<<http://www.odi.org.uk/resources/docs/2265.pdf> >.

*This report deals with the commitment of donor agencies to deliver aid for development in ways that help poor countries to 'own' their development efforts by using and helping to strengthen their policy-making capacities and management systems. As practice has proven problematic in a number of respects, questions for researchers and development agencies alike are raised about the effectiveness of GBS and other new aid modalities. These questions are addressed in the first half of the report. If countries are to assume ownership of their development processes, changes in the way they are governed are also required. What this implies for donor policies and programming is explored in the second part of the report.*

Corre, G., 2009. *Whither EC Aid? (Compendium)*. Maastricht: ECDPM. Available at:  
<[http://www.ecdpm.org/Web\\_ECDPM/Web/Content/Download.nsf/0/7FF8727599A6709DC1257627003CE1D8/\\$FILE/WECA\\_totaal\\_16\\_sept.pdf](http://www.ecdpm.org/Web_ECDPM/Web/Content/Download.nsf/0/7FF8727599A6709DC1257627003CE1D8/$FILE/WECA_totaal_16_sept.pdf)>.

*This Compendium is the final element of 'Whither EC Aid' (WECA). WECA was set up as an independent project with the aim of contributing to a broader-based common understanding of the characteristics, added value and impact of European Commission development cooperation, in the context of the aid effectiveness agenda. This publication archives all the outputs generated through WECA – from the Initial Discussion Note issued in January 2008 to the reports of the dozen roundtables held and the thematic Briefing Notes. A year after the adoption of the Accra Agenda for Action at the 3rd High level Forum on Aid Effectiveness, it looks back on the perceptions of various groups of stakeholders on the aid effectiveness agenda, and to what extent the different point of views, trends and ideas shared during the WECA process find an echo in the international agenda.*

Disch, A., 2007. *Aid coordination and aid effectiveness; Report submitted to the Norwegian Ministry of Foreign Affairs*. ECON Centre for Economic Analysis. Available at:  
<<http://www.oecd.org/dataoecd/9/25/35177627.pdf>>

*This study was commissioned by the Planning and Evaluation Unit of the Norwegian Ministry of Foreign Affairs to provide an update on the aid coordination debate. It reviews the studies available on aid coordination and in particular looks at material that contains information on recipients' experiences with aid coordination. The study summarises the experiences with international aid coordination and identifies the factors that have contributed to or weakened aid coordination.*

European Commission, 2007. *EU Code of Conduct on Division of Labour in Development Policy*. Communication from the Commission to the Council and the European Parliament. Available at:  
<[http://ec.europa.eu/development/icenter/repository/COMM\\_PDF\\_COM\\_2007\\_0072\\_F\\_EN\\_DIVISION\\_TRAVAIL.PDF](http://ec.europa.eu/development/icenter/repository/COMM_PDF_COM_2007_0072_F_EN_DIVISION_TRAVAIL.PDF) >.

*This document describes the agreed targets and indicators of the EU Code of Conduct on Division of labour in development policy.*

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Herfkens, E. and Bains, M., 2009. *Reaching our development goals: Why does aid effectiveness matter?* The Millennium Campaign/OECD. Available at: <<http://www.oecd.org/dataoecd/43/31/40987004.pdf>>.

*This booklet aims to stimulate dialogue around the aid reform effort embodied by the Paris Declaration. It reminds the reader why the PD is important, outlines what objectives have been set, and points to what still needs to be accomplished.*

High Level Forum on Aid Effectiveness, 2008. *Building a new aid relationship: The Paris Declaration on Aid Effectiveness*. Available at: <<http://siteresources.worldbank.org/ACCRAID/EFFECTIVENESSXT/Resources/Building-a-New-Aid-Relationship-English.pdf>>.

*This publication is an overview of the goals of the Paris Declaration, its underlying principles, the progress that developing countries and the donor community have made until 2005, and the challenges that lie ahead.*

Jacquet, P. and Cohen, D., 2008. *EU development policies at a crossroads: Whither from here?* Discussion paper prepared for the Ermenonville Seminar on the EU aid architecture, December 18-19. Available at: <[http://www.afd.fr/webdav/site/afd/shared/PORTAILS/PAYS/EUROPE\\_2/PJ%20et%20Daniel%20Cohen%20-%20EU%20development%20policies%20at%20a%20crossroads.%20Whither%20from%20here.doc](http://www.afd.fr/webdav/site/afd/shared/PORTAILS/PAYS/EUROPE_2/PJ%20et%20Daniel%20Cohen%20-%20EU%20development%20policies%20at%20a%20crossroads.%20Whither%20from%20here.doc)>.

*In this paper, the authors explore ways to make European development policy more effective. The objective is to answer the question “how to create more political integration through institutional and operational practices and procedures”? In the first section of the paper, the stage is set by drawing on various economic studies on EU and overall aid effectiveness, to document some of the characteristics of the development aid delivered by the EU. Some of the recommendations in the existing literature are briefly summarised. The second section develops the authors’ own set of recommendations.*

Meyer, S. and Schulz, N.S., 2008. From Paris to Accra: Building the global governance of aid, Fundación para las Relaciones Internacionales y el Diálogo Exterior (FRIDE), in *Development In Context*, issue 16, August. Available at: <<http://www.fride.org/publication/480/building-the-global-governance-of-aid>>.

*This article traces the various international streams converging in what is now referred to as the ‘new aid architecture’ for development cooperation. It argues that, over the last 50 years, development assistance has witnessed a shift from being a soft external action tool of states to becoming part of an integrated multilateral system geared towards poverty reduction and oriented by internationally agreed standards. It describes the international discussions and issues that led to the agreement on the PD and the AAA, and looks at the future challenges for international development cooperation.*



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OECD, 2005a. *The Paris Declaration on Aid Effectiveness*. Available at:

<<http://www.oecd.org/dataoecd/30/63/43911948.pdf>>.

*This document gives an overview of agreements made by different development partners under the PD. It provides a practical, action oriented roadmap with specific targets to be met, with the aim of increasing worldwide aid effectiveness in development practices. The ultimate goal is that developing country governments take the lead in formulating nationally-owned poverty reduction strategies and sector-level development programmes, with the participation of a wide range of stakeholders. Specific objectives of the PD include: adapting development assistance to the prioritisations and administrative systems of partner countries; increasing transparency in recipient countries' administrations; coordinating and simplifying donor procedures; and improving the reporting of the results for poverty reduction at national and international levels.*

OECD, 2005b. *Indicators of progress*. Available at:

<<http://www.oecd.org/dataoecd/57/60/36080258.pdf>>.

*This document contains indicators of progress for the implementation of PD principles, against which all development partners can be held accountable. The indicators are to be measured nationally and monitored internationally.*

OECD, 2007. *Aid and Beyond*. Available at:

<[http://www.oecd.org/document/18/0,3343,en\\_2649\\_33959\\_38468562\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/18/0,3343,en_2649_33959_38468562_1_1_1_1,00.html)>.

*This book takes a look at the changes in the international development finance architecture. It finds that the emergence of a multiplicity of new financing options is good news for developing countries, but that it raises challenges for donor and recipient alike. While policy-makers in developing countries need to make the most of new funding opportunities, traditional donors need to reposition themselves in the system.*

OECD, 2008a. *The Accra Agenda for Action*. Available at:

<<http://www.oecd.org/dataoecd/30/63/43911948.pdf>>.

*This publication is an overview of the goals of the Accra Agenda for Action and its underlying principles. The agenda was drawn up in 2008 and builds on the commitments agreed in the Paris Declaration. Where the PD set broad targets for the whole development community, the AAA is a political statement in which all donors set out individual targets and concrete plans for how they will meet their commitments.*

OECD, 2008b. *The Paris Declaration and the Accra Agenda for Action: Action plans of donor countries and recipient countries*. Available at:

<[http://www.oecd.org/document/6/0,3343,en\\_2649\\_3236398\\_18638150\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/6/0,3343,en_2649_3236398_18638150_1_1_1_1,00.html)>.

*These country-based action plans set out time-bound and monitorable proposals to implement the Paris Declaration and the Accra Agenda for Action. They set out how donors and partner countries plan to make progress in aid effectiveness.*

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OECD, 2008c. *Financing Development 2008: Whose ownership?* (Summary). Available at: <<http://www.oecd.org/dataoecd/52/6/40729854.pdf>>.

*Whose Ownership?* is the second volume in a series of OECD Development Centre publications on Financing Development. The publication was partly devised as a basis for discussions on ownership at and following the Third High-Level Forum on Aid Effectiveness in Accra on 2-4 September 2008. Both donors and developing country governments are having a hard time putting ownership into practice. Is this because poverty reduction strategies are too strongly driven by aid donors? Is it because governments do not give parliaments or civil society sufficient space to contribute to better policy? Or is it because the increasing complexity of development finance simply overburdens developing country administrations seeking to take ownership of their development policies? These questions are captured by this publication.

Overseas Development Institute, 2006. *Governance, development and aid effectiveness: A quick guide to complex relationships*. London: ODI. Available at: <<http://www.odi.org.uk/resources/download/181.pdf>>.

*This article helps answer governance questions in relation to the aid effectiveness discussion. What exactly is good governance? In what ways and why does governance vary among countries? When, why and how do governance issues make a difference to the way countries develop? What are the priorities for poor countries? Why does governance matter for aid effectiveness and what can donors do?*

Overseas Development Institute, 2009. *The evolution of EU development cooperation: Taking the change agenda forward*. London: ODI. Available at: <<http://www.odi.org.uk/resources/details.asp?id=3611&title=eu-development-cooperation-workshop-report>>.

*This document is a report on a three day conference (27, 28 and 29 April 2009) to discuss the future of EU development cooperation, hosted by the ODI and DFID.*

Radelet, S., 2004. *Aid effectiveness and the Millennium Development Goals*. Centre for Global Development. Available at: <<http://www.unmillenniumproject.org/documents/MDG-aid-paper-introduction-v2.pdf>>.

*This paper focuses on key ways in which donors can improve the quality of aid and make it more effective in achieving the MDGs. It also briefly reviews the quantity of funding that will be necessary to achieve the MDGs. It makes three central arguments: 1. Donors must be much more goal- and results-oriented in their ODA programmes. 2. Donors must further improve the allocation of ODA to better achieve the MDGs. 3. Donors should better align the ways they deliver aid with the realities on the ground in different kinds of recipient countries.*

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Roeske, K., 2007. *The Code of Conduct for a better division of labour in the development policy: Is it a real milestone?* Friedrich Ebert Stiftung. Available at: <<http://library.fes.de/pdf-files/bueros/bruessel/04867.pdf>>.

*The German Ministry for Development Cooperation called the Code of Conduct “a milestone and best practice model for the international donor community”. But what does it really mean? This publication discusses the contents of the European Code of Conduct, its implications for European development cooperation, the future steps that are to be taken in order to effectively implement the Code, and the challenges this poses.*

### ***Publications on the monitoring of progress on aid effectiveness***

#### Global monitoring on general implementation of aid effectiveness principles

OECD, 2008d. *Aid effectiveness. A progress report on implementing the Paris Declaration*. Better Aid publication series. Available at: <<http://www.oecd.org/dataoecd/19/39/42111907.pdf>>.

*This report, prepared by the Working Party on Aid Effectiveness (WP-EFF) for the Third High-Level Forum held in Accra in September 2008, is a progress report on the implementation of PD principles by donors and developing countries. It aims to underpin, with evidence-based material, the five principles related to ownership, harmonisation, alignment, results and mutual accountability, together with four subjects of critical relevance: sector perspectives, the role of civil society organisations, situations of fragility and conflict, and the changing aid architecture.*

OECD, 2009a. *Development Cooperation Report 2009*. Available at: <<http://puck.sourceoecd.org/vl=2058930/cl=28/nw=1/rpsv/dac09/index.htm>>.

*OECD statistics show how much aid donor country governments are giving, and to whom. How much goes to the poorest countries? How much goes to multilateral organisations like the United Nations? Which sectors get the most aid: economic infrastructure or social programmes?*

Wood, B., Kabell, D., Sagasti, F. and Muwanga, N., 2008. *Synthesis report on the first phase of the evaluation of the implementation of the Paris Declaration*. Ministry of Foreign Affairs of Denmark, Copenhagen. Available at: <<http://www.dfid.gov.uk/Documents/publications1/evaluation/Paris-Dec-Synthesis-Report.pdf>>.

*This report synthesises the results of the first evaluation of the early implementation of the Paris Declaration, from March 2005 to late 2007. It comprises extensive assessments in eight countries, together with ‘lighter’ studies on donor agencies, focusing on the headquarters level.*

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## Global and regional monitoring of aid effectiveness in drinking water and sanitation

AMCOW (in collaboration with WSP-Africa, the African Development Bank, EUWI, UNDP and the WB), 2006. *Getting Africa on track to meet the MDGs on water and sanitation: A status overview of sixteen African countries*. Available at:

<[http://www.africanwaterfacility.org/fileadmin/uploads/awf/news/AFRICA\\_CSOS\\_MDGS\\_ALL\\_FINAL3\\_HIGH.PDF](http://www.africanwaterfacility.org/fileadmin/uploads/awf/news/AFRICA_CSOS_MDGS_ALL_FINAL3_HIGH.PDF)>.

*This report is a monitoring initiative within the WSS. It contains Country Status Overviews of sixteen African countries, which bring together data on how water and sanitation sectors are making progress on reaching the MDGs. Progress towards the targets is determined by examining the increase in the WSS capacity in each country.*

Asian Development Bank, 2006. *Asia Water Watch 2015: Are countries in Asia on track to meet Target 10 of the Millennium Development Goals?* Available at:

<<http://www.adb.org/Documents/Books/Asia-Water-Watch/asia-water-watch.pdf>>.

*The MDG target on drinking water and improved sanitation presents a particularly formidable challenge for Asia and the Pacific, where one in three persons does not have access to safe, sustainable water supplies, and one in two to sanitation. This report assesses the situation in 2006 in terms of achieving target 10 by 2015.*

European Commission, 2010. *EU donors and aid effectiveness in the WASH sector. Study on the implementation of the Code of Conduct: Progress and challenges in improving division of labour and donor alignment*. Brussels: European Commission. Available at:

<[http://www.euwi.net/files/EU\\_donors\\_and\\_Aid\\_effectiveness\\_in\\_the\\_WASH\\_sector.pdf](http://www.euwi.net/files/EU_donors_and_Aid_effectiveness_in_the_WASH_sector.pdf)>.

*This study aims to explore what increased aid effectiveness might actually mean for the WASH sector in Africa.*

EUWI-AWG, 2008. *Working together to improve aid effectiveness in the water sector: Mapping EU development assistance in Africa*. Available at: Mapping exercise:

<<http://www.irc.nl/page/40731>>; Headline issues:

<[http://www.euwi.net/files/mapping\\_aid\\_en.pdf](http://www.euwi.net/files/mapping_aid_en.pdf)>; Final report:

<<http://www.irc.nl/page/46228>>; Additional data: <<http://www.irc.nl/page/46230>>.

*Until now, it has not been possible to assess levels of EU Member States' funding to water supply and sanitation separately, using existing sources of information. This mapping exercise, initiated by the Africa Working Group of the European Union Water Initiative (EUWI-AWG), aims to address this problem. It disaggregates ODA to the water sector from EU donors into the three component sub-sectors of sanitation and hygiene, water supply (WASH) and Integrated Water Resources Management (IWRM), and maps these aid flows geographically to African recipients.*

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EUWI-AWG (prepared by WEDC and Hydroconseil), 2010. *Mapping of EU support for sanitation in Africa*. Available at: <[http://euwi.net/files/Mapping\\_EU\\_Support\\_for\\_Sanitation\\_in\\_Africa.pdf](http://euwi.net/files/Mapping_EU_Support_for_Sanitation_in_Africa.pdf)>.

*This study addresses a number of key concerns of AMCOW, the European Union (EU) and other donors around the need to increase support to sanitation in order to accelerate the progress of national plans, Africa-wide goals, and the attainment of the MDG target on sanitation. The document gives an overview of the status of the involvement of EU Member States and the European Commission in sanitation-related activities in Africa.*

EUWI-AWG (prepared by Hydrophil and IRC), 2010. *EU donors and aid effectiveness in the WASH sector*. Available at: <<http://euwi.net/africa/document/highlighted/eu-donors-and-aid-effectiveness-wash-sector-full-report>>.

*A study on implementation of the EU Code of Conduct on Complementarity and Division of Labour in Development Policy in the WASH sector in Africa.*

OECD/WWC, 2008. *Donor profiles on aid to water supply and sanitation: Aid at a glance and development cooperation policies*. Available at: <<http://www.oecd.org/dataoecd/31/12/41752319.pdf>>.

*This note contains individual donor profiles covering both statistical and policy aspects of DAC members' aid to the water supply and sanitation sector. For each member, summary statistics on aid to the sector are presented in the form of charts and tables, and textual information describes the policy/strategy for development cooperation in the water sector.*

UN-Water, 2010. *UN-Water Global Annual Assessment of Sanitation and Drinking-Water (GLAAS)*. Available at: <[http://www.who.int/water\\_sanitation\\_health/publications/UNWater\\_GLAAS\\_2010\\_Report.pdf](http://www.who.int/water_sanitation_health/publications/UNWater_GLAAS_2010_Report.pdf)>.

*The Global Annual Assessment of Sanitation and Drinking-Water (GLAAS) is a UN-Water initiative implemented by the World Health Organization (WHO). GLAAS aims to identify national drivers for increased access to water and sanitation in developing countries and place them into a global context. It addresses different dimensions of the WSS: current levels of access to safe water and adequate sanitation (highlighting where progress is lagging behind); which countries are implementing national plans for achieving international targets, and how; the proportion of countries' public budgets that go to water and sanitation; and the extent to which development partners are fulfilling their promises (including future financial commitments).*

United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), 2009. *Institutional Changes for Sanitation*. Available at: <[http://www.unescap.org/esd/Energy-Security-and-Water-Resources/water/publications/2009/institutional\\_change/ics.pdf](http://www.unescap.org/esd/Energy-Security-and-Water-Resources/water/publications/2009/institutional_change/ics.pdf)>.

*This report presents the institutional progress made in selected member countries (in the Asia and Pacific region) towards achieving sanitation goals. Institutional progress consists of changes in administrative, legal and financial rules and practices, which have been made with sanitation goals in mind. The report also includes updates on progress in 'slow-moving' institutions, which are social norms and practices, general awareness of the public and the on-going demand for sanitation services.*

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WaterAid, 2009. *Sanitation and hygiene in South Asia: Progress and challenges*. Summary paper of the South Asian Sanitation & Hygiene Practitioners' Workshop organised by IRC, WaterAid and BRAC in Rajendrapur, Bangladesh, 29-31 January 2008. Available at: <[http://www.wateraid.org/documents/ch25\\_sanitation\\_and\\_hygiene\\_in\\_south\\_asia\\_progress\\_and\\_challenges.pdf](http://www.wateraid.org/documents/ch25_sanitation_and_hygiene_in_south_asia_progress_and_challenges.pdf)>.

*This summary paper focuses on household sanitation. It gives an overview of what has been achieved in South Asia and what has not, or insufficiently, been addressed. It also identifies four suggested areas for regional cooperation.*

WHO / UNICEF Joint Monitoring Programme (JMP) for Water Supply and Sanitation, 2010. *Country files*. Available at: <[http://www.wssinfo.org/documents-links/documents/?tx\\_displaycontroller\[type\]=country\\_files](http://www.wssinfo.org/documents-links/documents/?tx_displaycontroller[type]=country_files)>.

*This report is a joint effort by WHO and UNICEF, published every two years. Its purpose is to monitor the status of countries' and regions' access to and use of safe drinking-water and basic sanitation. The JMP presents data on country-by-country coverage and global and regional coverage. It also presents trends and analysis of sector challenges and future needs. The data in the report shows that the world is not on track to meet the MDG sanitation target: 2.6 billion people still lack access to improved sanitation, including 1.1 billion who practice open defecation. Although the world is on track to meet the MDG drinking water target, 883 million people do not use an improved source of drinking water.*

Willets, J. and Robinson, A., 2008. *Meeting the sanitation and water challenge in South-East Asia and the Pacific*. Available at: <[http://www.watercentre.org/resources/publications/attachments/sanitation\\_water\\_challenge.pdf](http://www.watercentre.org/resources/publications/attachments/sanitation_water_challenge.pdf)>.

*This report synthesises the main themes and issues discussed at the Sanitation and Water Conference in Melbourne in October 2008. It provides guidance on important directions in the WASH sector in the Asia–Pacific region in the form of 10 key strategies identified in the Conference Statement. The strategies are elaborated in terms of why they are important and how they might be achieved, and the report concludes with a focus on stakeholder responsibilities to move into action.*

### ***Publications on issues relating to the implementation of aid effectiveness policy***

#### Issues relating to general implementation of aid effectiveness principles

Eurodad, 2008. *Turning the tables: Aid and accountability under the Paris Framework*. Civil society report. Brussels: Eurodad. Available at: <<http://www.eurodad.org/whatsnew/reports.aspx?id=2166>>.

*This report is the result of research in seven aid recipient countries, conducted by Southern and Northern civil society organisations and coordinated by the European Network on Debt and Development. It focuses on progress on two principles of the Paris Declaration – ownership and accountability. These principles are the bedrock of aid reform, but the area to which least attention has been paid. While both donors and recipients have responsibilities to make aid more effective, this*

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*report concentrates on the responsibilities of donors to make sure aid helps to address the many challenges faced by developing countries. The report shows that some donors have made considerable progress in promoting ownership and accountability, while others still fail to do so.*

European Commission, 2008. *The EU – a global partner for development: Speeding up progress towards the Millennium Development Goals*. An EU Aid Effectiveness Roadmap to Accra and beyond. From rhetoric to action, hastening the pace of reforms. Brussels: European Commission. Available at:  
<<http://ec.europa.eu/development/icenter/repository/SEC%282008%29435%20Aid%20Effective.pdf>>.

*This roadmap takes stock of the progress made by the EU on aid effectiveness since the adoption of the Paris Declaration in 2005, and outlines the EU's ambitions for the Third High Level Forum in Accra in September 2008 and beyond. It builds on the principles of the PD and the European Consensus for Development.*

McCarty, A., Julian, A. and Banerjee, D., 2009. *The developmental effectiveness of untied aid: Evaluation of the implementation of the Paris Declaration and on the 2001 DAC recommendation on untying ODA to the LDCs. Vietnam case study*. <Available at:  
<http://www.oecd.org/dataoecd/21/46/44539878.pdf>>.

*This study aims to contextualise the key issues of aid effectiveness and the implications of untying aid in the water and sanitation sector in Vietnam. The selected project case studies focus on the procurement practices of the donors and governmental executing agencies, which may have a significant impact on how goods and services are purchased, with implications for aid effectiveness. The four selected case studies consisted of three active projects and one programme, all located within the water supply and sanitation sector.*

Moon, S. and Mills, Z., 2010. *Practical approaches to the aid effectiveness agenda: Evidence in aligning aid information with recipient country budgets*. ODI Working Paper 317. Available at:  
<<http://www.odi.org.uk/resources/docs/5874.pdf>>.

*This paper explores the link between donor aid and recipient budgets, and the role that greater transparency and clearer information about aid can play in improving budget transparency, the quality of budgetary decisions and accountability systems in developing countries.*

OECD/DAC, 2008f. *Effective aid management: Twelve lessons from DAC Peer Reviews*. Available at:  
<<http://www.oecd.org/dataoecd/54/0/40720533.pdf>>.

*This publication retains twelve examples of lessons learned or reconfirmed over five years on effective aid management to achieve development results. Lessons at the level of strategy are: i) find the appropriate legal and political foundation; ii) manage competing national interests; iii) achieve greater policy coherence for development; and iv) invest in delivering, measuring and transmitting results of aid-financed activity. Organisational management lessons are: v) identify a leadership structure that works; vi) deal with institutional dispersion; vii) manage contributions to multilateral institutions; and viii) decentralise management to the field. Lessons concerning management of delivery are: ix) manage the scaling-up of development aid; x) maintain a focused approach towards*

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*countries and sectors; xi) emphasise performance-based management, evaluation and quality control; and xii) make human resource management a priority.*

OECD/DAC, 2008g. *Scaling up: Aid fragmentation, aid allocation and aid predictability*. (Summary). Available at: <<http://www.oecd.org/dataoecd/16/7/40610318.pdf>>.

*As part of monitoring the delivery of the renewed DAC commitments, the DAC conducted its first full annual Survey on Aid Allocation Policies and Indicative Forward Spending Plans in late 2007 and early 2008. The survey helps to identify resource gaps and opportunities for scaling up aid in individual partner countries. This report aims to be a stimulus to improving the medium-term predictability of aid. It is intended to inform discussion at major development events in 2008, especially on predictability and division of labour at the Third High Level Forum on Aid Effectiveness (Accra, September) and on ODA financing at the Follow-up International Conference on Financing for Development (Doha, November/ December).*

OECD/DAC, 2009b. *Implementing the Accra Agenda for Action: 'Beginning Now' commitments, updated compendium*. Available at: <<http://www.oecd.org/dataoecd/38/33/43348055.pdf>>.

*This second, updated compendium reviewing implementation of the 'beginning now' commitments of the AAA highlights progress since the first compendium in November 2008. It draws on submissions by 22 members and four observers of the DAC and explores what use the DAC should be making of the AAA to respond to the developmental challenges created by the global financial crisis.*

OECD, 2010. *Development Cooperation Report 2010*. Available at: <<http://www.link2007.org/assets/files/documenti/OCSE-DAC2010.pdf>>.

*The Development Cooperation Report is an annual reference document for statistics and analysis on trends in international aid published by the OECD/DAC. The 2010 edition focuses particularly on the growing international challenges, such as the economic, food and climate change crises, for both donors and developing countries to meet the MDGs. It argues that, despite these challenges, development partners must maintain a clear and consistent focus on the principles of effective aid, as set out in the Paris Declaration and the Accra Agenda for Action. It highlights several strategies for doing this. It states, for example, that donors must fulfil their aid commitments, while development partners must increase efforts to sustain public support for development aid and increasingly focus on promoting good governance at country level.*

Rocha Menocal, A. and Mulley, S., 2006. *Learning from experience? A review of recipient government efforts to manage donor relations and improve the quality of aid*. London: ODI Available at: <<http://www.odi.org.uk/resources/docs/2027.pdf>>.

*This paper reviews the efforts of five countries seen as relatively successful examples of recipient-led aid policies and donor management: Afghanistan, Mozambique, Tanzania, Uganda and Vietnam. On the basis of their experiences, this paper suggests some general lessons regarding the conditions that may enable recipient governments to take the lead in establishing aid policies and manage relations with donors.*



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## Implementation of aid effectiveness principles in the water and sanitation sector

African Development Bank Group, 2009. *Bridging divides in Africa's water security: An agenda to implement existing political commitments*. Available at:

<<http://www.preventionweb.net/english/professional/publications/v.php?id=9032>>.

*This AfDB publication argues that Africa needs to achieve greater convergence between high-level commitments on drinking water and sanitation, delivery through concrete actions, strengthening and scaling-up of existing mechanisms and initiatives, and refinement of strategies to close gaps. It describes different strategies for concrete actions at country level. Broadly speaking, the challenge for water and sanitation falls into three principal areas: a) continuing to put in place water resources infrastructure for basic services and economic development through existing and new initiatives; b) strengthening institutional capacity and operational mechanisms in areas where low implementation capacity is a bottleneck to progress; c) refining strategies and policies where these are needed. It is recognised that there are many countries with different starting positions, making challenges to progress varied.*

Bos, A. and Schwartz, K., 2006. *Donor harmonisation and alignment: An overview for the water sector*. WELL Briefing Note 35. U.K., Water, Engineering and Development Centre (WEDC), Loughborough University. Available at:

<<http://www.lboro.ac.uk/well/resources/Publications/Briefing%20Notes/BN%2035%20Donor%20Harmonization.htm>>.

*This Briefing Note addresses donor harmonisation and alignment in the water sector, mainly in the context of Africa. It reviews donor harmonisation efforts and challenges in the water sector at international, country and decentralised levels.*

Danida, 2006. *Harmonisation and alignment in water sector programmes and initiatives*. Good Practice Paper. Danida, Ministry of Foreign Affairs, Copenhagen, Denmark. Available at:

<[http://www.danidadevforum.um.dk/NR/rdonlyres/07AF47DC-2011-43E2-BCC8-02BB4612428D/0/WS\\_GPP\\_Harmonisation.pdf](http://www.danidadevforum.um.dk/NR/rdonlyres/07AF47DC-2011-43E2-BCC8-02BB4612428D/0/WS_GPP_Harmonisation.pdf)>.

*This paper has three objectives: (a) to present an overview of lessons learned and experiences gained with achieving harmonisation and alignment (H/A) in practice; (b) to provide insights into why and how achievements have been accomplished; and (c) to offer guidance and operational recommendations. It is based on the viewpoint of donor agencies and Danida in particular. The paper draws on experiences and lessons learned in Danida water programmes in Bangladesh, Benin, Burkina Faso, Ghana, Kenya, Uganda and Zambia, and on experiences with the African Development Bank (AfDB). The paper offers five major recommendations: (1) take a low entry approach to harmonisation; (2) avoid competing H/A processes; (3) Strengthen country leadership in aid management; (4) Strengthen country capacity to implement sector programmes; and (5) Extend harmonisation to non-governmental organisations.*

DFID, 2006. *Why we need a global action plan on water and sanitation*. Available at:

<<http://www.mtnforum.org/en/content/why-we-need-global-action-plan-water-and-sanitation>>.

*This publication argues that development partners are not doing enough to achieve the MDG on drinking water and sanitation by 2015. In order to accelerate progress, it states that three measures need to be taken by the international development community: (1) invest more money in water and*

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*sanitation; (2) ensure that money is spent effectively and fairly; and (3) put the right structures in place to make progress.*

Lane, J., 2008. *Aid effectiveness in the new age of demand-driven sanitation*. Asian Water. Available at: <[http://www.shpmedia.com/images/AW\\_Oct\\_ExpertSpeak\\_Jon.pdf](http://www.shpmedia.com/images/AW_Oct_ExpertSpeak_Jon.pdf)>.

*This article discusses aid flows and effectiveness in the sanitation sector, positive trends in sanitation financing, the International Year of Sanitation achievements as well as international political commitments on drinking water and sanitation.*

Marco, S., Salami, A. and Sullivan, C., 2009. *Development aid and access to water and sanitation in Sub-Saharan Africa*. Development Research Brief 9. Available at: <[http://www.afdb.org/fileadmin/uploads/afdb/Documents/Financial-Information/EDRE%20News%209\\_New%20version%20with%20Salami.pdf](http://www.afdb.org/fileadmin/uploads/afdb/Documents/Financial-Information/EDRE%20News%209_New%20version%20with%20Salami.pdf)>.

*The study seeks to analyse the relationship between development aid flows and progress in access to water and sanitation services in Sub-Saharan Africa. More specifically, it aims to achieve the following objectives: Identify the factors determining performance in the provision of safe water and improved sanitation facilities; Identify the factors and features determining the success and sustainability of aid-funded projects in these sectors; Draw lessons for the design and implementation of future water and sanitation interventions.*

Mheta, M. and Knapp, A., 2004. *The challenge of financing sanitation for meeting the Millennium Development Goals*. Available at: <[http://www.wsp.org/wsp/sites/wsp.org/files/publications/af\\_finsan\\_mdg.pdf](http://www.wsp.org/wsp/sites/wsp.org/files/publications/af_finsan_mdg.pdf)>.

*This summary outlines the key issues and steps in developing a public finance strategy for sanitation to meet the MDGs. Conventional public finance in sanitation in the past generally focused on subsidies for household and public toilets, and grants for urban sewerage and solid waste systems. Traditionally the approach to providing access to sanitation was supply driven and focused on financing the building of toilets, installing sewerage networks and constructing treatment facilities. Most global finance estimates to meet the sanitation MDGs by 2015 are calculated using this approach. The authors suggest that a shift in sanitation financing is required from financing subsidies and grants for sanitation facilities to funding sanitation promotion and leveraging resources.*

OECD/DAC, 2009c. *Measuring aid to water supply and sanitation*. Available at: <<http://www.oecd.org/dataoecd/2/60/42265683.pdf>>.

*This note contains statistics on ODA for water supply and sanitation. It presents the key findings of the publication 'CRS Aid activities in support of water supply and sanitation, 2001-2006' (OECD/WWC 2008) with updated figures for 2007.*

Schuen, R. and Parkinson, J., 2009. *Water Operators Partnerships: Africa Utility Performance Assessment, Final Report*. Available at: <[http://www.unhabitat.org/downloads/docs/WOP\\_Report.pdf](http://www.unhabitat.org/downloads/docs/WOP_Report.pdf)>.

*This report provides a synthesis of a self-assessment and benchmarking exercise carried out among about 134 African utilities engaged in water supply and sanitation services. These assessments and the ensuing regional workshops form steps in the operationalisation of the Water Operators*

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*Partnerships programme for Africa (WOP-Africa). WOP-Africa is built on the premise that well-performing utilities will step forward and emerge as leaders and that the needs of the less well-performing utilities will be met in a professional and sustainable manner. The primary aim of this report is to take stock of African utilities' performance in a few key areas in order to provide a basis for further development of the WOP programme in Africa. Specifically, the report aims to assist utilities in identifying their strengths and weaknesses as well as best practices under the WOP-Africa priority themes in order to uncover potential partnerships for improving performance. The end is not, therefore, to collect metric data or calculate performance indicators, but rather to identify performance gaps, benchmark against superior performers and, ultimately, implement performance improvements based on quantitative and qualitative data.*

Slaymaker, T. and Newborne. P., 2004. *Implementation of water supply and sanitation programmes under PRSPs: Synthesis of research findings from Sub-Saharan Africa*. Available at: <<http://www.bvsde.paho.org/bvsacd/cd27/watsan.pdf>>.

*This research addresses policy and practice issues surrounding the implementation of Poverty Reduction Strategy Papers from a water sector perspective. The emergence of PRSPs in the late 1990s reflected a growing consensus on the importance of poverty reduction as a central objective of debt relief, government expenditure and donor support, and the PRSP framework has subsequently become a centrepiece for policy dialogue in all countries receiving concessional loans from the World Bank and IMF.*

United Nations Human Settlements Programme (UN-HABITAT), 2009. *Water Operators Partnerships: Building WOPs for sustainable development in water and sanitation*. Available at: <<http://www.unhabitat.org/pmss/listItemDetails.aspx?publicationID=2851>>.

*The purpose of this publication is to provide information on the functioning of Water Operators Partnerships and to highlight the opportunities and preconditions behind this approach. The actions required by water operators and the financial and practical support necessary from other parties are illustrated through a series of practical examples. Water operators worldwide are in need of assistance and capacity building support in order to sharpen service delivery and be more effective. Experienced water operators, professional water associations, national water ministries, development agencies and international finance institutions have a privileged position in assisting them. Partnerships between operators have emerged as a feasible way to improve their efficiency and effectiveness. The common objective of partnership building between water operators is to accelerate the process of water and sanitation services improvement, thereby helping to achieve the MDGs related to these services.*

WaterAid, 2009. *Sharm El-Sheikh and WaterAid: Turning commitment into action*. London: WaterAid. Available at: <[http://www.wateraid.org/documents/plugin\\_documents/sharm\\_elsheikh\\_and\\_wateraid\\_report.pdf](http://www.wateraid.org/documents/plugin_documents/sharm_elsheikh_and_wateraid_report.pdf)>.

*In this article WaterAid explains the way in which the commitments on drinking water and sanitation in Africa made by African ministers in Sharm el-Sheikh will contribute to international and national development goals for drinking water and sanitation. The authors also describe how WaterAid is contributing to this process.*

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WSSCC, 2008. *Global Sanitation Fund: Investing in sustainable sanitation and hygiene*. Available at: <[http://esa.un.org/iys/review09/global/pdfs/GSF\\_leaflet\\_English.pdf](http://esa.un.org/iys/review09/global/pdfs/GSF_leaflet_English.pdf)>.

*The Global Sanitation Fund is a financing mechanism established to boost expenditure on sanitation and hygiene in accordance with national sanitation and hygiene policies. The fundamental goal is to help large numbers of poor people attain safe and sustainable sanitation services and adopt good hygiene practices. The GSF is a pooled global fund that supports implementation work by giving grants to selected organisations in eligible countries. This article describes the way in which the GSF operates on a global level.*

Welle, K., 2007. *Mapping for better accountability in service delivery*. ODI Briefing Papers, number 29, November. Available at: <<http://www.odi.org.uk/resources/docs/56.pdf>>.

*This briefing paper assesses WaterAid's work in mapping water supply and sanitation delivery to the poor. It argues that mapping can both improve the planning and delivery of services, and increase the public accountability of service delivery.*

Welle, K., Evans, B., Tucker, J. and Owusu, S., 2008. *Fluid dynamics? Achieving greater progress on aid effectiveness in the water sector*. Overseas Development Institute (ODI). Available at: <<http://www.odi.org.uk/resources/details.asp?id=1587&title=fluid-dynamics-aid-effectiveness-water-sector>>.

*This is a report of a study in three countries (Bangladesh, Ethiopia and Uganda), which assessed progress against the Paris Principles for Aid Effectiveness in three sectors – water, health and education – to test the assumption that the water sector is lagging behind. The findings show that this assumption is too simplistic, although it may be true in some countries. It also found that wider governance issues are more important for aid effectiveness than just having sector-specific mechanics like Sector-Wide Approaches in place. National political leadership and governance are central drivers of sector aid effectiveness, while national financial and procurement systems and the behaviour of actors at both national and global levels who have not signed up to the Paris Principles have implications for progress that cut across sectors. Sectors and sub-sectors do, nonetheless, have distinct features that must be considered in attempting to improve sector-level aid effectiveness. In light of these findings, using political economy approaches to better understand and address governance and strengthening sector-level monitoring is recommended as part of efforts to improve aid effectiveness and development results in the water sector.*

*A shortened version of this paper was published in 2009 in: Water Alternatives: Welle, K.; Tucker, J.; Nicol, A. and Evans, B. (2009). Is the water sector lagging behind education and health on aid effectiveness? : lessons from Bangladesh, Ethiopia and Uganda. Water Alternatives ; vol. 2, no. 3.*

Welle, K., 2008. *Improving the provision of basic services for the poor in fragile environments: Water Supply, Sanitation and Hygiene International Literature Review*. Humanitarian Policy Group. Overseas Development Institute, London. Prepared for the AusAID Office of Development Effectiveness (ODE). Available at: <[http://www.ode.usaid.gov.au/publications/pdf/wash\\_sector\\_report.pdf](http://www.ode.usaid.gov.au/publications/pdf/wash_sector_report.pdf)>.

*This report is a review of recent literature on international practice and experience in supporting pro-poor health service provision in fragile states, focusing on multilateral and bilateral donor approaches. The first section discusses the challenges facing WASH service delivery in fragile*

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*environments. It refers to the linkages between WASH service delivery and state legitimacy and describes the scope and limits of the review. Section 2 discusses how the on-going paradigm shift within the sector, from a projectised, fragmented approach to a more integrated approach, relates to donor engagement in fragile states including instruments and frameworks, and questions relating to aid effectiveness and funding mechanisms. Section 3 highlights particular donor approaches to reaching the poorest and most vulnerable in fragile states, and touches on crosscutting issues like gender and sustainability. Section 4 concludes the review by identifying key challenges, trade-offs and options for donors supporting WASH service delivery in fragile environments.*

Welle, K., Nicol, A. and Steenbergen, F. van, 2008. *Why is harmonisation and alignment difficult for donors? Lessons from the water sector.* ODI Project Briefing 6. London, UK, Overseas Development Institute. Available at: <<http://www.odi.org.uk/resources/docs/54.pdf>>.

*The harmonisation and alignment agenda offers important opportunities and challenges for the water sector. This article draws on lessons from seven Danida-supported water projects and a DGIS study on the mainstreaming of water and environment. It suggests that there is increased awareness about harmonisation and alignment at country level, but that progress in implementing these agendas is patchy and heavily constrained by national, political and socio-economic contexts. It argues that the sector's progress towards harmonisation and alignment remains piecemeal and that substantial differences occur between countries and within the water supply, water resources management and sanitation sub-sectors. The authors claim that future efforts in harmonisation and alignment need to reach down to decentralised levels of government, in tandem with strengthening implementation capacity. The article discusses different lessons for donors: (1) for harmonisation: start small with regular informal meetings and silent partnerships and build from there; (2) for alignment: keep engagement flexible and pragmatic, develop roadmaps based on SWAp or focus on one sub-sector within a SWAp; and (3) revise internal incentives for changing their individual ways of operation, allowing country ownership to grow.*

Williamson, T. et al., 2008. *Building blocks or stumbling blocks? The effectiveness of new approaches to aid delivery at the sector level.* Good Governance, Aid Modalities and Poverty Reduction Working Paper 6, January. Available at: <<http://www.odi.org.uk/resources/details.asp?id=1526&title=building-blocks-stumbling-blocks-effectiveness-approaches-aid-delivery-at-sector-level>>.

*In the continuing search for ways to provide more effective aid, donors have committed themselves to making greater use of government systems and harmonising the way aid is delivered. Donors who agreed to the Paris Declaration on Aid Effectiveness in 2005 are free to choose their own modality, as long as they progressively shift towards those that use government systems in full. This working paper analyses the effectiveness of different aid modalities and the coordination mechanisms associated with programme-based approaches at sector level. It draws from three case studies, covering the education sector in Tanzania, the water and sanitation sector in Uganda and the health sector in Mozambique, and also from the broader literature.*

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World Bank International Development Association (2009). IDA at WORK: Sanitation and Water Supply: Improving services for the poor. Available at:  
<<http://siteresources.worldbank.org/IDA/Resources/IDA-Sanitation-WaterSupply.pdf>>.

*The International Development Association (IDA), the concessional lending arm of the World Bank, has been working to improve access to water and sanitation in the world's poorest countries. This report shows the progress that it has made over the past years. Overall, access to improved water sources in IDA countries rose from 65% in 1990 to 75% in 2004. Progress in sanitation, however, has been slower. The report also shows that, over the past five years, the IDA has become the largest source of financial assistance for improving water supply and sanitation in low-income countries.*

### **Publications on aid effectiveness practices in the water and sanitation sector per donor country**

#### Australia

AusAID, Office of Development Effectiveness, 2009. *Service delivery for the poor: Lessons learnt from recent evaluations of Australian aid*. Available at:  
<[http://www.ode.usaid.gov.au/publications/pdf/ServiceDeliveryforthePoor\\_Baird.pdf](http://www.ode.usaid.gov.au/publications/pdf/ServiceDeliveryforthePoor_Baird.pdf)>.

*AusAID's Office of Development Effectiveness (ODE) recently completed a series of evaluations of the Australian aid programme's efforts to improve the delivery of basic services for the poor. The evaluations covered basic education in Laos and Papua New Guinea, health in Papua New Guinea, Solomon Islands and Vanuatu, and water and sanitation in East Timor and Indonesia. This synthesis report pulls the findings together, and draws some crosscutting lessons for Australian aid.*

#### Denmark

Danida, 2006. *Harmonisation and alignment in water sector programmes and initiatives*. Good Practice Paper. Danida, Ministry of Foreign Affairs, Copenhagen, Denmark. Available at:  
<[http://www.danidadevforum.um.dk/NR/rdonlyres/07AF47DC-2011-43E2-BCC8-02BB4612428D/0/WS\\_GPP\\_Harmonisation.pdf](http://www.danidadevforum.um.dk/NR/rdonlyres/07AF47DC-2011-43E2-BCC8-02BB4612428D/0/WS_GPP_Harmonisation.pdf)>.

*This paper has three objectives: (a) to present an overview of lessons learned and experiences gained with achieving harmonisation and alignment (H/A) in practice; (b) to provide insights into why and how achievements have been accomplished; and (c) to offer guidance and operational recommendations. It is based on the viewpoint of donor agencies and Danida in particular. The paper draws on experiences and lessons learned in Danida water programmes in Bangladesh, Benin, Burkina Faso, Ghana, Kenya, Uganda and Zambia, and from experiences with the African Development Bank (AfDB). The paper offers five major recommendations: (1) take a low entry approach to harmonisation; (2) avoid competing H/A processes; (3) strengthen country leadership in aid management; (4) strengthen country capacity to implement sector programmes; and (5) extend harmonisation to non-governmental organisations.*

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Danish Ministry of Foreign Affairs, 2004. *Denmark's development cooperation in water and sanitation: Danish contributions to developing countries to meet the targets on water and sanitation in the Millennium Development Declaration and the Johannesburg Summit on Sustainable Development*. Available at:

<<http://www.danidadevforum.um.dk/NR/rdonlyres/16107513-4921-4CB3-A352-E34462C35E1B/0/DenmarksDevelopmentCooperationinWaterandSanitation.pdf>>.

*The publication gives an overview of Denmark's development cooperation and its contribution to achieving the international targets on water and sanitation.*

### The Netherlands

Woersem, B. van and Heun, J., 2008. *Evaluation of sector support and approaches in the water sector: Final report*. Utrecht, the Netherlands, Consultants for Development Programmes (CDP). Available at: <<http://www.washdoc.info/docsearch/title/165086>>.

*This report evaluates the progress made and lessons learned in the implementation of the Sector-Wide Approach (SWAp) in Dutch-supported water projects. It summarises the water sector policy in Dutch development cooperation in chapter one and describes the situation, issues and contents of the Dutch aid programme in the seven water partner countries (Bangladesh, Benin, Egypt, Indonesia, Yemen, Mozambique and Vietnam) in chapter two. Chapter three provides an overview of the Netherlands' sector support in terms of funding modalities, funding through multilateral channels, application of the Paris Declaration, technical assistance, and inputs in governmental and non-governmental systems. In chapter four the Netherlands' contribution to strengthening of the water sector is assessed. Chapter five defines the outcomes of the contributions in terms of improved service delivery in water supply, sustainability of water supply delivery systems and poverty focus. Chapter six provides concluding remarks, while chapter seven offers lessons learnt based upon the analysis*

### Switzerland

Swiss Agency for Development and Cooperation, 2009. *Swiss development cooperation in the water sector: Report on effectiveness*. Available at:

<[http://docs.google.com/viewer?a=v&q=cache:Tioyx0iWz64J:www.swiss-contribution.admin.ch/hungary//ressources/resource\\_en\\_170487.pdf+Swiss+Agency+for+Development+and+Swiss+Development+Cooperation+in+the+Water+Sector.+Report+on+Effectiveness.&hl=nl&gl=nl&pid=bl&srcid=ADGEEsjarJkXISrJFTIpAFnC7MxrzdWYDAcli5UKvHKWf2qfQQoHCqz-smo1\\_d814MFTeTBfFOJHtpPHvsHY9jV14yxlf1qby\\_PLN1t2l3CIOTvPB93bcc09LDrbY-mSa9BVuTdc9EZ&sig=AHIEtbRILYp4xwPV3grnrbOiMz2ivRDX\\_w](http://docs.google.com/viewer?a=v&q=cache:Tioyx0iWz64J:www.swiss-contribution.admin.ch/hungary//ressources/resource_en_170487.pdf+Swiss+Agency+for+Development+and+Swiss+Development+Cooperation+in+the+Water+Sector.+Report+on+Effectiveness.&hl=nl&gl=nl&pid=bl&srcid=ADGEEsjarJkXISrJFTIpAFnC7MxrzdWYDAcli5UKvHKWf2qfQQoHCqz-smo1_d814MFTeTBfFOJHtpPHvsHY9jV14yxlf1qby_PLN1t2l3CIOTvPB93bcc09LDrbY-mSa9BVuTdc9EZ&sig=AHIEtbRILYp4xwPV3grnrbOiMz2ivRDX_w)>.

*Since 2004, Switzerland has increased its investments of development cooperation funds in the water sector. This report shows if and how these investments have contributed to poverty reduction, the strengthening of local institutions in developing countries, and the creation of basic conditions for development. It concludes that the overall balance is positive, but that environmental issues will need to receive more attention in future development processes.*

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## United Kingdom

Department for International Development, 2007. *Meeting our promises: A third update on DFID's work in water and sanitation*. Available at: <<http://www.dfid.gov.uk/pubs/files/3rd-update-Water-action-plan.pdf>>.

*This publication provides an overview of DFID's current strategies and activities in the water and sanitation sector development. It outlines DFID's recent progress in water and sanitation, summarises policy developments, the work with its partners in developing countries and its relations with international partners.*

Slymaker, T., 2007. *Rethinking governance in water services*. ODI Working Paper 284, December. Overseas Development Institute. Available at: <<http://www.odi.org.uk/resources/download/431.pdf>>.

*The purpose of this working paper, a think piece on governance in water services, is twofold. First, it aims to provide a basis for discussion and debate as to how DFID should improve its approach to governance in water services. Second, it aims to develop a more comprehensive and structured approach to the analysis and the development of governance in water services by applying DFID's current governance thinking at sector level. The paper therefore draws on internal DFID governance thinking, terminology and approaches and is, in this first version, targeted primarily at a DFID audience interested in governance, basic services and water.*

WaterAid, 2009. *Financing and aid instruments for water and sanitation*. Available at: <[http://www.wateraid.org/documents/plugin\\_documents/microsoft\\_word\\_\\_financing\\_and\\_aid\\_instruments\\_for\\_water\\_and\\_sanitation.pdf](http://www.wateraid.org/documents/plugin_documents/microsoft_word__financing_and_aid_instruments_for_water_and_sanitation.pdf)>.

*This article discusses the UK Department for International Development's prioritisation of the drinking water and sanitation sector.*

## ***Publications on aid effectiveness practices in the water and sanitation sector per developing country***

### Bangladesh

Danida, 2004. *Discussion paper on Sector Wide Approach (SWAp) in the water supply and sanitation sector in Bangladesh*. Available at: <<http://www.danidadevforum.um.dk/NR/rdonlyres/85B672FC-5432-4A5F-85FC-CF6D5B78932E/0/AidmodalitiesdiscussionpaperBanglades.doc>>.

*Danida is working towards a SWAp approach for the second phase of the Danish Sector Programme Support to the Water Supply and Sanitation Sector (2005-2010). This paper describes the constraints and possibilities of developing a SWAp for the water sector in Bangladesh. Constraints include the absence of a Comprehensive Sector Development Framework, limited direction and/or slow progress towards reforms, and the absence of donor coordination and harmonisation. Positive developments towards developing a SWAp are government plans to develop a Sector Development Programme (SDP) and the merger of DFID and Danida-supported Policy Support Units.*



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## Burkina Faso

Danida, 2009. *Background note for Danida Water Seminar Zambia 2009 'Aid Effectiveness and SBS' in Burkina Faso*. Available at: <<http://www.danidadevforum.um.dk/NR/rdonlyres/12B159A0-5C63-4AD7-BDB7-673354E542DB/0/BurkinaFasoChallengesinalignmentandmovingtoSBS.doc>>.

*This document provides a brief overview of the state of advancement on the Paris – Accra Agenda in Burkina Faso's water sector, as well as an overview of its experience with sector budget support. It also summarises the current status and challenges of the water sector and the implications for donors and national actors.*

## Ethiopia

WaterAid, 2009. *Ethiopia: Effective financing of local governments to provide water and sanitation services*. Available at: <[http://www.wateraid.org/documents/plugin\\_documents/local\\_financing\\_\\_ethiopia.pdf](http://www.wateraid.org/documents/plugin_documents/local_financing__ethiopia.pdf)>.

*This report is based on research done on local government financing for water and sanitation in Ethiopia. The research framework was designed to explore the influence of decentralisation and water sector policy and institutional arrangements on local level financing. The underlying assumption is that, in a decentralised context, greater control and influence of local governments on adequate local financing of water and sanitation services will result in improved service delivery.*

## Ghana

Danida, 2009. *Background note for Danida Water Seminar Zambia 2009: Ghana*. Available at: <<http://www.danidadevforum.um.dk/NR/rdonlyres/FF938555-0869-4423-A1B0-E55B8307B813/0/AidEffectivenessGhana1.doc>>.

*This document provides a brief overview of the state of advancement on the Paris – Accra Agenda in Ghana's water sector, as well as the country's experience with sector budget support. It also summarises the current status of and challenges facing the water sector and the implications for donors and national actors.*

## Mali

Danida, 2009. *Background note for Danida Water Seminar Zambia 2009: Aid effectiveness in Mali*. Available at: <<http://www.danidadevforum.um.dk/NR/rdonlyres/A4BA6626-43A6-4DA4-822A-D9FD850F52C2/0/MaliAideffectivenessZambiaSeminarSBS1.doc>>.

*This document provides a brief overview of the state of advancement on the Paris – Accra Agenda in Mali's water sector, as well as the country's experience with sector budget support. It also summarises the current status of and challenges facing the water sector and the implications for donors and national actors.*

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## Tanzania

Joint Water Sector Review, 2009. *Situation Analysis of Women, Children and the Water, Sanitation and Hygiene Sector in Tanzania*. Available at :  
<<http://xa.yimg.com/kq/groups/22477246/1252787371/name/MKUKUTA>>.

*This paper is an analysis of the current state of the water, sanitation and hygiene (WASH) sector in Tanzania, with a particular focus on women and children. It is an extended version of the WASH section of the Situation Analysis of Women and Children in Tanzania, 2009, undertaken in collaboration between the Government of Tanzania and UNICEF.*

## Uganda

Cong, R., 2007. *WSS SWAp overview: Uganda case*. Presented at Water Week 2007. Available at:  
<[http://siteresources.worldbank.org/INTWRD/Resources/33\\_Eng\\_Richard\\_Cong\\_Uganda\\_SWAP\\_Overview.pdf](http://siteresources.worldbank.org/INTWRD/Resources/33_Eng_Richard_Cong_Uganda_SWAP_Overview.pdf)>.

*Uganda adopted a water supply and sanitation (WSS) SWAp in 2002. This presentation describes the WSS institutional framework, planning, operation and monitoring processes and financing mechanisms. It provides an overview of results of rural and urban supply, water resources, challenges and lessons learned.*

Kimanzi, G. and Danert, K., 2005. *Out of projects and into SWAP: Lessons from the Ugandan rural water and sanitation sub-sector*. Paper presented at 31st WEDC International Conference, Kampala, Uganda. Available at: <[http://www.wedc-knowledge.org/wedcopac/opacreq.dll/fullInf?Search\\_link=AAAA:8318:47086042](http://www.wedc-knowledge.org/wedcopac/opacreq.dll/fullInf?Search_link=AAAA:8318:47086042)>.

*Experience of SWAps for improving rural water supply and sanitation in Uganda has shown that not all of the 'negative' aspects of projects have been overcome. Despite the difficulties experienced, the authors do not urge donors or governments to abandon this approach. However, they argue that, for SWAps to work, and for governments to develop the vision for development of their citizens, a high level of commitment is required from all stakeholders, and a long-term horizon (more than ten years) is essential. Issues that need to be fully addressed include procurement and accounting, management skills and systems in government heterogeneity between different parts of the country, the need for targeted support to disadvantaged districts, and donor coordination.*

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## Relevant websites

### **Databases**

IRC WASH Library	<a href="http://www.washdoc.info">http://www.washdoc.info</a>
Overseas Development Institute (ODI)	<a href="http://www.odi.org.uk">http://www.odi.org.uk</a>
Stockholm International Water Institute	<a href="http://www.siwi.org/resources">http://www.siwi.org/resources</a>
USAID's Development Experience Clearinghouse (DEC)	<a href="http://dec.usaid.gov">http://dec.usaid.gov</a>
WaterAid Library Management System	<a href="http://www.wateraid.net/penweb">http://www.wateraid.net/penweb</a>
Water Monitoring Alliance	<a href="http://www.watermonitoringalliance.net">http://www.watermonitoringalliance.net</a>

### **Country agencies**

Australian Development Agency (AusAID)	<a href="http://www.ausaid.gov.au">http://www.ausaid.gov.au</a>
Canadian International Development Agency (CIDA)	<a href="http://www.acdi-cida.gc.ca/index-e.htm">http://www.acdi-cida.gc.ca/index-e.htm</a>
Federal Ministry for Economic Cooperation and Development (BMZ, Germany)	<a href="http://www.bmz.de/en/">http://www.bmz.de/en/</a>
<i>Deutsche Gesellschaft für International Zusammenarbeit</i> (GIZ, Germany)	<a href="http://www.giz.de/en/">http://www.giz.de/en/</a>
Ministry of Foreign Affairs of Denmark (Danida DevForum)	<a href="http://www.danidadevforum.um.dk/en">http://www.danidadevforum.um.dk/en</a>
Ministry for Foreign Affairs of Finland	<a href="http://formin.finland.fi">http://formin.finland.fi</a>
Agence Française de Développement	<a href="http://www.afd.fr">http://www.afd.fr</a>
Japan International Cooperation Agency (JICA)	<a href="http://www.jica.go.jp/english/">http://www.jica.go.jp/english/</a>
Norwegian Agency for Development Cooperation (NORAD)	<a href="http://www.norad.no/en/front-page">http://www.norad.no/en/front-page</a>
Swedish International Development Cooperation Agency (SIDA)	<a href="http://www.sida.se/">http://www.sida.se/</a>
Swiss Agency for Development and Cooperation (SDC)	<a href="http://www.sdc.admin.ch/en/Home">http://www.sdc.admin.ch/en/Home</a>

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Department for International Development (DFID, United Kingdom) <http://www.dfid.gov.uk>

### ***International agencies***

African Development Bank (AfDB) <http://www.afdb.org/en/>

African Water Facility <http://www.africanwaterfacility.org>

African Ministers' Council on Water <http://www.amcow-online.org/>

Asian Development Bank (ADB) <http://www.adb.org/>

Global Water Partnership (GWP) <http://www.gwp.org/en/>

Global Sanitation Fund <http://www.wsscc.org/>

European Water Initiative (EWI) <http://www.euwi.net/>

International Water Association (IWA) <http://www.iwahq.org/1nb/home.html>

World Bank (WB) <http://www.worldbank.org/>

World Water Council (WWC) <http://www.worldwatercouncil.org>

United Nations' Children's Fund (UNICEF) <http://www.unicef.org/wash/>

UN-WATER <http://www.unwater.org>

Sanitation and Water for All (SWA/Gf4A) <http://www.sanitationandwaterforall.org/>

WHO/UNICEF Joint Monitoring Programme (JMP) <http://www.wssinfo.org/>

### ***Sector and development***

Aid Effectiveness Portal <http://www.aideffectiveness.org/>

Aid Harmonization <http://www.aidharmonization.org/>

Aquaknow <http://www.aquaknow.net/about>

Better Aid <http://www.betteraid.org>

Open forum for CSO Development Effectiveness Forum <http://www.cso-effectiveness.org/-home,091-.html>

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Reality of Aid	<a href="http://www.realityofaid.org/">http://www.realityofaid.org/</a>
Train for Development (Train4Dev)	<a href="http://www.train4dev.net">http://www.train4dev.net</a>
WASH Africa	<a href="http://washafrika.wordpress.com">http://washafrika.wordpress.com</a>
WASH Search Engine	<a href="http://www.search.watsan.net/">http://www.search.watsan.net/</a>
Water Monitoring Alliance	<a href="http://www.watermonitoringalliance.net">http://www.watermonitoringalliance.net</a>
Water Wiki	<a href="http://waterwiki.net/index.php/Welcome">http://waterwiki.net/index.php/Welcome</a>
Water World	<a href="http://www.waterworld.com/index.html">http://www.waterworld.com/index.html</a>

### ***NGOs and CSOs***

End Water Poverty Campaign	<a href="http://www.endwaterpoverty.org">http://www.endwaterpoverty.org</a>
Eurodad	<a href="http://www.eurodad.org">http://www.eurodad.org</a>
Freshwater Action Network	<a href="http://www.freshwateraction.net">http://www.freshwateraction.net</a>
Global Water	<a href="http://www.globalwater.org">http://www.globalwater.org</a>
WaterAid	<a href="http://www.wateraid.org">http://www.wateraid.org</a>
Water Supply and Sanitation Collaborative Council	<a href="http://www.wsscc.org">http://www.wsscc.org</a>
NGO Forum for Drinking Water Supply and Sanitation	<a href="http://www.ngof.org/">http://www.ngof.org/</a>
Open Forum for CSO Development Effectiveness	<a href="http://www.cso-effectiveness.org/-home,091-.html">http://www.cso-effectiveness.org/-home,091-.html</a>



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[www.irc.nl](http://www.irc.nl)