

December 2003

## **THE EU WATER INITIATIVE**

### **AFRICA – EU STRATEGIC PARTNERSHIP ON WATER AFFAIRS AND SANITATION**

#### **OUTLINE STRATEGY AND 2004-2005 WORK PROGRAMME**

**Working document agreed at the Pan-African Implementation  
and Partnership Conference on Water, Addis Ababa, Ethiopia, 8  
– 13 December 2003, between AMCOW-TAC and EU**

## **THE EU WATER INITIATIVE**

### **OUTLINE STRATEGY AND 2004-2005 WORK PROGRAMME**

**Working Document as discussed at the Pan-African Implementation and Partnership Conference on Water**

#### **Preamble**

This paper provides an outline of the Strategy and Work Programme for the 2004-2005 biennium for the EU Water Initiative (EUWI) thematic and horizontal components with bearing on Africa. It is the outcome of a joint and on-going AMCOW/TAC-EU consultation process involving meetings in Stockholm in August, in Ouagadougou in October, and in Brussels in November. It seeks to operationalise the conceptual document presented at the launch of EUWI during the World Summit on Sustainable Development (WSSD) in Johannesburg .

The paper has two main parts. In the first and shorter part the background to the overarching EUWI, underlying rationale, stated objectives, and principal features are presented. The second part provides an outline of the 2004-2005 Work Programme for the Africa-EU Strategic Partnership on water affairs and sanitation (henceforth shortened to Africa-EU Partnership) outlining development goals, programmatic objectives and outputs. This part builds on a document submitted to the AMCOW/TAC meeting in Ouagadougou as well as on reports from Working Groups. It suggests the strategy to be adopted to bring the Africa-EU Partnership to fruition. It has not yet been possible in this working document to detail the activities to be carried out under the Work Programme. This will be done in a later and more comprehensive version that will result from consultations to take place during the first quarter of 2004.

The present document is intended as a guide for the process to finalise the 2004-2005 Work Programme by AMCOW and the EU by April 2004, taking into account consultations with other stakeholders. This document has been agreed at the Pan-African Implementation and Partnership Conference on Water in Addis Ababa on 8 – 13 December 2003.

## THE EU WATER INITIATIVE

### OUTLINE OF STRATEGY AND 2004-2005 WORK PROGRAMME

#### Contents

#### **PART A     THE EU WATER INITIATIVE: BACKGROUND AND RATIONALE**

- 1            The Importance of Water for Development
- 2            The EU Water Initiative
- 3            Features of the EU Water Initiative

#### **PART B     AFRICAN-EU STRATEGIC PARTNERSHIP ON WATER AFFAIRS AND SANITATION**

- 1            Goal Structure for the 2004-2005 Work Programme
- 2            Categories of Countries by Level of Water Policy Development
- 3            Process and Finance
- 4            Outline of Work Programme for 2004-2005
  - 4.1. Prioritisation for investment in water supply and sanitation for the poor increased
  - 4.2. Programme to support transboundary basin management initiated
  - 4.3. National processes for IWRM initiated
  - 4.4. Underlying institutions strengthened and capacity built
  - 4.5. Funding for the supply, management and development of water resources and sanitation enhanced
  - 4.6. Coordination between the actors involved in water resources management improved
  - 4.7 Use of existing and new scientific knowledge to achieve water-related MDGs improved
- 5            Organisation

## PART A

### THE EU WATER INITIATIVE: BACKGROUND AND RATIONALE

#### **1 The Importance of Water for Development**

Freshwater is a finite and precious resource essential for sustaining life, ensuring sustainable social welfare and economic prosperity, and ecosystem health. No strategy for the reduction of poverty can ignore people's vital requirements for water. Hence, policies for sustainable development must address the need for equitable and sustainable management of water resources in the interests of society as a whole.

There is evidence of an emerging global water crisis that threatens lives, sustainable development and even peace and security. Population growth coupled with rapid urbanisation, changing lifestyles and economic development has led to increasing pressure on water resources everywhere and especially in developing countries. Today over 1 billion people, 18 % of the world's population, lack access to safe drinking water, over 2.4 billion people do not have adequate sanitation, and 2.2 million people in developing countries, most of them children, die every year from diseases associated with lack of access to safe water, inadequate sanitation and poor hygiene, namely preventable diseases. Without effective action, the situation will get worse: the United Nations estimates that two out of three people worldwide will be living with water shortages by 2025. Over the next two decades, it is expected that the world will need 17 % more water to grow food for increasing populations in developing countries. As a result of all above factors, total water use could increase by 40 %.

Water problems are particularly acute in Africa. Rapidly growing populations and limitations related either to the physical availability of water resources or shortcoming of institutional, management and infrastructure frameworks, and lack of awareness are already straining the ability of the resource base to meet demand in many African countries, and this situation is likely to worsen. In 1990, eight countries in Africa were suffering from water stress or scarcity; by 2025, as many as 20 are expected to be similarly afflicted. In these countries, water scarcity threatens to constrain economic and social development. Roughly half of all Africans have access to safe drinking water and even fewer enjoy access to adequate sanitation, the lowest such numbers in the world. The problem of promoting better access to water supply and sanitation to fill this huge gap is compounded by the fact that many countries in Africa are among the poorest on the planet. Moreover, monitoring and national accounting systems are underdeveloped, thus providing only weak support to national planners and decision makers and their partners abroad.

One natural feature of African water resources, in particular, poses an enormous challenge: precipitation across much of the continent is exceptionally variable, both in time and space. This is due to the strong influence of the Inter-tropical Convergence Zone on the climate. The variable precipitation, in turn, results in wide inter-seasonal and inter-annual variations in the hydrological regime, influencing the flows of Africa's rivers, the replenishment of its aquifers, the occurrence of intermittent floods and droughts, thus rendering agricultural production problematic and complicating the provision of safe water supplies and sanitation.

[To meet these water-related challenges the](#) EU and its Member States are already among the principal donors in development co-operation, as well as research and scientific co-operation for water-related activities. In addition to interventions in the context of regional and country programmes, water-related activities are also carried out in the framework of NGO co-financing, micro-projects and decentralised co-operation as well as within EU-supported humanitarian aid. Many of the recent innovations regarding policies, methodologies and technologies in support of integrated and sustainable water resources management are based on work accomplished within the European Union.

## **2 The EU Water Initiative**

Against this background the EU Water Initiative was launched at the Johannesburg Summit in 2002. An Africa-EU Strategic Partnership on Water Affairs and Sanitation was signed by the then President of the European Council, the Danish Prime Minister, the President of the European Commission and the Presidents of Nigeria and South Africa. At the same time EU launched a Strategic Partnership on Water for Sustainable Development with the states of Eastern Europe, Caucasus, and Central Asia. The EUWI was subsequently extended to the Mediterranean and Latin American regions as well.

As it was presented at the WSSD, the EUWI mission statement is as follows:

*The EU Water Initiative seeks to make significant progress in poverty eradication and health, in the enhancement of livelihoods, and in sustainable economic development. The initiative also seeks to serve as a catalyst to peace and security.*

The main objectives of the EUWI are to

- reinforce political will and commitment to action,
- promote improved water governance, capacity-building and awareness,
- improve the efficiency and effectiveness of water management through multi-stakeholder dialogue and coordination,
- strengthen coordination through promoting river basin approaches, and
- identify additional financial resources and mechanisms to ensure sustainable financing

The EU Council resolution of 30 May 2002<sup>1</sup>, which has endorsed the EU Water Initiative and its focus on poverty reduction, also highlights the importance of Integrated Water Resources Management (IWRM), emphasises the need to balance human water needs and those of the environment and refers to the EU experience in river basin management.

The EUWI is based on the establishment of strategic partnerships in specific regions that draw together government, civil society, private sector and other stakeholders to help achieve water-related goals. Its organisation is still evolving through relevant consultation processes with concerned stakeholders. At present there is an EU Member States and EC Expert Group<sup>2</sup>

<sup>1</sup> <http://register.consilium.eu.int/pdf/en/02/st08/08951en2.pdf>

<sup>2</sup> The European Union (EU) comprises 15 Member States, to be increased to 25 in May 2004. For the EUWI, the EU is represented by officials from Ministries of Development Co-operation and Ministries of the Environment from Member States and by the European Commission (EC) Directorates-General for Development, Environment, Research and EuropAid. Other EU institutions such as the European Investment Bank also participate.

that reports to the European Council of Ministers. There is an advisory Multi-Stakeholder Forum (MSF) to facilitate involvement of all stakeholders, in particular from civil society and the private sector. The European Commission (EC) co-ordinates the EUWI and hosts its Secretariat.

The EUWI is being developed after a modular approach with a strong regional focus to allow for differences between regions, as well as similarities within regions. During 2002-2003 there have been four regional components and [three](#) cross-cutting themes; EU Member States and the EC have shared leadership for them as follows:

- Africa: Integrated Water Resources Management (France) , and Water Supply and Sanitation (Denmark)
- EECCA – Denmark
- Mediterranean – Greece
- Latin America – Spain and Portugal
- Finance – UK
- Research – European Commission

Working Groups have been created for all components chaired by the respective leading entities. A broad selection of stakeholders is invited to participate in each Working Group.

[In addition work on monitoring and information systems is being carried out under the leadership of Austria and EC in order to contribute towards raising political will for action in the water sector.](#)

### **3 Features of the EU Water Initiative**

The EUWI has no parallel, and it is important to have a clear perception of what it is:

- an initiative endorsed at the highest political level providing a platform for strategic and political dialogue on water issues
- an open forum for consultation with concerned stakeholders within the EU and with other regions
- a time-bound process with specified objectives
- a mechanism to promote ownership and demand from regional partners
- a mechanism for improved co-ordination within the EU and at the beneficiary country level
- a means to catalyse funding, both ODA and other sources, for water resources development and service delivery.

It is also important to stress that the EUWI is not a new organisation, financial institution or source of finance.

The EUWI aims to add value to existing mechanisms and on-going activities within the EC and EU Member States to improve collaboration with partners in other regions. Consequently, mobilisation of finance and co-operation is subject to demand from the partner countries. The Initiative should facilitate access to additional resources identified under the Monterrey

Agreement<sup>3</sup>, as well as provide leverage for investment from other sources such as private finance, as well as increased cost recovery and public budgetary allocations.

In this context, it has been proposed by the European Commission to establish a Water Facility for the Africa, Caribbean and Pacific Regions (ACP). A formal proposal is under preparation, to be presented for agreement by EU Member States and ACP countries.

The EUWI is an innovative attempt to focus increased attention on water-related issues, embracing a broad selection of stakeholder interests and concerns, for purposes of social and economic development and protection of the environment. Its immediate actions are to:

- develop an overview of the situation of different regions and countries with an analysis of major gaps and accompanying organisational, knowledge and financial needs,
- prepare a co-ordinated action programme with a long term financial strategy providing concrete benchmarks and building blocks until 2015,
- establish a monitoring and reporting mechanism to measure progress in implementation and to steer further action, and
- prepare a work programme for the next years, with specified targets and responsibilities.

These actions will be addressed by the four regional and two cross-cutting components led by the Working Groups mentioned above.

The EUWI uses a modular or *building block* approach. It will attempt to put together a cluster of building blocks that would assist in bringing different stakeholders with related activities under a common framework and co-ordination, aiming to provide an enabling environment for the development of the various actions within the thematic areas mentioned. A set of demonstration projects would assist the process by providing examples of good practice.

The building blocks may be networks, alliances or processes, programmes and projects, which are either on-going, planned or under preparation. Where gaps in building blocks are evident, and where needs to fill such gaps are expressed, new building blocks could be identified to this effect. A building block may be large or small and may involve partners from the EU and the targeted regions, from public and private sectors and civil society. The building blocks could include regional, transboundary, national or local activities.

---

<sup>3</sup> Agreed at the UN Financing for Development conference in Monterrey in March 2002 and aims to unlock additional funds through policy and governance reforms.

## PART B

### AFRICA-EU STRATEGIC PARTNERSHIP ON WATER AFFAIRS AND SANITATION

#### **1 Goal Structure for the 2004-2005 Work Programme**

In recognition of the critical importance of water for development and the urgent need to address the crisis, the UN General Assembly adopted a series of Millennium Development Goals (MDGs) including a specific target on water: to halve, by 2015, the proportion of people without sustainable access to safe drinking water.

The WSSD took an important step further with the adoption of a Plan of Implementation and a new international target: to halve by 2015 the number of people without access to basic sanitation, to complement the target on access to drinking water, as well as the adoption of a new target for all countries to develop integrated water resources management and water efficiency plans by 2005.

The adoption of these targets was a significant milestone, both at the level of political commitment and wider awareness of the challenges ahead for everybody concerned. They are central to realising other MDGs such as income poverty and some of the health goals, including reducing maternal and child mortality. They are essential for protection of natural resources and improvement of the lives of the poorest, including rural populations and slum dwellers. Water and sanitation, as well as infrastructure such as transport and energy, also support the delivery of health and education services. With its multiple uses water availability is a key element for economic development and human well-being, indeed essential to life.

The objectives of the EU-Africa Strategic Partnership on Water Affairs and Sanitation are enshrined in the Johannesburg Declaration of 2 September 2002 and constitute the goal of the Africa-EU Partnership 2004-2005 Work Programme<sup>4</sup>:

- *To contribute to the Millennium Development Goals on water and sanitation,*
- *To develop integrated water resources management and water efficiency plans in all countries by 2005, including, where applicable, coordination in transboundary water resources, and*
- *To ensure that the action programmes to achieve these targets balance human water needs with those of the environment.*

The Africa-EU Partnership is consistent with and will help to achieve the Johannesburg Plan of Implementation. To meet the MDGs, it is essential to increase demand for water resources development and to make more effective use of past, current and future investments. The Johannesburg Declaration specifies that this will be done through the following<sup>5</sup>:

---

<sup>4</sup> Slightly edited version of the three statements on page 3 of the Declaration.

<sup>5</sup> Slightly edited version of page 4 of the Declaration.

- Create a joint platform for improved coordination and communication on water related development assistance in order to increase transparency, streamline existing and future development activities and ensure more effective ODA.
- Develop joint action programmes to improve water governance and to achieve the stated targets on water supply, sanitation and water resources management.
- Support the establishment and strengthening of river and lake basin organizations and appropriate legal frameworks.
- Increase the transfer of knowledge and know-how and improve the knowledge base through institutional capacity building and targeted research programmes.
- Encourage the development of innovative financing mechanisms and develop a set of principles on user and private sector finance to maximise public funds, minimise risk and attract private sector investment and involvement.
- Develop financially sustainable strategies that work towards sector wide approaches and budget support mechanisms, and that include the implementation of policies on cost recovery which are sensitive to the needs of the poor.

The water sector can only expect to receive funding from national and donor sources in relation to the priority attached to water affairs and sanitation in national plans and poverty reduction strategies (PRSP). Historically, the water sector in many countries has been fragmented and passive, accepting what was allocated rather than presenting compelling and coherent arguments and clear-cut justification for greater allocations. Recently, African governments have taken important initiatives to raise the profile of the water sector, such as the Accra Declaration in June 2002, the creation of AMCOW later the same year and the African Head's of State statement to the G8 in France in 2003. A continuing challenge is to raise the priority for water and sanitation in the eyes of those making decisions on national plans and financial allocations.

The purpose of the Africa-EU Partnership 2004-2005 Work Programme is to formulate a set of interrelated actions, defined by specific targets, expected results monitoring frameworks and timeframes, and designed to generate the momentum for fulfilling the stated development goals.

This purpose will be attained by considering the following seven programmatic objectives:

1. Increasing prioritisation for investment in water supply and sanitation (WSS) for the poor
2. Initiating a programme to support transboundary water resources management
3. Initiating national processes for IWRM
4. Strengthening underlying institutions and build capacity
5. Enhancing funding for the supply, management and development of water resources, and sanitation
6. Improving coordination between the actors involved in water resources management
7. Improving the use of existing and new scientific knowledge to achieve water-related MDGs

The EUWI Africa component has been developed throughout with a focus on poverty eradication consistent with the MDGs and the resolutions adopted at the WSSD, and the above objectives should be seen in that light.

In the final version of the Work Programme, each objective will have its own distinct outputs and activities. It is recognized that the Africa-EU Partnership is still evolving, and that activities may need to be modified as experience is gained. It is also recognized that there is a continuing need to coordinate with initiatives taken by actors not directly involved in the EUWI, such as other donors, international institutions, the World Bank and other IFIs.

## **2 Status of Countries by Level of Water Policy Development**

It is intuitively clear that the type of interventions, as well as the approach and means, will depend on the policy and institutional frameworks and the programme of measures established for each country and river basin, the degree of access to safe water and sanitation, the distribution of the population between rural and urban areas, the needs for food security and for environmental management, and other factors.

Countries will benefit in different ways from the Africa-EU partnership depending on their level of water policy development. It is possible to categorise countries by the percentage of the population with access to safe water and to sanitation. This is a (relatively) unambiguous criterion used by the UNDP in its reporting on achievement of the MDGs, although marred by limitations due to poor data quality. To this may be added other criteria related to their governance arrangements, for example, institutional structures, IWRM policies and national plans, and whether they have considered water resources management and water and sanitation services in their Poverty Reduction Strategy Programmes (PRSPs). Country Strategy papers prepared for the CSD process will help identify which activities are relevant to different countries. On this basis it is possible to classify countries by the status of their progress with regard to water resources policy development and institutional frameworks:

Highly developed policy and institutional framework. Less than half a dozen African countries are found in this category. Although defined as highly developed, these countries would still want to improve and develop water resources management and development through investment and capacity building. It is likely that in most of them the EUWI could assist principally by facilitating access to investment capital from EU sources, with more scope for innovative financing and private capital. ODA may be used for sub-sovereign lending or for guarantees. In many cases this would mean support for the identification and preparation of projects for water resources development. But there may also be cases where countries have achieved a high coverage of access to safe water, while still being in need of support for e.g. sanitation, the preparation of certain policies, or water efficiency plans. The EUWI would then seek to provide such support. Assuming fulfilment of macro-economic performance criteria, budget support or sector-wide approaches may be applicable in these countries. It would be important that well performing countries should be seen to be “rewarded” and not be left out of the EUWI.

Partially developed policy and institutional framework. This category would include the majority of African countries, and it is in these countries that the EUWI could make its most useful contributions. These countries would typically have gaps with respect to their policies for water resources development, there may be weaknesses in their institutions, they may have limited capacity for project identification and preparation, and their access to development finance may be constrained. In many of these countries the perceived needs for water resources are not matched by priorities expressed in PRSPs and other guiding national plans, with the result that their demand for support to water resources development is low. More work will be needed to introduce an integrated approach to water resources management.

These countries are probably highly dependent on ODA, but one factor hampering the performance of ODA is often limitations in policy and institutional frameworks and poor coordination between donors, within EU as well as between EU and others. Also for the countries in this category the EUWI would facilitate access to policy support, capacity building and funding, mostly in the form of ODA. In some cases it may be possible to channel ODA in the form of sector support programmes, and the move on the donor side should be in that direction.

Poorly developed policy and institutional frameworks. This category includes countries, or parts of countries, emerging from conflicts. In these countries it is likely that the EUWI should focus on taking stock of the situation and planning interventions to address urgent needs. Funding sources would be a mixture of regular ODA and humanitarian assistance aiming at enhancing relief-to-rehabilitation interfaces, although the move should be in the direction of long-term ODA. There will be an urgent need for infrastructure to demonstrate a peace dividend and scope for support to community and civil society building blocks. A particular sub-group in this category are those countries and regions with acute humanitarian needs. Countries in this situation would include those that find themselves in ongoing conflicts rendering normal development cooperation impossible. Here the EUWI could do little more than facilitate access to, and promote the effectiveness of humanitarian assistance with regard to water supply, sanitation and hygiene.

### **3 Process and Finance**

The preparatory phase of the EUWI has been 2002-2003. The mechanism of planning during this phase for the Africa-EU Partnership has been the Working Groups mentioned in Part A above: IWRM and transboundary basin management (chaired by France), WSS (chaired by Denmark), finance (chaired by the UK), and research (chaired by the EC). The 2004-2005 biennium is the first tranche of the implementation phase of the EUWI. The 2004-2005 Work Programme builds on the findings and conclusions from the Working Groups during the preparatory phase. It seeks to integrate them into a structure with a view to emphasizing synergies and complementarities between different actions proposed by the Working Groups. Several of the activities foreseen for the Africa-EU Partnership during the biennium will be in the nature of reviews, coordination meetings, assessments, inventories and the like. They would provide the groundwork for more capital intensive activities, including investments to be financed by African governments, ODA and private capital. As already said, the EUWI is not a financial institution but a facilitating process. The financial commitments resulting from the EUWI process can be expected to increase in future years but will still be modest during the coming biennium.

Several activities in the 2004-2005 Work Programme will in themselves be processes, often initiated by a review or assessment carried out for all of Africa or a group of African countries. To be able to fund such activities EU Member States and the EC will need formal requests submitted by governments or the relevant African organization, often one of the sub-regional economic commissions. There will need to be consultations between EU Member States on funding arrangements and, in particular, on who will fund what activity. Such consultations should take place both at the level of EU coordination mechanisms and at African partner country level, as the case may be. Improvement of inter-EU harmonization will be an output in its own right under programmatic objective No. 6.

The 2004-2005 Work Programme, when finalized, will include numerous discrete activities. A clearing-house mechanism will need to be established between the Secretariat of AMCOW/TAC and the EUWI Secretariat within the EC to activate the process. This mechanism should agree on the formal requests required, from which organization they should be sent, and within which timeframe, and what should be the necessary support framework for their formulation in terms of funding and human resources needs. The type of procurement that would result from each request for support should be established at the outset by the clearing-house mechanism. Normal procurement rules of funding agencies would apply, however, programmatic objectives 5 and 6 will examine innovative mechanisms for procurement and accessing finance. To the extent possible African participation should be ensured in any procurement process.

Country dialogue between the EU, usually represented by its lead donor in water, and African partner country governments is an instrument that would be used in several of the activities foreseen in the Work Programme. It is expected that such dialogue would improve the understanding between the parties and help identify key areas for action, including policy shortcomings and institutional gaps. It should also help to increase funding commitments by the EU and other donors in future years. A model Terms of Reference for such country dialogue has been prepared by the Working Group on WSS.

There would be regular reporting back to AMCOW and to EU Member States on progress in implementing the Work Programme. This would be an activity under programmatic objective No. 1 below.

To achieve the objectives listed above the EUWI would have a set of expected results/outputs and activities to be completed. For each output there would be one or more activities, each with a defined target and timeframe. These would be described in the final version of the 2004-2005 Work Programme.

Many of the activities would have costs and require funding. At this time, the funding immediately available is €10 million earmarked by the EC for transboundary water resources management, as part of programmatic objective 2. EC funded research projects within the scope of the EUWI, and resources made available for specific purposes by individual EU Member States are also available for programmatic objective 7. EU Member States and the EC would collectively assess opportunities for support to these activities, using the aforementioned clearing house mechanism and relying on existing instruments. Identifying funding sources would itself be an activity included under programmatic objective 6 below.

What follows is a summary of the overall rationale for each of the seven programmatic objectives mentioned as well as principal expected results/outputs per objective. Activities, with specific targets, would be elaborated at a later stage.

## **4 Outline of Work Programme for 2004-2005**

### **4.1 Prioritisation for investment in water supply and sanitation for the poor increased**

Overall rationale. It is recognised that a strong demand for water exists at the grassroots level and by water professionals. However, this is not matched by official requests by governments. At the same time the achievement of the MDG targets for WSS will in many African countries require very significant investments. In the longer term, funding for these

investments should come from innovative and market based finance to complement domestic budgets or externally provided ODA. Nevertheless, it is clear that continued or even increased ODA – particularly for the poorer areas – will be required in the short to medium term. Allocations of external or domestic funds will be in response to expressed official demand and relevant priority attached to WSS in national budgets and PRSPs.

To raise its priority, there is a need to make the economic and social case for expenditure on water and sanitation more explicit. Many of the justifications for giving priority to WSS are generic and related to the very special role that improved WSS has in a variety of contexts: empowering women, reducing the health burden through reduction of the water related diseases which constitute a very high proportion of ill health in Africa, improving the quality of life of the poorest, increasing rural productivity, and enabling economic and industrial growth in urban centres. These arguments have in the past generally been expressed in a fragmented manner and often failed to convince decision-makers allocating financial resources. The research evidence and hard data are largely available but not necessarily easy to access and ready for practical use. The significance of water and sanitation in basic social and economic infrastructure as an instrument for poverty reduction thus needs to be better articulated.

The EUWI would therefore support AMCOW to raise the priority of WSS in the PRSPs and in other national plans of African partner countries, using country dialogues as an important instrument to support investment for the poor. It is thus expected to improve access to quick-disbursing funds for planning WSS projects and/or sector development strategies. It would also help to strengthen monitoring of the achievement of the MDG targets for WSS, coordinating with other ongoing international initiatives in this area.

The EUWI would seek to ensure that investments in WSS are consistent with an integrated approach to water resources management, and that due attention is paid not only to water quantity but also to its quality aspects.

Output 1.1: Economic, social and environmental justification for poverty-related expenditure on WSS developed. The economic, social and environmental justification with regard to the impact of WSS on poverty reduction will result in a better balance of investments and funding allocations for development of WSS. A generic tool, drawing from lessons and experience from already accomplished work and conceptual approaches (sustainability impact assessments, economic and financial analysis, etc) can be developed with country level examples, and this tool may be applied in country level dialogues. The role of civil society in this context should be recognized, and efforts would be made to empower suitable civil society organizations to engage in advocacy on WSS.

Output 1.2: WSS in PRSPs and other national plans prioritized. The PRSPs have become the major vehicle to mobilize external support for poverty eradication, and donors base their cooperation strategies on them in those countries where they are available. Yet the majority of PRSPs scarcely refer to water resources as a priority; this often applies also to national budgets for capital expenditure. It should be explored what can be done to give more emphasis to WSS in PRSPs and other national plans for allocation of public funds.

Output 1.3: Project planning supported. In many countries support will be needed to identify fundable actions and to assist in the preparation of sound projects. Sometimes a donor can be

identified and approached for support to a project preparation exercise, in other cases this will not be possible. New mechanisms need to be identified and developed.

#### Output 1.4 : Monitoring of achievement of MDG targets for WSS strengthened

- Linking with the existing monitoring systems
- Reporting back to African and European governments on the general progress on EUWI

#### **4.2. Programme to support transboundary basin management initiated**

Overall rationale. A particularly complex area of water management involves transboundary organizations. These provide a framework for managing water resources across international boundaries, where there are issues about the management of common (cross-jurisdiction) property resources. Such organizations vary in type and function according to the geopolitical context, the water resource challenges, and the cultural features of the area. They are often based on voluntary agreements between sovereign states, and they may include international and intra-national water authorities and commissions. Traditionally, international organizations have been set up to address a given problem, such as navigation or flooding. However, their remit can be and has often been expanded to tackle wider water problems in the river basin. While governments in each country involved have ultimate responsibility for decisions, it can be helpful to establish some kind of consultative body to broaden the range of stakeholder involvement.

In 2003, the Working Group chaired by France made an inventory of transboundary river or lake basins in Africa. AMCOW selected 4 basins for initial support, from an amount of €10 million earmarked by the EC from intra-ACP funds for transboundary water resources management.

At a meeting in Ouagadougou in late October 2003 AMCOW selected the following basins:

- Southern Africa: the Orange-Senqu river basin
- Central Africa: the Lake Tchad basin
- Eastern Africa: the Lake Victoria/Kagera basin
- Western Africa: the Volta river basin

A basin in Northern Africa, could be considered under the Mediterranean component of the EUWI.

The working group will further develop activities, including IWRM national processes and transboundary basins. The next steps will consider not only the first selected basins, but also a global vision for transboundary basins. This would allow all MS already working in IWRM national and transboundary basins in Africa to share a common approach, after adoption by the WG. Among the next steps, and concerning the first basins, there would be the preparation of a Financing Proposal consistent with EC rules. Meanwhile, other possible transboundary programmes eligible for support would be identified.

The financial proposal will be consistent with the design of action programmes in the selected basins. These programmes will be built on 5 mobilising topics:

- The **statutes**, missions, delegations of the transboundary basin organisations, either already existing or to be created

Africa-EU Partnership

Outline Strategy and 2004-2005 Work Programme      version 09/12

- The **inter-sectoral co-ordination**, the degrees of responsibility and decision, the mechanisms for strengthening the partnership for a participatory approach,
- the techniques for the formulation of **operational basin management plans** and **realistic priority action programmes**,
- the mobilisation of the **financial resources** needed for priority investments, the administration of resources and environments, for the functioning of services and infrastructures,
- **the monitoring**, production, exchange between countries and basin organisations, the conservation and development of data and documents necessary for the inventory and political follow-up,

Output 2.1: Action programmes in four transboundary basins identified and prepared. These AP will be prepared, following established EC procedures, and a Financing Proposal will be developed..

Output 2.2: Implementation of four transboundary AP initiated. Once the Agreement is signed, implementation and detailed project management will commence. This is likely to continue beyond 2005.

Output 2.3: Other possible transboundary basins suitable for EU support identified. A review would be made of possibilities for additional support to other transboundary basins from EU sources, including bilateral support from EU Member States and from the EC.

### 4.3. National processes for IWRM initiated

Overall rationale. The WSSD confirmed the importance of water and its critical relationship to all other development issues, reinforcing the importance of achieving the MDGs. As regards water resources development, there was one target of particular importance agreed at the Conference:

*Develop integrated water resources management and water efficiency plans by 2005, with support to developing countries (WSSD Plan of Implementation, Section IV, paragraph 25).*

This is a critical issue backstopping the important WSSD decision to adopt the target of reducing by half the percentage of people without access to WSS. Indeed, the national IWRM and water efficiency plans should provide the context and prerequisite for plans for safe water supplies and basic sanitation for the population in order to ensure their sustainability.

IWRM is now widely accepted as the paradigm for achieving sustainable water resources management. Since water has multiple uses, managing scarce water resources sustainably involves a number of trade-offs between sectoral interests, and that those trade-offs must be made transparently with full participation by all stakeholders involved. IWRM is also a political process involving mediation of conflicts of interest, which is why effective water governance is so important, as mentioned in objective 4 below.

These National IWRM plans will be built on the same 5 [mobilising topics](#) outlined under point 2 above.

The WG aims to support countries in preparing a national IWRM approach: those riparian states within the selected basins listed in output 2 above will benefit but countries outside the basins will also be supported. The Global Water Partnership (GWP) has started on a

Africa-EU Partnership

Outline Strategy and 2004-2005 Work Programme      version 09/12

programme to establish national IWRM and water efficiency plans in five African countries, with support from Canada. The Netherlands have also indicated their interest in supporting GWP work in a further six countries. GWP is a member of the WG and thus contributing to this output in cooperation with France and other WG members. This provides an example of cohesion within the EU and with international partners.

The full process leading towards a national IWRM approach is expected to take several years although this work should with time progress faster, as experience is gained and countries are able to learn from one another. The process would vary depending on the state of affairs in each country as discussed in chapter 2. Typically a process would cover the following steps: (i) selection of countries, (ii) raise awareness about IWRM and build political will and support for the process, (iii) ensure a framework for broad stakeholder participation, (iv) make an overview of ongoing activities that the IWRM plan can build upon, (v) identify and prioritise the water resources management issues and challenges, (vi) identify water resources management function, (vii) identify management potentials and constraints, (viii) prepare strategies and plans for the IWRM framework, (ix) ensure adoption at the highest political level, (x) initiate capacity building, and (xi) prepare a portfolio of implementation projects and a financing strategy of the plan.

Output 3.1: Sustained work on national IWRM and water efficiency plans initiated. The IWRM Working Group will convene in January 2004 and discuss how national IWRM plans can be strengthened, given other ongoing activities in Africa in this area.

Output 3.2: Agreement to start work on national IWRM and water efficiency plans reached. AMCOW would consider adopting a resolution at pan-African level to reaffirm the commitment made at WSSD for countries to initiate work on national plans by 2005. Some countries would be able to carry out this work on their own, while others would require support to make progress. Outputs 3.1 and 3.2 would thus approach the issue both from the supply and from the demand side.

#### **4.4. Underlying institutions strengthened and capacity built**

Overall rationale. The water crisis is often said to be a crisis of governance. The present threat to water security lies in the failure of societies to respond to the challenge of reconciling the various needs for water. A vision of clean water for all users can only be achieved, if the institutions that determine the management and use of water resources are effective and basic knowledge about the roles of water for nature and society is wide-spread.

Water needs careful husbandry and management in order to serve humanity and nature sustainably. Protecting the resource and, at the same time, reconciling powerful, sometimes conflicting, social and economic demands upon it is the essence of water resources management. Governance lies at the centre of the tension and delicacy of balance between different water uses and their management. Good governance requires transparency and accountability, participatory mechanisms appropriate to local realities, needs and wishes, and respect for the law and contractual obligations. Good water governance exists where agencies of government allocate and manage water resources based on legitimate policies, laws and an efficient administration.

One of the principal mechanisms for implementing the Africa-EU Partnership is to increase the transfer of knowledge and know-how and improve the knowledge base through

institutional capacity building. Under the partnership capacity will be built in the public sector at different levels and in civil society.

As set out above, the institutional framework is one of the pillars essential for IWRM, weak institutions often lie behind difficulties to improve water resources management. Poor institutional performance is often the bottleneck for increasing funding for water resources development, since institutions may not be able to make use of extra funds and hence cannot absorb additional ODA. Poorly functioning institutions may be unable to prevent waste, ensure that subsidies reach intended target groups, and build an environment conducive to attracting innovative finance. All of these are important reasons for improving the underlying institutions and building capacity.

Most of the actions that can be taken to improve institutions and build capacity will be at country level. The focus of the EUWI in this area should be on countries in the second category mentioned above, where there are shortcomings already defined in key institutions for water resources management. There may be cases where a needs assessment has already been carried out, e.g. as part of a national or sectoral planning exercise, and where the resultant action programme remains underfunded. There may also be gaps, institutions that are either short of support or that need to be created, e.g. water legislation and independent bodies responsible for its enforcement.

The EUWI would facilitate attempts to match needs for institutional development in the water sector with sources of support in the EU. Attention would be given to exploring the potential for South-South development in Africa, i.e. coupling expertise from the better endowed countries with EU funding for action primarily in countries with partially developed policy and institutional frameworks. Existing activities by INBO, GWP, CAP-NET and others will be taken into account in supporting increased capacity in Africa.

In addition, intensive work on IWRM platforms is being undertaken at European level in anticipation of the implementation of relevant policy frameworks, i.e. the Water Framework Directive, Drinking Water Directive, Wastewater Directive etc. The achieved results and on-going processes may be of particular relevance in support of the IWRM and WSS context of the EU Water Initiative.

Output 4.1: Supporting and strengthening water institutions. An attempt would be made to systematically match needs for institutional development in the water sector with sources of support. Attention would be given to exploring the potential for South-South development in Africa with EU support, resulting in triangular cooperation projects. The emphasis would be on countries in the category with partially developed policy and institutional frameworks (page 10 above).

Output 4.2: Knowledge and understanding of water resources management and development increased. The IWRM Working Group will consider at its January meeting what activities and strategic partnerships can be initiated to achieve this output, given the ongoing programmes mentioned above. Capacity will also be developed in institutions responsible for water and sanitation services.

#### **4.5. Funding for the supply, management and development of water resources and sanitation enhanced**

Overall rationale. There is a considerable financial challenge in achieving the MDG for water and for sanitation as well as the water management target established by the Millennium Assembly and WSSD. It is clear that EU ODA alone cannot meet these goals. The development of a finance component for the EUWI was therefore identified at the outset to address the following key issues:

- How to improve the efficiency and effectiveness of existing and future EU aid flows to water?
- How to use development funding to leverage other forms of finance, including user and private finance?
- How to promote the inclusion of water in national plans and PRSPs?

The British Government took responsibility for developing the financial strategy for the EUWI, and consultants were hired for this purpose. To help in the research, analysis and discussion process of the finance strategy, a Finance Working Group was established. This consisted of Member States' representatives and the EC as well as the EBRD, the EIB, private operators and NGOs, giving a broad range of stakeholders in the water, sanitation, finance and infrastructure sectors. The Working Group met three times during 2003. Active contributions of all participants helped greatly in shaping the final report, which was issued in August 2003.

The report focused primarily on sub-Saharan Africa. It estimated the extent of the financing challenges and showed that considerable new funding is needed but is not likely to be forthcoming, unless water is higher on the agenda of African governments. It also demonstrated that the impact of the funds spent must be increased and additional revenue raised from water users. The report analysed the present provision of funding in Africa as well as the gaps and overlaps in financial flows. Some of the activities raised by the report from the Finance Working Group, such as raising the profile of water in PRSPs, should be tackled in the country dialogues mentioned above under programmatic objective No. 1.

Based on the outcome of the first phase of this work, a work programme for a second phase during 2004-2005 will be developed early in 2004 together with AMCOW/TAC to further address the key issues mentioned above. The outputs mentioned below are therefore tentative at this stage.

Output 5.1: The use of innovative financial instruments in African countries expanded. There are numerous options available for funding the provision of water services, but they are often not well understood and may be unknown to possible beneficiaries. The output will aim to explain such mechanisms and spread knowledge about them.

Output 5.2: The efficiency of EU aid flows and its leverage for other finance improved. This output would entail working with African partner countries to :

- Analyse the barriers to investment and understand who needs finance and of what type
- Develop a set of principles on user and private sector finance in order to maximise the leveraging of public funds
- Explore innovative financing mechanisms for managing risk
- Explore facilities for better coordination of funding

#### **4.6. Co-ordination between the actors involved in water resources management improved**

Overall rationale. There are many efforts ongoing in Africa that aim to help governments achieve of the MDG targets, especially with regard to improvements in institutional performance and water governance. There is much scope for improving the coordination and synergy of what is ongoing. Since the Africa-EU Partnership is the only continent-wide initiative that involves all African nations and EU Member States, there is an opportunity to make use of this unique platform to improve coordination – initially between EU Member States and Africa but in the longer term also between all DAC member countries and Africa. An important tool is the recently published DAC guideline *Harmonizing Donor Practices for Effective Aid Delivery*.

The benefits of improved coordination are widely recognized. They include a reduction of duplication, better synergy between donors, identification of important gaps not being addressed, better involvement of actors outside the public sector, and enhancement of national ownership of external inputs. Most importantly, they also include streamlined reporting arrangements for African partner countries and hence a reduction of the administrative burden inevitably imposed by ODA.

In almost every African country there will be some attempt under way to coordinate ongoing efforts, but to date success has been mixed. There is a need to adopt a more comprehensive and better structured approach to coordination of water resources development at country level, involving not only government agencies and official donors but also civil society and the private sector.

A subset in this regard is the need for better harmonization within the group of EU donors as well as improving the performance of EU-financed ODA: reducing bureaucracy, simplifying procedures, raising rates of disbursement and exploring ways of facilitating procurement in Africa. The degree of harmonization of EU support for water resources management in Africa varies greatly, often depending on the interest and commitment of key actors involved. While this may be well functioning in some countries, it is virtually absent in others.

Output 6.1: Inventory of building blocks/actions completed. Under this output there would be a comprehensive identification of ongoing and potential blocks at regional, sub-regional and national levels as a basis for a gap analysis to identify where further support to WSS is needed. Support from EU sources would be mobilized to support identified gaps.

Output 6.2: Harmonization of EU ODA with regard to water resources development improved. Action to bring about improvements in this regard could start with a directive to EU Heads of Mission and EC Delegations in African countries, calling for a lead donor to be designated and for the necessary dialogue platforms to be established at country level, in dialogue with partner countries. Such an action could facilitate the development of country dialogues referred to above.

Output 6.3: Communication strategy developed and launched. A communication strategy would be developed in order to identify suitable audiences and to inform them about objectives and activities of the EUWI in general and the Africa-EU Strategic Partnership in particular. Involvement of civil society and the private sector in the strategy would be important to avoid mistaken investment, overlaps, conceptual and prioritisation and misunderstandings.

#### **4.7. Use of existing and new scientific knowledge to achieve the water-related MDGs improved**

Overall rationale. There is a wealth of existing experience spanning traditional to scientific and technological knowledge at their extreme ends in relation to water use, sanitation and cultural practices in all areas of social and economic life using water resources. All societies and many organizations in Africa have a rich repertoire of knowledge which can draw in addition on a wide range of scientific and technical knowledge embedded in people and institutions already involved with joint research and development cooperation. That store of knowledge is not put to full use to support locally adapted innovation in the face of demographic and societal change and rapidly evolving needs associated with changing agricultural patterns and urbanisation. This also requires continued research efforts to keep up with these changes. Linking research results with expressions of African culture to facilitate uptake would be an innovative mode of increasing outreach and impact of research (and development).

More than 100 joint EU funded research projects are working in this direction, already touching on a wide range of issues relevant to the Africa-EU Partnership. As a result of inscribing themes relevant to the Initiative into the 2003 work programmes of different priorities of the EU's Research Framework Programme, new collaborations are expected to become operational next year.

Open calls for proposals for collaborative research against resources from the current Research Framework Programme (FP6 covering 2002 – 2006) will continue to be available and highlight the importance of the EUWI. These are in addition to the bilateral scientific cooperation of EU Member States and the efforts of the African countries themselves. Most of the research projects will be action-oriented to help countries meet the MDGs.

Under FP6 a total of €315 million has been allocated for scientific cooperation between European and developing countries and emerging economies, while another €285 million is available for teams of scientists from partner countries interested in its thematic priorities. One of these priorities is water in the context of the environment and global change, which is expected to absorb a significant part of available funds. In addition, FP6 features a specific programme on human resources and mobility.

Funds have already been allocated under FP6 for research in a number of African river basins, and there are twinning arrangements between European and partner country river basin organizations. Allocation of funds under FP6 will follow a given cycle involving open calls for proposals, evaluation of proposals, negotiation and award of contracts.

Output 7.1: Use of existing knowledge in applied practice improved. While research projects tend to have very respectable academic outputs, their impact on improving applied practices and in addressing the wider needs of society is less developed. Impact accrues as a result of some major preconditions: trust, competence, relevance and appropriateness recognized by key stakeholders; and communication capabilities (listening to demand and ability to convey results in relevant ways to decision makers and stakeholders in society). A special effort would be made to increase outreach and impact of action-oriented research relevant to the EUWI. (such as, a website, knowledge management relays, collaboration between research and development co-operation programmes etc).

Output 7.2: African S & T policies strengthened and capacity for local science and technology built. The ACP countries are committed to investing 1 % of their GDP in science and technology by 2010. EC dialogue with ACP countries on strengthening S & T and innovation policies in ACP countries is currently translated into the creation of an all-ACP project for capacity building. A financing proposal is being developed for submission to the EDF committee in the first semester of 2004. The EUWI will support the strengthening of water policies relevant to water resources and development of the associated science and technology.

Output 7.3: Momentum in joint research efforts maintained or even strengthened. Changes in society require sustained research into new solutions to old and new problems to keep up with the need for broadening and diversifying development options. Under FP6 resources would be mobilized to respond to knowledge needs of the EUWI, in addition to efforts by African governments and EU Member States, and with a view to a sustainable generation and conveyance of appropriate knowledge through local structures.

## **5. Organisation**

The organisation of the Africa-EU Partnership is still evolving. As implementation of the EUWI gains momentum, current arrangements will gradually be formalised to allow greater clarity and transparency for decision-making and for cooperation between the various actors involved. It should be recalled that the EUWI is not a new institution but a time-bound process with specified objectives. As such, there is merit to allowing the organisational structure to evolve as experience is gained. The organizational framework proposed here is intended for the 2004-2005 biennium but may be modified during this period.

The overall organisation within Europe for the EUWI is described above in Part A. Each region is unique and requires specific organizational arrangements to reflect its particular needs. For the EU and its African partner countries this brings energy and dynamism to development cooperation on water, and it facilitates the evolution of a coherent and streamlined approach to the use of water resources and provision of services in Africa.

This takes fully into account the existing decision-making processes established within EU and African institutions. A guiding principle for the organization and governance of the EUWI is that EU statutory rules for resource allocation and decision-making must be observed. In the EU, ultimate authority for the EUWI therefore rests with the **European Council of Ministers**, and the Council will respond to information provided by EU Member States and the EC.

EU organization. A group of representatives and water experts from Member States and the EC coordinates the Africa-EU partnership and provides overall direction on operational aspects. It does not, however, assume any formal statutory decision-making responsibilities that already are vested in existing EU institutions. This “**EU Expert Group**” includes officials from Member States and from the Directorates within the EC actively involved in the EUWI, namely Development, Environment, AIDCO and Research. The EU Expert Group will consult with African partners and other interested stakeholders.

African organization. The EU relates directly to the **African Ministers' Council on Water** (AMCOW), created in 2002 to facilitate action by African governments in water resources development and management. AMCOW is a continent-wide group of African Water Ministers and is establishing a constitution with links to existing African political structures, such as NEPAD and the African Union. In May 2003 AMCOW established a **Technical Advisory Committee** (TAC) to provide expert support. The TAC comprises 15 members, most of whom are drawn from African government water departments or equivalent, three from each of the five African sub-regions. TAC has established an internal distribution of thematic responsibilities. It reports regularly on its activities to the **Executive Committee** of AMCOW comprising ministers of water from 10 countries and chaired at present by the Federal Minister of Water Resources of Nigeria.

AMCOW/TAC will coordinate the partnership jointly with the EU Expert Group. There will be close consultation between the two groups, including the possibility of joint meetings or participation of representatives from one group in meetings of the other. Priorities for action within the Africa-EU partnership will be developed jointly by the EU Expert Group and TAC.

AMCOW has established an **Interim Secretariat** based in Abuja, Nigeria, for handling of day to day matters and maintaining current contacts with members. Similarly, an **EU Secretariat** for the EUWI has been established within the EC in Brussels, Belgium.

As described for the overall EUWI organization, an EU Multi-stakeholder forum (MSF) advises the EU Expert Group. The MSF includes NGOs, private operators and other civil society representatives and provides an opportunity for discussion and consultation with a broad group of water sector and development interests on the design and coordination of the EUWI.

In a similar manner AMCOW/TAC will investigate its own ways to collaborate with concerned African civil society and private sector or professional representatives. African civil society organizations have discussed working together to facilitate communications and have recently established a new network called African Network for Water (ANEW). For effective involvement the African multi-stakeholder partners could meet at least once a year, probably linked to other African water-related events. Representatives from the EU and African stakeholders could participate in each other's meetings.

As mentioned above, during 2002-2003, Working Groups involving all categories of stakeholders have identified the issues involved, defined the priorities, and elaborated the elements of the 2004-2005 Work Programme. As the Africa-EU partnership in 2004 proceeds into an implementation phase, it is anticipated that this arrangement will change as stronger links will be needed between each thematic area. Maintaining separate Working Groups may therefore be temporary until the Work Programme has become fully operational. During 2004-2005 the focus will increasingly be on the activities of the Work Programme that may be common to one or more Working Group, and on the linkages between these activities. Mechanisms will thus be developed to allow harmony across the Work Programme for each activity.