

Improving Aid Effectiveness for Water and Sanitation in Africa

Policy Brief

EU Water Initiative Africa Working Group – May 2011



What initiatives have been taken?

African and European Union (EU) countries formed a strategic partnership in 2002 to improve the performance of aid to water, sanitation and water resources management in Africa. Separately, EU and African countries have also made commitments to improve the division of labour among donor countries and the prioritisation of the sanitation sector.

EU plays a key role for WASH in Africa

- 59% of all reported aid for WASH in sub-Saharan Africa (SSA) comes from EU institutions and member states (MS). For basic water and sanitation, this share rises to 70%.
- 60% of EU aid to the water sector goes to African recipient countries, meaning that Africa is a priority recipient for the EU.
- An estimated 35% of water sector aid from the EU community to sub-Saharan Africa is allocated to sanitation.

What is working?

EU water sector aid has increased.

The total EU disbursements of aid to the water sector in Africa have consistently increased between 2005 and 2009. The sum has almost doubled, from about USD 500 million in 2005, to USD 950 million in 2009.

Water sector policies of EU and African states are aligned.

This is manifested in high-level initiatives such as the African-European Union Strategic Partnership on Water Affairs and Sanitation (2002) and the Africa-EU Statement on Sanitation (2008).

The share of EU member states' aid to LDCs in SSA has increased.

The share of EU MS total aid to the water sector in sub-Saharan Africa (SSA) going to Least Developed Countries (LDC) increased from 57% in 2006 to 75% in 2009. Over the same period, this share for the European Commission (EC) has decreased from 66% in 2006 to 55% in 2009.



Aid to the Water Sector in Sub-Saharan Africa

Constant 2008 USD millions



What is not working?

Aid effectiveness and targeting of aid

EU water sector aid is not targeted according to need.

There is no obvious linkage between EU water sector aid received by African countries and their actual need, in terms of access to water and sanitation.

EU water sector aid is highly fragmented.

From 2002 to 2008 the percentage of donor-partner relationships in which the donor contributed with less than 5% of the total water sector aid to the partner increased from 56% to 64%. Of all disbursements, 58% are less than USD 1 million and about 10 countries receive no disbursements larger than USD 1 million from any of their donors.

EU water sector aid shows a clear pattern of "donor darlings" and "donor orphans".

18 African countries receive disbursements from at least six EU donors while at the same time eight countries receive disbursements from only two donors.

Actions required by EU and its member states

- Improve targeting of aid within Africa by considering additional factors (e.g. other donors presence, needs in terms of coverage and fragile states and cost-effectiveness of disbursements).
- Reduce aid fragmentation by reconsidering aid disbursements contributing less than 5% to the partners total sector aid.
- Establish a joint donor fund to cover the additional costs for the donor taking the lead in the sector, in order to promote longer lead donor terms.
- Urgent coordination is needed on how to address the low level of use of partner country systems for the delivery of aid.
- Promote the use of relevant indicators for the targeting of aid.
- Enhance donor self-coordination through strategically improving the performance of EU donors and disseminating positive results to donors and partners.
- Initiate cross-country division of labour (DoL) by making use of existing political instruments within the Africa-EU partnership and by inviting others to join this dialogue.

Actions required by African states

- Request donor-partner dialogue regarding cross-country division of labour.

Leadership capacity of African states

Several African countries are relying heavily on aid for investments in sanitation and are far from realising the eThekweni financing commitments.

For 2010–2015 Mozambique plans to allocate USD 5 million per year to sanitation (0,05% of their 2009 GDP) while for Uganda the figure is USD 0,4 million (<0,01% of their 2009 GDP). The remaining part of their sanitation investments is expected to come from donors.

In-country division of labour is very much driven by EU donors.

Partner governments are involved in this process to varying degrees, rarely taking over steering the process.

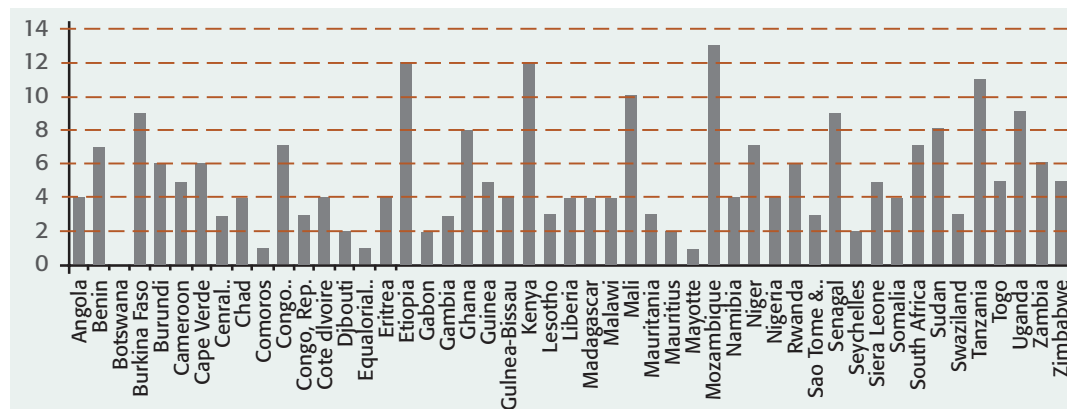
Actions required by EU and its member states

Facilitate the in-country division of labour by:

- Exchange of information between country offices and HQ level;
- Capacity development for strategic aid management in the partner country (including the installation of aid management systems);
- Manage intra-governmental interests based on the fact that enhanced donor harmonisation and division of labour processes tend to strengthen coordinating ministries (finance or planning) at the expense of line ministries;
- Ensure that the dedicated expert capacities of donors can maintain or improve the quality of sector dialogue.
- Strengthen partner leadership by exploring and disseminating prerequisites and benefits of country-led DoL and by building capacity in partner countries.
- Encourage external performance analysis of the different donors in a country to increase knowledge on the strengths and weaknesses of individual donors with respect to national sector programmes.

Actions required by African states

- Strengthen national water sector management and assign clear responsibilities to the institutions involved.
- Fulfil commitment under the eThekweni declaration to allocate 0,5% of GDP for sanitation and hygiene as well as other commitments aiming to prioritise the sector.



Number of EU donors per country in the water sector, sub-Saharan Africa, 2009

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The main actions required by: EU and its member states

- Improve targeting of aid within Africa by considering additional factors (e.g. other donors presence, needs in terms of coverage and fragile states and cost-effectiveness of disbursements).
- Increased capacity development for strategic aid management in the partner countries (including the installation of aid management systems), to facilitate in-country division of labour.
- Promote the use of relevant indicators for the targeting of aid.
- Initiate cross-country DoL by making use of existing political instruments within the Africa-EU partnership and by inviting others to join this dialogue.
- Urgent coordination is needed on how to address the low level of use of partner systems for the delivery of aid.

African states

- Request donor-partner dialogue regarding cross-country division of labour.
- Fulfil commitment under the eThekweni declaration to allocate 0,5% of GDP for sanitation and hygiene as well as other commitments aiming to prioritise the sector

References

The EUWI Africa Working Group has commissioned three studies to examine the EU aid to sanitation and water in African countries and the effectiveness of this assistance. The results of the studies are summarised in this policy brief.



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