

Aid Effectiveness and Africa

Headline issues

High-level declarations call for accelerated progress to meet water and sanitation targets. However, enormous challenges still exist for recipient countries to access and make effective use of aid.

Insufficient political prioritisation, weak sector capacity to develop and implement effective plans and strategies, and uncoordinated and inadequate investments inhibit many Africa countries in making more effective use of donor aid.

Support by donors and other development partners in the development of a sector policy with clear objectives, and in strengthening in-country planning capacities, will put aid dependent countries in a better position to coordinate and direct aid according to the countries' priorities and needs.

At the global level aid effectiveness cannot be achieved without addressing the global architecture of aid. Initiatives such as GLAAS, SWA and the EUWI-AWG facilitate global debate and dialogue between key stakeholders about the levels, sources and beneficiaries of aid.

The dimensions of aid effectiveness

From a donor perspective, key elements of aid effectiveness in practice are:

- harmonisation: donor agencies co-ordinate activities, share information, unify practice and policies, and reduce costs incurred by partner countries,
- alignment: donors ensure that policies and procedures fit with national strategies, processes and budgeting systems

Equally important for aid effectiveness in practice are:

- ownership and in-country capacities; recipient countries taking leadership in sector-wide national planning processes, developing sector investment plans and building capacities for coordinated implementation.

The water and sanitation challenge in Africa

Sub-Saharan Africa is the region most off track from the MDG targets for water and sanitation.

Estimates are that the water target will not be achieved until 2035 and the sanitation target not until 2108. To meet the 2015 target, current delivery levels would have to increase from 12 to 40 million people per year for water, and from 7 to 61 million for sanitation.

This, and the international financial landscape, means that there is an increasing urgency to make aid more effective. This note considers what both donors and recipient countries can do to optimize aid effectiveness for water and sanitation coverage.

Woman getting water from well/ Eritrea/ photo IRC: Petra Brussee



How effective is aid?

High-level political declarations have called for accelerated progress to meet the water and sanitation targets. However, such global commitments need to translate into concrete results at the country level. Recent assessments show that enormous challenges still exist for recipient countries to access and make effective use of aid.

The volume and nature of aid

- Total aid for water and sanitation fell from 8% to 5% of Official Development Assistance (ODA) from 1997 to 2008 (OECD, 2008).
- Within this volume, sanitation is a low priority for both recipient governments and donors, and is often excluded from annual reviews (EUWI-AWG, 2008, 2010).
- At the same time, while many countries are heavily dependent on aid for sanitation and water, European ODA to Africa is unpredictable (EUWI AWG, 2008).
- US\$11 billion is needed annually to meet Africa's water and sanitation needs, which is not met by national budgets and donor aid.

Targeting

- Aid for water and sanitation is not well targeted. From 2003 to 2008, Low Income Countries received less than half of the total aid for water and sanitation; 16% of this was for basic water and sanitation.
- Meeting the MDG targets has focused on infrastructure rather than systems needed to provide access to sustainable services. Little is known about the aid allocated to sustainability issues (e.g. policies and capacity building).

Challenges

- Harmonisation and alignment is weak. Only 29% of European ODA is from sector budget support, with the rest from unaligned programmes. Donors fail to align with national development priorities, and exert excessive influence over national plans (EUWI-AWG, 2010).
- Systems and sustainability are poorly addressed, with many countries lacking adequate policy, data, and institutional arrangements (GLAAS 2010).
- High quality data is needed for informed decision making. The Global Annual Assessment of Sanitation and Drinking-Water (GLAAS), the WHO/UNICEF Joint Monitoring Programme (JMP) for Water Supply and Sanitation, and civil society organisations (CSOs) are addressing this, but more synergy between international initiatives and country data is required. In-country capacity for monitoring data is often poor or under-resourced, making tracking of budgets and resources difficult.

How can aid effectiveness be improved?

At the national level

Strong country leadership is key to improving aid effectiveness. 'Country Compacts' can strengthen mutual accountability of stakeholders, governments and donors, developing and strengthening national plans and systems.

Ghana – Country Compact

Steps to strengthen country ownership and aid effectiveness in Ghana include: a Country Compact under the Sanitation Water for All (SWA) Global Framework for Action; dedicated ministries/directorates to provide sector leadership; national water and sanitation policies; public financial and procurement systems; a Sector Strategic Development Plan (SSDP); and a sector wide approach (SWAp) and monitoring framework. This has resulted in:

- improved government ownership of the water and sanitation sector;
- development partners are aligned with national development strategies;
- donors harmonising their actions; and
- re-kindled high political commitment to the sector, particularly sanitation.

Effective core government systems relating to national planning, finance, procurement, human resources, civil service reform, and decentralised service delivery are important. Where existent, the water and sanitation sector should find ways to link to these core government systems.

Ethiopia – focus on systems

Core government systems include:

- a national PRS planning process;
- a protection of basic services programme (funds channeled to local government);
- a reformed budget/expenditure system;
- civil service reform including hiring additional water sector staff.

The sector systems include:

- a Universal Access Plan (UAP) for water and sanitation;
- increased block grants for the sector;
- a common implementation manual for development partners;
- regular updating of rural water supply inventories;
- targeting of new schemes to unserved populations.

The SWAp provides a way for government, development partners and other stakeholders to broaden ownership over public sector policy and resource allocation decisions in the sector. It provides better coherence between policy, spending and results, whilst reducing transaction costs.

Uganda – Sector Wide Approach

The SWAp was introduced in 2002 to achieve:

- a harmonised strategy at the national level;
- a participatory approach to planning and follow-up activities;
- improved cost-effectiveness and sustainability of services;
- improved monitoring, transparency and reporting.

Common sector approaches increased alignment to government procedures for planning, procurement, reporting, financial disbursement and accounting. This was supported by a sector coordination framework, and a sector performance measurement framework with key performance indicators and an annual Sector Performance Report.

Successful SWApS rely on good processes, such as a sector policy, strategy, and budget, a donor coordination framework, institutional capacities, public financial management systems and a performance monitoring system. Senegal attributes good progress to sector policy, planning and programming.

Senegal – policy, plan and programme

Senegal's progress is attributed to:

- a national development policy and master plan with clear targets;
- defined institutional roles and responsibilities with a national asset holder and a single operator overseen by the Ministry;
- the Millennium Water and Sanitation Programme with a WSS MDG planning and coordination unit;
- a social connections policy;
- over 3.3 million people with household connections (1990-2008);
- tariffs at full cost recovery through accessing soft loans.

Strong governance and robust monitoring and evaluation

(M&E) systems can promote donor accountability and aid predictability. Annual sector reviews also serve as an aid effectiveness tool, particularly where the entire sector determines how aid can be more effectively used.



Ecosan/ Durban, South-Africa/ photo: IRC staff

At the global level

Aid effectiveness cannot be achieved without addressing the global architecture of aid. This raises questions about the levels, sources and beneficiaries of funding. The following initiatives are addressing these issues.

GLAAS

UN-Water GLAAS (Global Annual Assessment of Sanitation and Drinking-Water) provides policy makers with a global analysis of evidence to make informed decisions. It provides both donor and country perspectives on the sector, on aid flows, and on in-country capacities and progress towards MDG7.

Sanitation Water for All (SWA): A Global Framework for Action

The SWA is a global platform designed to facilitate debate in the water sector. Launched in 2008, it includes governments, external support agencies, civil society, donors and other development partners to help increase political will and aid effectiveness at the highest levels. SWA also promotes national processes to identify finance gaps, increase domestic investment, improve resource use, support national sector plans and improve decision-making.

EUWI-AWG/Partnership for Africa

The EUWI mission is to accelerate progress towards achieving the water-related MDGs and WSSD targets. It promotes improved strategies, policies and programmes within a common framework to mobilize resources effectively. The Africa Working Group (AWG) is responsible for implementing the "EU-Africa Partnership on Water Affairs and Sanitation". It facilitates a coordinated effort of European donors in supporting AMCOW in implementing the Africa Water Vision 2025 through policy dialogue on aid effectiveness and donor coordination, partnership strengthening, advocacy and knowledge sharing.

Key references

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Way Forward

For countries

- Prioritise a coherent sector strategy through a sector-wide dialogue and planning process with key partners and stakeholders.
- Strengthen the capacities of institutions and staff, and ensure that local systems, resources and expertise can scale up water and sanitation services sustainably.
- Develop an M&E framework for tracking progress, making national assessments and joint reviews with stakeholders.
- Work in partnership: horizontally (in-country, cross sectoral), vertically (national to local and vice-versa) and internationally (donor coordination and alignment).

For AMCOW and other African stakeholders

- Lead water supply and sanitation policy and strategy development for Africa and the related global debate. In partnership with EUWI-AWG and SWA, this is a multi-stakeholder process for countries, donors, financing institutes and other key partners.
- Lobby nationally and internationally to increase political commitment to water and sanitation, its inclusion on the development agenda, and domestic and international investment.
- Facilitate sharing and learning related to SWAps, national planning, sector collaboration, coordination and monitoring. Encourage countries and donors to enter into joint compacts and to participate in sector wide initiatives and sector budget support.

For the EUWI Africa Working Group

- Develop a concerted European position vis-a-vis the African Water Vision and Road Map, to harmonise and align European aid modalities and contributions.
- Partner AMCOW for policy dialogue and strategy development on the European response towards MDG7.
- Take a leading role in global policy dialogue and donor coordination on aid for Africa, in close partnership with SWA and other development partners.

For other donors and development partners

- Use GLAAS and SWA to make informed decisions on aid targeting focusing on countries in greatest need.
- Engage in dialogue on strategic issues such as funding, capacity development and dissemination of best practices.
- Support countries to develop a national sector wide process for water supply and sanitation. Promote donor coordination and harmonization at country level, and align with, or strengthen, national planning and monitoring systems.