



**C1 Policy framework for water,
Ministry of Foreign Affairs of
The Netherlands**

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This information sheet provides a general overview of the Ministry of Foreign Affairs (MoFA) of The Netherlands' development policy arrangements and approaches related to water.

The MoFA's policy in development cooperation is described in a few papers and letters to Parliament. Most important are: Ploumen (2013), Knapen (2012a; 2012b) and IOB (2012).

A new cabinet took office in November 2012. Its coalition agreement introduced many new policies and strategies, some of which affected development cooperation. Most importantly:

- The budget for development cooperation from The Netherlands' GDP was reduced from 0.7% to 0.5%, necessitating substantial budget cuts in the transitional period to 2017
- Another major change was the merging of the portfolios of The Netherlands' Foreign Trade with Development Cooperation, under the leadership of Minister Lilianne Ploumen (now the Minister for Foreign Trade and Development Cooperation).

POLICY PRIORITIES FOR DEVELOPMENT COOPERATION

Four priorities or thematic areas for development cooperation, originally based on the policy for development cooperation under the previous Minister Ben Knapen, were set by the MoFA:

- Water
- Food Security

- Sexual and Reproductive Health and Rights
- Security and the Rule of Law

The choice for water and for the other priorities was influenced by existing specific knowledge and experience The Netherlands has in these areas, or what Swartbol (2012) refers to as "our comparative advantage"¹. It also offered opportunities for the Dutch business community, particularly in the expansion of public private partnerships (PPP) and the stimulation of investments by the Dutch water sector in developing countries (IOB, 2012).

All four priorities were put by Minister Ploumen (2013) within an aid and trade framework that pursued the following aims:

"(...) a new aid, trade and investment agenda. At international level, we are pursuing three important aims. First, to eradicate extreme poverty ('getting to zero') in a single generation; second, sustainable, inclusive growth all over the world; and third, success for Dutch companies abroad."

¹ Rob Swartbol, DG International Development Cooperation, during the Second Consultation on Post-2015 Monitoring of Drinking-Water, Sanitation and Hygiene (The Hague, Dec 2012): "Water continued to be one of the key policy priorities in Dutch development cooperation. It was often said the Netherlands had a comparative advantage in water, because it had successfully conquered water".

Three types of bilateral relationship are identified in The Netherlands' policy implementation to accommodate its "aid and/or trade" aims:

Aid relationships

Applies to conflict-affected and post-conflict countries, fragile states and countries with insufficient capacity to reduce poverty effectively without external assistance, such as: *Afghanistan, Burundi, Mali, the Palestinian Territories, Rwanda, South Sudan and Yemen.*

- International development agenda (e.g., millennium development goals and sustainable development goals)
- Investing in basic services
 - Access to WASH facilities
 - Protection from flooding and pollution

Transitional relationships

Focuses mainly on low- and middle-income countries with burgeoning economies. In a transitional relationship, a combination of aid and trade can benefit

both developing country and The Netherlands. Apart from poverty reduction programmes covering the MoFA's four priorities, Dutch support is also provided towards increasing market access and improving the business climate of countries such as: *Bangladesh, Benin, Ethiopia, Ghana, Indonesia, Kenya, Mozambique and Uganda.*

Trade relationships

Promotes trade and investment, with activities that contribute to economic growth and employment in The Netherlands. Focus countries within this category include: *Australia, Belgium, Brazil, Canada, China, Colombia, France, Germany, the Gulf States, India, Iraq, Japan, Malaysia, Mexico, Nigeria, Poland, Romania, Russia, Singapore, South Africa, South Korea, Turkey, the United Kingdom, Ukraine, the United States of America and Vietnam.*

Similar to the new bilateral partnerships, the role of international partnerships and that of civil society organisations (CSOs) is also changing.



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On international partnerships

- International agreements (similar to International Public Goods) are considered to remain important cornerstones. The Netherlands, in its water activities, will contribute especially to agreements in the following fields: conflict prevention and water diplomacy, and regional transboundary water management
- The European Union is regarded as an important actor in the water sector, complementing the new Dutch policy and programmes, e.g., in terms of support to other countries and regions, fragile states.

On the role and position of multilaterals

The Netherlands attaches great value to the multilateral system, is a fully committed member of several international organisations and supports their work financially. At the same time, The Netherlands will work to increase its efficiency and effectiveness. Furthermore, international organisations must generate added value for Dutch policy.

On the role of CSOs, new focal points

- Performs the task of a (local) watch-dog, advocates and lobbies
- Engages in innovative projects, with private initiatives

MAIN GOALS AND APPROACH IN WATER

MoFA is pursuing three specific goals in its water programmes. The Netherlands supports:

1. 25% higher water productivity in agriculture;
2. improved river basin management and safer deltas; and
3. better access to safe drinking water and sanitation for another 25 million people. This contributes to achieving the human right to safe drinking water and sanitation.

Cross-cutting themes in water programmes are sustainability, gender and climate.

The following accents and approaches have been defined to help develop and implement programmes and projects:

- New alliances, new forms of cooperation, more hybrid private and public partnerships, seeking leverage (traditional division in channels will be less relevant)

“We fight extreme poverty out of solidarity with people. We encourage trade and investment mainly in our own interests. Where aid and trade meet, we will act out of both solidarity and enlightened self-interest.”

Minister Ploumen

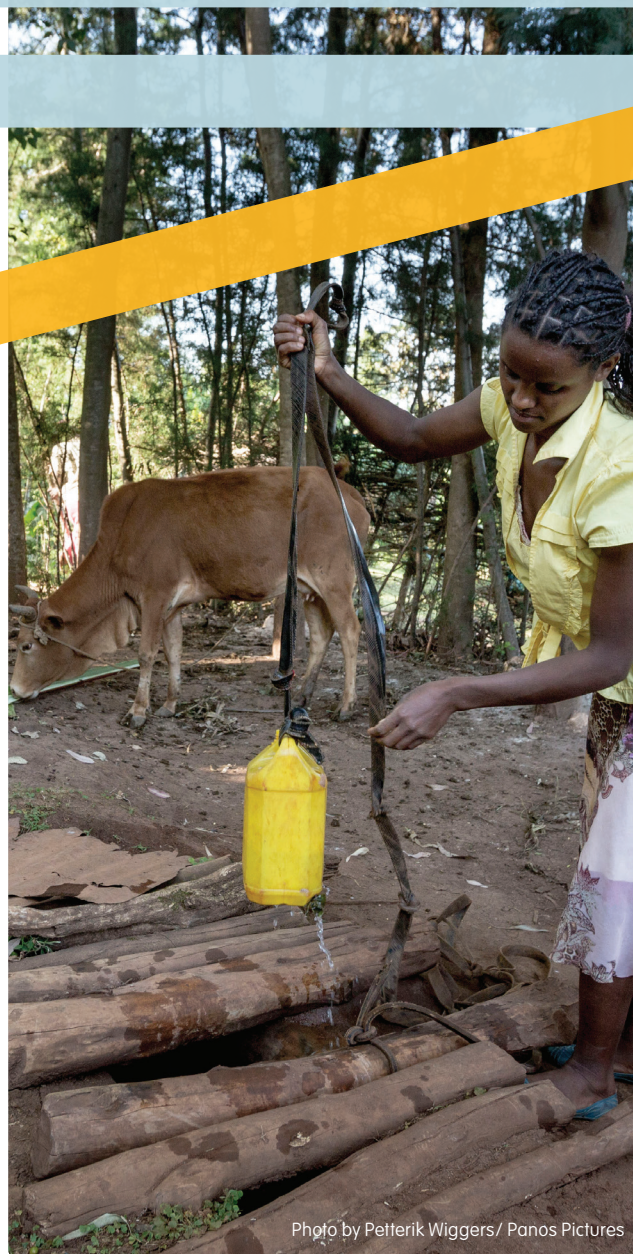


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- New funding mechanisms (e.g., Dutch Good Growth Fund, DGGF), to bridge the gap between risks (entrepreneurs) and security (funding institutions): venture capital, guarantees
- Stimulating local economic development and local private sector
- Greater emphasis on sustainability and transparency (like open data initiative, compliance with IATI (International Aid Transparency Initiative) standards)

UPDATE FOR 2013, INTERMEDIATE RESULTS

Between 2000 and 2010, Dutch investments in drinking water supplies provided 20 million people with access to a safe drinking water source, and more than 35 million people, affording those in need with adequate sanitation.

Status as of 2014:

- Eleven partner countries with a water focus: Benin, Ghana, Kenya, South Sudan, Mali, Rwanda, the Palestinian Territories, Yemen, Bangladesh, Indonesia, Mozambique.
- Support from the Dutch water sector to the Embassies mobilised through the Netherlands Water Partnership (NWP).
- A sustainability clause was announced in June 2012 for WASH interventions receiving funding from The Netherlands, with the view of ensuring WASH services last for a period of ten years after construction (see also sheet C2).
- A new PPP fund (*Fonds Duurzaam Water*, FDW) was opened in 2012 for the first call (envelope of € 50 million), and a second call in March 2014. Also, in 2012, a special PPP window amounting to € 15 million was opened for Ghana.
- Continued cooperation with World Bank and Asian Development Bank; also providing support to river basins and river basin organisations (Cooperation in International Waters (CIWA), Senegal River Basin Development Authority (OMVS), etc.).
- A new initiative is in development, to capture water and restore degraded land in the Sahel and Horn of Africa (International Center for Research on Agroforestry, ICRAF).
- Cooperation with private sector and NGOs to ensure sustainable development, in particular in river basins (Navaisha, Zambezi, etc.).
- Development of a new water diplomacy curriculum.
- Knowledge platform on water established in 2013.
- The Young Expert Programme (YEP) was launched in the summer of 2013. Now in full implementation, the programme offers young water professionals with the opportunity to gain international working experience.

- A new revolving fund referred to as the Dutch Good Growth Fund (DGGF) was established to strengthen the role of the private sector in development cooperation. The DGGF was launched in July 2014.
- The website www.openaid.nl, started in November 2011; it publishes development cooperation projects financed by the MoFA.

BUDGETS FOR WATER PROGRAMMES IN COMING YEARS

Based on the new coalition agreement (2012) and related austerity measures, the new budgets for development cooperation have been determined in more detail for the Netherlands' cabinet period (2013-2017).

On the basis of these data, the following expectations and changes can be drawn for the budgets in the period 2014-2017:

- A (slightly) increasing budget availability for “water, environment and climate” in the period 2014-2017, bringing it on par with “Food Security” and “Security, the rule of law and good governance”.
- Within the water activities, proportionally more budget will be spent on Integrated Water Resources Management (IWRM) activities, compared to WASH activities.
- A significant reduction in available budgets for CSOs.
- A progressive increase in budget availability for private sector development initiatives, through new PPP facilities like the DGGF and FDW.
- A relatively stable budget for multilateral expenditure – expenditures that belong outside the MoFA's priority areas.

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This information sheet presents the latest developments in and priority areas of Dutch development assistance to WASH. It is a collaborative product of IRC and DGIS and was prepared by Paul van Koppen, with contributions from Erma Uytewaal.

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