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C2 Towards greater sustainability and accountability of Dutch development assistance to WASH

Photo by Jo Smet/ IRC

This information sheet discusses how the Directorate-General for International Cooperation (DGIS) of the Ministry of Foreign Affairs (MoFA) of The Netherlands addresses sustainability in its WASH policies and projects and increases its accountability towards tax payers and recipient country governments.

SUSTAINABLE BENEFITS FOR ALL

A recent policy evaluation of water supply and sanitation programmes funded by the Government of The Netherlands recommends further emphasis on sustainable outcomes (IOB, 2012). The overarching goal is to ensure that projects funded by the Government of The Netherlands generate benefits and impacts that are sustainable for the beneficiaries, for the environment, and for society at large.

These policy goals are not only driven by evaluations but also by political and public pressure to show sustainable results of development cooperation. There is a call for greater accountability of project implementers, who will need to show that aid money is well spent; and there is a greater emphasis on monitoring, reporting and transparency. New technology for real-time service monitoring using mobile phones and feedback from users further raises pressure to address non-functioning WASH facilities.

Non-functionality threatening investments

While coverage of water supply and sanitation has increased enormously in the last couple of decades, the challenge for both governments and development partners is to ensure the sustainability of water and sanitation services and maximise the benefits of their investments.

There is a reason to be concerned. Figures show a high rate of non-functionality of water and sanitation infrastructure. For example, the Rural Water Supply Network shows an average rate of 36 per cent non-functionality for handpumps in sub-Saharan Africa (RWSN, 2010). That only indicates whether the handpump is working or not. When indicators for water quality, accessibility and reliability are added, as was done in a recent study in Ghana, many more water systems would qualify as unsustainable (Triple-S, 2012).

With sustainability now being a major concern of governments and development partners—multilaterals such as UNICEF, bilaterals such as DGIS and USAID and Non-Governmental Organisations (NGOs) such as WaterAid, Water For People (WFP) and the Millennium Water Alliance (MWA) have developed policies and tools to tackle sustainability constraints in project implementation.

The difference between functionality and sustainability

A commonly used basis for defining minimum standards for water and sanitation services is contained in Millennium Development Goal (MDG) 7c (drinking water and sanitation), as used by the Joint Monitoring Programme of WHO/UNICEF (2013). Drinking water sources and sanitation facilities are defined as 'improved' or 'unimproved.' While MDG7c has triggered a much needed focus on construction and accessibility, sustainability of WASH services has



Photo by Marieke Adank/ IRC

received less attention. This is now changing with the formulation of the post-2015 development goals, which will include indicators for the sustainability of WASH services.

Although functionality provides a good first indicator of the sustainability of water services it also has limitations; a functioning handpump does not necessarily provide a basic level of service e.g., good quality water. For sustainable water services the indicators proposed by the WASHCost project of IRC are water quality, quantity and accessibility, and reliability of services (Moriarty, et al., 2011). For sanitation, indicators giving a better picture of the sustainability of services include the actual use of toilets and the sustainable disposal of waste. Such indicators align with the human right to water and sanitation, which include additional indicators, e.g., affordability of services and participation of beneficiaries (United Nations Human Rights, UN-Habitat and WHO-World Health Organization, 2010).

It is acknowledged that sustainability is a joint concern for service providers, governments, development partners and implementing agencies and that each of these stakeholders will need to develop strategies to address sustainability within their own mandates and areas of responsibility. The DGIS of the Ministry of Foreign Affairs of the Netherlands has given an example of what bilateral donors can do.

DGIS INSTRUMENTS TO INCREASE SUSTAINABILITY OF ITS SECTOR INVESTMENTS

DGIS at MoFA, has been a global frontrunner in developing approaches and instruments to increase the

sustainability and accountability of the WASH projects it funds. Five of these instruments are described below:

- the sustainability clause
- the sustainability check
- the sustainability compact
- the Sanitation and Water for All (SWA) country compact
- the financial, institutional, environmental, technical and social (FIETS) strategy

These instruments aim to address sustainability during the whole project cycle: from assessment of project proposals to implementation and impact evaluation.

DGIS has also developed new strategic partnerships, in particular with the private sector, to develop innovative business models and Public Private Partnerships (PPPs) for providing water and sanitation services that should lead to financially sustainable interventions.

Sustainability clause

In 2006 DGIS introduced a clause into its funding arrangements, which made project implementers accountable for the sustainability of the infrastructure established with DGIS funding. This came in response to the alarming figures on non-functionality of WASH infrastructure and that this put in threat the commitment of the Government of The Netherlands to provide 50 million people with access to water supply and sanitation by 2015. The first agencies that were confronted with the sustainability clause were the UN-Habitat for the Lake Victoria Initiative, UNICEF for the WASH I (2006-2013) and WASH II (2009-2014) projects in Eastern and Southern Africa and Aqua for All. Dutch development assistance across these projects is some € 145 million.

The specific text of the sustainability clause is as follows, in this case in the UNICEF WASH I funding arrangement (GoN, 2006):

In case previously reported new users of water supply and sanitation facilities are found to be no longer using their facilities, or the facilities provided cease to be functioning properly, UNICEF is required to take immediate and adequate measures to make sure that the national counterparts correct the situation to ensure sustained use until at least the end of 2015. In case UNICEF is not able to undertake the measures as indicated in the above paragraph, the Minister will reduce the annual contribution(s) to the 'Cooperation programme on WASH' by 25 per cent or further if deemed necessary.

In 2012 DGIS re-confirmed the sustainability clause which is now being applied in most of the DGIS funding

arrangements. The formulation being used in the UNICEF WCARO funding arrangement of 2012 for nine countries in West Africa is (GoN, 2012):

As part of the contribution from the Government of the Netherlands, UNICEF will design and implement a sustainability framework aiming to secure the adequate functioning of the facilities, the quality of water (at household level), and implementation of behavioural change (use of latrines, hand-washing) for a period of up to 10 years from the start date of the programme.

The sustainability clause, if applied widely in the sector, will herald a shift in the delivery of water and sanitation services: from a focus on hardware delivery to the provision of services maintained indefinitely.

Sustainability check

Part of the sustainability clause in the DGIS funding arrangements is the obligation for project implementers to have sustainability checks carried out by independent auditors to provide information about the use and functionality of infrastructure. Sustainability checks are carried out annually until ten years after the start of the project. UNICEF has

consistently applied the sustainability check in the four countries of its WASH I and II projects. It has used independent consultants and companies such as PricewaterhouseCoopers and Deloitte. The results of these checks have been used for management responses and corrective action. To date there has been no experiences of DGIS withholding funding on the basis of lower than anticipated results.

An evaluation of the sustainability check in 2013 recommended for DGIS to prioritise strengthening government-led monitoring systems instead of carrying out specific DGIS project-driven sustainability checks. As long as government-led monitoring systems were not providing the necessary data, DGIS could consider the use of independent audits to track functionality using a simplified and more focussed version of the sustainability check (DGIS, 2013).

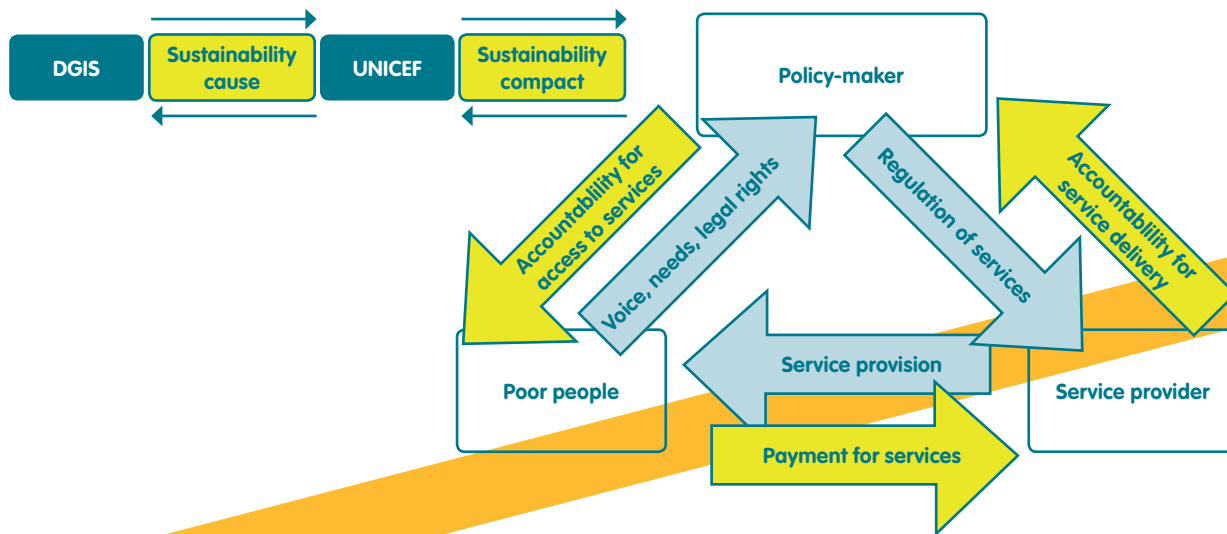
Sustainability compact

Just like the sustainability check, the sustainability compact is part of funding arrangements between DGIS and implementing agencies. The compact is a signed agreement between the implementing agency and the recipient country, with the government stipulating the roles and responsibilities of government and implementing agencies to secure the sustainability of services for up to ten years after the project starts.



Photos by Lokaal Mondiaal

Accountability relations in the DGIS funding arrangements using UNICEF as an example.



Source: van Ginhoven, 2012 based on World Bank's World Development Report 2004.

The compact defines the roles and responsibilities of governments on the premise that they have primary responsibility for assuring sustainable access to water and sanitation (and hygiene promotion) for their citizens. The main role of the implementing agency is to support governments in realising their responsibilities. The sustainability compact is signed for a period of ten years. So far, government commitments in the compacts are: increasing the national budgets for hygiene promotion; strengthening the capacities of government staff at decentralised level; and strengthening government-led monitoring systems. A sustainability compact is being drafted for all the nine countries of the UNICEF-WCARO project. The diagram above shows the accountability relations in projects where the DGIS sustainability instruments are applied.

Country compacts

DGIS is one of the founders of Sanitation and Water for All (SWA), a global partnership of governments, donors, civil society organisations and other development partners that strive for universal access to safe water and adequate sanitation. Since its inception in 2009, the SWA partnership has grown to more than 90 partners. Every two years, SWA convenes its partners to discuss sanitation and water at the SWA High Level Meeting (HLM). HLMs bring together ministers responsible for finance, water and sanitation from developing countries, ministers of development cooperation from donor countries, and representatives from development banks and leading sanitation and water agencies (IRC, 2013).

One of the SWA priority areas is to strengthen national plans and target investments. A country compact

formalises these plans. It outlines the commitments of national government to achieve the MDGs in sanitation and water and sustain efforts beyond 2015. The commitments include political prioritisation of WASH, an increase of sector finance, strengthening planning processes and capacities of ministries and decentralised levels, and alignment of DP programmes and investments with national plans. So far there are country compacts for Liberia and Ghana (Republic of Liberia, 2011; GoG, 2010). DGIS strives to align its sustainability compact for Dutch aid recipient countries also signed up to the SWA country compacts.

FIETS strategy

The Dutch WASH Alliance (DWA) is a consortium of six Dutch NGOs (Simavi, Akvo, AMREF, ICCO, RAIN and WASTE). It is funded by the Government of The Netherlands to implement a five-year programme in eight countries. The scheme provides access to improved sanitation services to an additional 1.2 million people and improved drinking water services to a further 440,000 people mostly in rural areas. The DWA programme strives to create results that are able to sustain themselves beyond project implementation. For this purpose, in 2010, it introduced the FIETS strategy (DWA, 2013).

To the DWA, WASH services can be sustained locally when five sustainability dimensions are taken into account: financial, institutional, environmental, technological and social sustainability; in short FIETS. Officially endorsed by the Dutch parliament, FIETS provides policy makers and project implementers with an assessment checklist of programme proposals, and offers indicators for monitoring and evaluation (M&E) and reporting. Through FIETS, sustainability



Photo by Carmen da Silva-Wells

dimensions are included in project design, taking project outcomes closer to project compliance with the DGIS sustainability clause.

Accountability and improved transparency

Transparency enhances the effectiveness and quality of development aid. From this perspective, in September 2011, The Netherlands MoFA in cooperation with Akvo started publishing data on all the development aid projects financed by the ministry. Every three months, the ministry publishes an update of all its activities. The data includes information on commitments and expenditures, sectors, recipient countries, types of aid, and recipient organisations. In total, more than 2000 activities are reported. Statistics are published in the International Aid Transparency Initiative (IATI) standard and can be found at www.openaid.nl.

The advantages of sustainability instruments

Besides DGIS other development partners have started to introduce instruments for increasing the sustainability of their project interventions, amongst

others the US-based NGO Water For People and USAID (WASHplus, 2013; WFP, 2010). However, uptake is slow and strategies to introduce stronger sustainability-oriented policies and mechanisms within the sector are still being debated.

Some advantages of sustainability instruments such as sustainability clauses and checks are:

- Instruments to increase sustainability and accountability will increase the quality and reliability of WASH services.
- Instruments will trigger a strengthened WASH sector in countries and increase its performance, making it a responsibility for project implementers and governments.
- Inclusion of a sustainability clause or check in contracts sends a firm signal to implementing agencies that sustainability matters. It is likely to create a chain of sustainability clauses in all sub-grantee and sub-implementer contracts—making it in everyone's interest to think about post-construction and post-implementation accountability.
- Instruments will encourage improvements in the

design of programmes and a better understanding of long-term costs, beyond the construction of infrastructure.

- Instruments will give incentives to creating long-term partnerships, in particular with local government in specific regions and districts, enabling them to systematically strengthen capacities and systems for delivering sustainable services.

Disadvantages of sustainability instruments

- A sustainability check or other audits could become tick-off exercises: a reporting requirement that simply adds a layer of complexity and bureaucracy in iPerceived as a conditionality sustainability checks may form as a deterrent to receiving funds.
- Sustainability clauses and checks may create perverse incentives for implementing agencies to keep working in a parallel system, to ensure the sustainability of their systems.
- A culture of blame and finger pointing may emerge between the main contract holder, its partners and sub-contract holders.

IN CONCLUSION

In the end, sustainability of WASH services is the responsibility of national governments regardless of who provides them and the methods used. But in an aid-driven environment other and often more powerful stakeholders influence the conditions under which services are provided, as well as the indicators that measure service quality.

Development partners, such as DGIS, because of their funding role and their voice in international platforms, have a decisive say in how projects are implemented and what constitutes project success. They do this to comply with their mission to support development, but also to safeguard their investments and increasingly satisfy the public and political call for value for aid money. In the coming years more development partners will adopt sustainability instruments. The DGIS of The Netherlands Government has set an example and triggered a much needed debate.

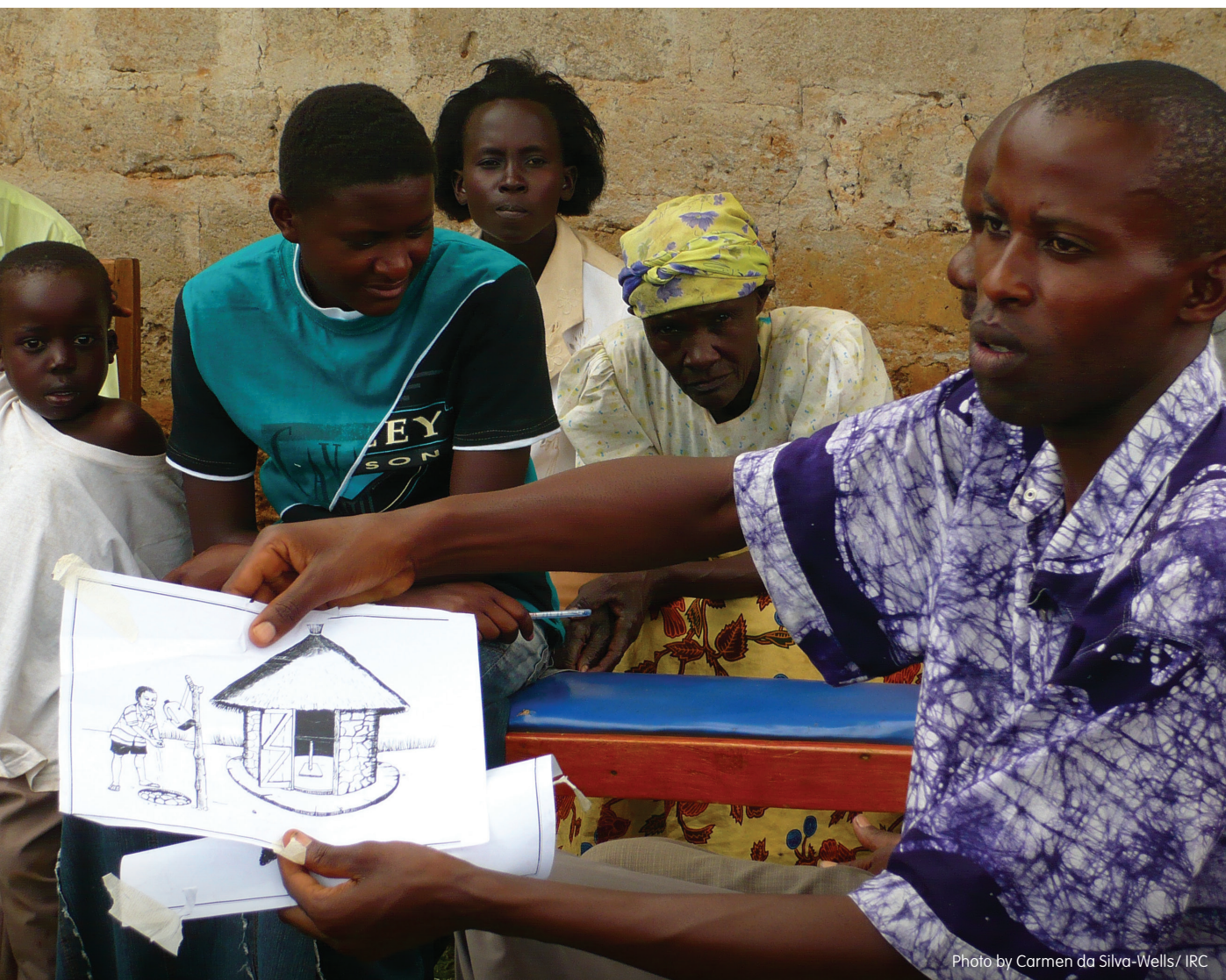


Photo by Carmen da Silva-Wells/ IRC



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Materials for further reading

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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 Ton Schouten and Paul van Koppen.

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Bingo! graphic design

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