

# WATER, SANITATION, HYGIENE: TOWARDS MORE EFFECTIVE FRENCH AID

STUDY - ABSTRACT

October 2014



Between 2008 and 2012, France's bilateral and multilateral Official Development Assistance (ODA) commitments for the Water, Sanitation and Hygiene (WASH) sector amounted to an average of **555 million euros a year, three-quarters of which was in the form of bilateral commitments**<sup>1</sup>. The vast majority (86%) of these bilateral commitments are loans, the sum of which increased sharply in 2012 to reach 655 million euros, 11 times higher than the aid granted in grants (60 million euros). Furthermore, these grants are only made possible by the voluntary contributions of local authorities and water agencies.

As a result of this extensive use of loans, a large part of French aid is targeted **towards urban water supply and sanitation projects in financially solvent countries** (Middle-Income Countries). In contrast, the extremely low level of French grants makes it more difficult for aid agencies to provide support to those countries in greatest need (the Least Developed Countries) and to the most disadvantaged populations, particularly those in **rural and peri-urban areas**. As it relies heavily on grants, **access to sanitation has also been underfunded** by French development assistance; this despite the fact that sanitation is the most off-track of all Millennium Development Goal (MDG) targets.

In addition, the time taken to disburse WASH bilateral aid is relatively long. Although the commitments made come to an average of 423 million euros a year (between 2008 and 2012), **only 235 million euros a year is actually paid out**. However, it is to be noted that **France has improved its aid effectiveness** for the WASH sector, particularly in terms of aid coordination and transparency.

## COALITION EAU'S RECOMMENDATIONS FOR DEVELOPMENT COOPERATION MORE EFFECTIVE:

### RECOMMENDATION N°1: Increase the funding allocated to access to water and sanitation

- ➔ **Increase the amount allocated in grants to 100 million euros in 2015** through an extra 40 million euros in bilateral grants compared to 2012 levels by substantially increasing ODA from the State to support the additional funds provided through decentralised cooperation.

<sup>1</sup> The main data source for this study is the OECD Creditor Reporting System.

- ➔ **Secure part of the French Financial Transaction Tax for the WASH sector** so that a set amount is earmarked to the sector each year to enable efforts to be sustained over the long-term. This funding, which will be provided in addition to ODA, should be allocated in a transparent manner to projects aimed at improving access to water and sanitation for the most disadvantaged populations.
- ➔ **Double the aid channelled through NGOs in the WASH sector** in line with the President of the Republic's overall commitments. This is also a way of addressing France's funding gap in aid to the poorest countries and, notably, to rural populations.

## **RECOMMENDATION N°2: Improve the geographic and sector targeting of funding**

- ➔ **As a priority, target ODA for WASH towards those countries in greatest need**, in particular towards the Least Developed Countries. The political commitment to focus aid on 'Priority Poor Countries' should also finally be implemented.
- ➔ **Target ODA towards the most disadvantaged populations**, focusing particularly on rural and peri-urban areas, where the majority of people without access to water and sanitation live.
- ➔ **Allocate at least 50% of funding to improving access to sanitation**, focusing particularly on people in rural and peri-urban areas. This is to help the sector get back on track as lack of access to sanitation severely affects human development. Projects should all include a hygiene awareness-raising component.

## **RECOMMENDATION N°3: Enhance ODA effectiveness and improve transparency within the sector**

- ➔ **Increase the proportion of committed funds disbursed and absorbed** by adapting funding rules and tools to the administrative capacities of partner countries.
- ➔ **Conduct a transparent and comprehensive annual review of ODA to the WASH sector.** All French donors need to follow the AFD's example by publishing an annual sector review. This review should provide a detailed overview of the aid allocated to the water sector and, in particular, of the actual fiscal effort made by the State.
- ➔ **Improve the tracking of aid flows for WASH projects** through comprehensive and accurate reporting to the OECD, as well as by publishing project information in line with the IATI Standard.
- ➔ **Assess the effectiveness of French ODA sector policy for the WASH sector.** This assessment needs to be independently conducted at least once every 3 years. Parliamentarians and civil society should be involved in defining the quantitative and qualitative indicators to be used to assess the effectiveness of the aid delivered to the sector.

Coalition Eau is an alliance of 29 French NGOs committed to promoting sustainable access to water and sanitation for all while preserving water resources.

Coalition Eau members: ACAD, Action contre la Faim, ADEDE, AVSF, CCFD-Terre Solidaire, Coopération Atlantique Guinée 44, CORAIL, CRID, 4D, East, Eau Sans Frontières International, Eau Vive, GRDR, Green Cross International, GRET, Hydraulique Sans Frontières, Ingénieurs Sans Frontières, IDO, Initiative Développement, Kynarou, Morija, Réseau Foi et Justice Afrique Europe, Secours Catholique – Caritas France, Secours Islamique France, Sherpa, Solidarité Eau Europe, Toilettes du Monde, Triangle Génération Humanitaire, WECEF.

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