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Supporting the Development of Water and Sanitation Services in Developing Countries

Access to safe water and sanitation is one of the eight Millennium Development Goals set by the development community.

This section of the Report, which draws on a paper prepared by the Development Co-operation Directorate in preparation for the March 2003 Third World Water Forum in Kyoto, describes DAC members' support to developing countries in relation to this goal. The statistical overview of aid flows to the water sector in recent years is followed by highlights on DAC work to establish best practices for the efficient management and provision of these services in developing countries, with a focus on urban water and the gender dimensions of water management.

1. Introduction

Data on global water consumption illustrate the wide gulf between the rich and the poor: on average, people in developing countries use about 20 litres of water a day while those in the industrial world use 400 to 500 litres a day. About 1.2 billion people still have no access to safe drinking water, and 2.4 billion do not have adequate sanitation services.

Water resources are limited. In some developing countries, water scarcity can be primarily attributed to an arid climate. In others it results from the mismanagement of water resources, their degradation through pollution and the stresses associated with rapid urbanisation and population growth.

Scarcity causes conflicts among competing users; mismanagement leads to inefficient allocation of water resources across different economic sectors, with heavy water consumption in some sectors and shortages in others. Water is wasted because of inadequate maintenance of water supply networks, high leakage rates and poor irrigation practices but also under-pricing or subsidisation of water for

some users. Pollution from industry or urban centres leads to degradation of water bodies and lands, which increases the risk of exposure to toxic chemicals and disease pathogens either directly or through consumption of contaminated fish and shellfish. Other forms of water resource deterioration include the depletion of groundwater through over-pumping, aquifer contamination through saltwater intrusion and watershed degradation.

The consequences are severe. Some two million children die every year from water-related infectious diseases. Many others, children and adults alike, suffer from ill health and disabilities due to diarrhea and intestinal-worm infestations. Thus, the provision of safe drinking water will be among the most critical challenges for achieving sustainable development over the next decade. Access to sanitation and improved hygiene are equally crucial as contamination of water by untreated sewerage is a major problem in most developing countries.

Access to safe water and sanitation is one of the eight Millennium Development Goals set by the development community

(see Goal 7 in the Special Module at the end of Part II of the Report). The following paragraphs describe OECD members' support to developing countries in relation to this goal. The statistical overview of aid flows to the water sector in recent years is followed by highlights on DAC work to establish best practices for the efficient management and provision of these services in developing countries, with a focus on urban water and the gender dimensions of water management.

2. Aid to the water supply and sanitation sector: a statistical overview

The DAC defines aid to water supply and sanitation as being that related to water resource policy, planning and programmes; water legislation and management; water resource development and protection; water supply and use; sanitation (including solid waste management); and education and training in water supply and sanitation. The definition excludes dams and reservoirs that are primarily for irrigation and hydropower, as well as activities related to river transport (these are classed under aid to agriculture, energy and transport, respectively).

The DAC data relate to activities that have water supply and sanitation as their main purpose. This implies some approximation as the data fail to capture aid to the water sector extended within multisector programmes (*e.g.* integrated rural or urban development or general environmental conservation). Aid to the water

sector delivered through non-governmental organisations may also be excluded, since this is not always sector coded in as much detail as project and programme aid.

The data cover both bilateral and multilateral aid to water supply and sanitation. For DAC countries, data on total aid commitments to the water sector are available from 1973 on. Detailed analysis is possible for the 1990s.¹ Data for the multilateral organisations cover commitments by the World Bank, the regional development banks, the International Fund for Agricultural Development, the European Development Fund and, since 2000, UNICEF and UNDP.

Reporting on the purpose of aid in DAC statistics

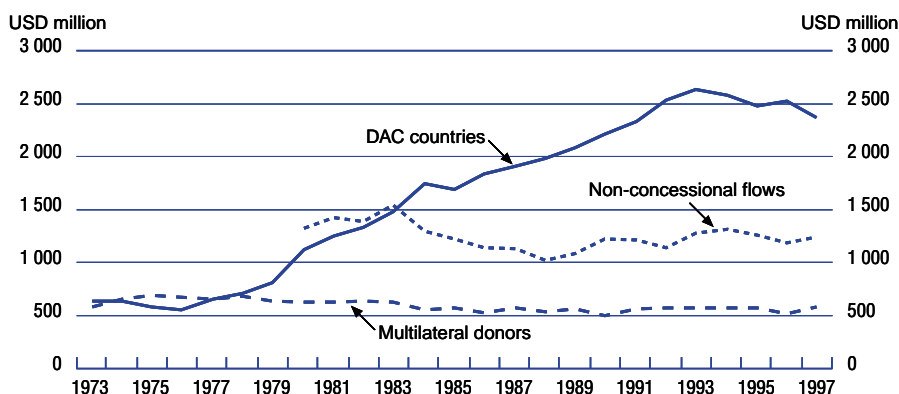
The DAC collects data on aid flows through two reporting systems: the annual aggregate DAC statistics and the activity-specific Creditor Reporting System (CRS). The former provide an overall picture of the geographical or purpose distribution of aid and of the relative importance of each recipient country, region or purpose in the total. The CRS permits examination of the geographical and purpose breakdown simultaneously. Both systems collect the data in a standard electronic format and make them available online and on CD-Rom.² Reporting on the purpose of aid entails classification by sector and by policy objective.

The sector code identifies "the specific area of the recipient's economic or social structure which the transfer is intended to

1. It is estimated that the DAC's Creditor Reporting System (CRS) database covers 85-90% of DAC countries' bilateral ODA for the water sector in 1990-95. From 1996 on the data are close to complete. The main data gap relates to technical co-operation by Japan (approximately USD 80 million a year).

2. See www.oecd.org/dac/stats

Chart IX-1. Aid to water supply and sanitation, commitments 1973-2001:
5-year moving average
 Constant 2000 prices



Source: OECD, DAC, CRS.

foster”. In DAC reporting (as in most donors’ internal reporting systems), each activity can be assigned only one sector code. For activities cutting across several sectors, either a multi-sector code or the code corresponding to the largest component of the activity is used. This is not likely to impart a systematic bias to analyses of trends and orders of magnitude. The data may differ slightly from those provided by internal systems that allow a commitment to be assigned to more than one sector. However, at present the DAC system of a single sector code is the only practical method of standardising reporting on a basis that permits valid donor comparisons.

The sectoral data are supplemented by information on the policy objectives of aid: environmental sustainability, gender equality, reduction of poverty, and participatory development/good governance. Reporting is based on a marking system with three values: “principal objective”, “significant objective”, and “not targeted to the policy objective”. Each activity can have more

than one policy objective. The marker data are descriptive rather than quantitative.

Data on the purpose of aid are collected on commitments rather than disbursements. Using average data evens out the “lumpiness” of commitments and thereby increases the statistical significance of the data analysis. Moving averages give a clearer view of the underlying trends.

Recent trends in aid to water supply and sanitation

Chart IX-1 illustrates the evolution in bilateral and multilateral financing of water projects in developing countries since 1973. The data (in constant dollars) show that DAC members’ bilateral aid to the water sector increased over the first two decades at an average annual rate of 9%. The downward trend observed since the middle of the 1990s reflects cuts in ODA in general, though aid for water started decreasing later than that for other sectors. The share of aid for water supply and

sanitation in total ODA remained relatively stable in the 1990s at 6% of bilateral and 4-5% of multilateral ODA. In recent years, total aid allocations to the water sector have averaged about USD 3 billion a year. An additional USD 1-1.5 billion a year is allocated to the water sector in the form of non-concessional lending (mainly by the World Bank).

Table IX-1 presents data on aid for water supply and sanitation by individual donors. Japan is by far the largest donor in the sector in value terms, accounting for about one-third of total aid to water. Activities funded by the World Bank's International Development Association (IDA), Germany, the United States, France, the United Kingdom and the European Commission add up to a further 45%. The share of aid for water supply and sanitation in total sector-allocable ODA³ is above the DAC average of 9 % for Austria, Denmark, France, Germany, Japan and Luxembourg.

Chart IX-2 breaks down aid for the water sector by sub-sector for the last five years. Water supply and sanitation projects account for over three-quarters of the contributions. Most of these projects have been classified under "large systems", but the number drawing on low-cost technologies (hand pumps, gravity-fed systems, rainwater collection, latrines, etc.) seems to be increasing.⁴ The fact remains, though, that a handful of large projects

undertaken in urban areas dominate aid for water supply and sanitation. Furthermore, many of these projects are financed through loans rather than grants. In 2000-01, for example, about 57% of total ODA in the water sector took the form of loans (over three-quarters of aid from Austria, France, Italy, Japan, Portugal and Spain was extended as loans). By comparison, the share of loans in ODA to all sectors combined in 2000-01 was 22%.

About 10% of aid in the water sector is directed to water resource policy, planning, and programmes. This category includes a few large sector programmes and reforms, and numerous smaller activities to improve water resource management through institutional support, technical assistance, and capacity building. Education and training in the water sector represents a tiny share of the total. It should be noted, however, that the data do not include education and training components of water supply and sanitation projects, which can rarely be separately identified.

Chart IX-3 shows aid in the water sector by region. About half of the total goes to Asia (roughly in line with Asia's share of total ODA commitments), with a focus on Far East Asia in recent years. The share of Africa has slightly decreased and that of America slightly increased.

3. About 65-70% of DAC members' bilateral ODA is sector allocable. Contributions not susceptible to allocation by sector (*e.g.* structural adjustment, balance-of-payments support, actions relating to debt, emergency assistance, internal transactions in the donor country) are excluded from the denominator to better reflect the sectoral focus of donors' programmes.

4. The DAC sector classification has identified "water supply and sanitation – small systems" as a separate category only since 1996, and so part of the increase in the number of reported low-cost activities can be attributed to this change. However, there has also been a decrease in average project size since 1996. For 1995-96, out of a total of 900 water supply and sanitation commitments, about 100 were for more than USD 10 million and accounted for 75% of the total value of aid to the sector for those two years. A similar analysis using 1999-2000 data (same donors) shows 75 out of a total of 1 400 projects at that funding level, or 60% of the total value.

Table IX-1.

Aid to water supply and sanitation by donor
1996-2001, annual average commitment and share in total sector-allocable aid

	USD million		% of donor total		% all donors	
	1996-1998	1999-2001	1996-1998	1999-2001	1996-1998	1999-2001
Australia	23	40	3	6	1	1
Austria	34	46	17	18	1	2
Belgium	12	13	4	4	0	0
Canada	23	22	4	4	1	1
Denmark	103	73	15	13	3	2
Finland	18	12	11	8	1	0
France	259	148	13	13	7	5
Germany	435	318	19	11	13	11
Ireland	6	7	7	7	0	0
Italy	35	29	14	9	1	1
Japan	1 442	999	14	14	41	33
Luxembourg	2	8	4	13	0	0
Netherlands	103	75	8	7	3	2
New Zealand	1	1	2	2	0	0
Norway	16	32	4	5	0	1
Portugal	0	5	1	3	0	0
Spain	23	60	4	8	1	2
Sweden	43	35	6	6	1	1
Switzerland	25	25	7	6	1	1
United Kingdom*	116	165	8	7	3	5
United States	186	252	6	4	5	8
Total DAC countries	2 906	2 368	11	9	83	78
AfDF	56	64	10	9	2	2
AsDF	150	88	11	8	4	3
EC	..	216	..	5	..	5
IDA	323	331	6	6	9	11
IDB Sp F	46	32	9	9	1	1
Total multilateral	575	730	7	6	17	22
Total	3 482	3 098	10	8	100	100

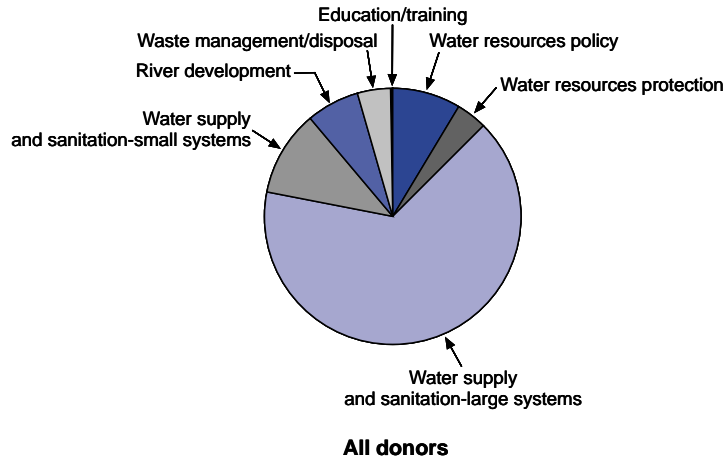
* A DFID study shows that since 1999 actual expenditure for water supply is about double the levels reflected here. Approximately half of the UK water expenditure takes place within multisector projects.

Source: OECD, CRS, DAC.

An analysis published in the 1998 DAC *Development Co-operation Report* noted that aid in the water sector was concentrated in a relatively small group of recipient countries. In 1995-96, for example, ten countries received nearly

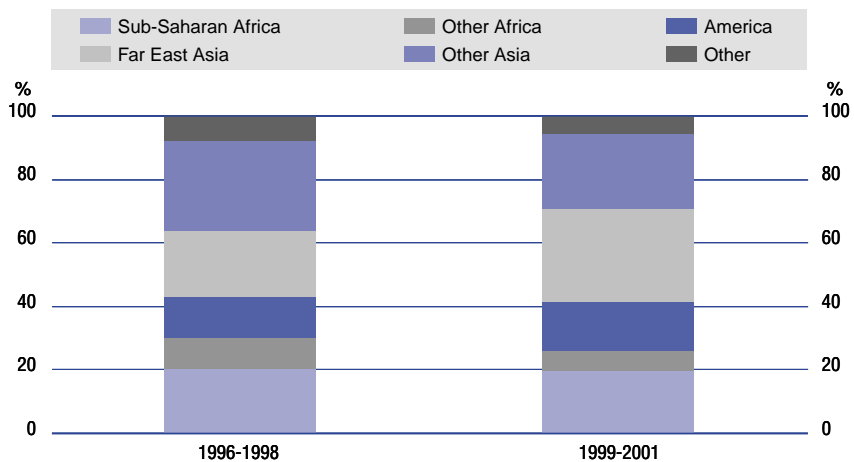
two-thirds of aid in this sector. The data show some change in focus in recent years. In 1997-2001, the ten largest recipients received 48% of the total. China, India, Viet Nam, Peru, Morocco and Egypt were among the top ten in

Chart IX-2. Water supply and sanitation aid by subsector, 1997-2001



Source: OECD, CRS.

Chart IX-3. Geographical breakdown of aid for water supply and sanitation, commitments 1996-2001



Source: OECD, CRS.

both periods, while Turkey, Indonesia, Tunisia and Sri Lanka were replaced by Mexico, Malaysia, Jordan, and the Palestinian administered areas.

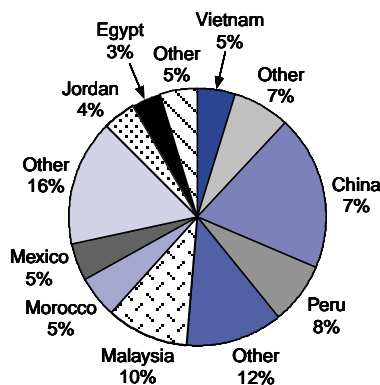
The 1998 analysis showed that many countries where a large proportion of the population lacked access to safe water received very little, if any, of the aid. As Chart IX-4 illustrates, this still seems to be the case. Only 12% of total aid to the water sector in 2000-01 went to countries where less than 60 % of population has access to an improved water source,⁵ which includes most of the least developed countries.

Data on total aid for the water sector in a particular recipient country are not sufficient to permit analysis of whether aid is directed to where it is most

needed. Projects in relatively rich countries may be targeted to the poorest regions or groups while projects in poor countries may tend to benefit the better off. The DAC “policy objective marker system” does, however, provide supplementary data that help in assessing features such as poverty and gender focus of aid activities.

Because of data quality limitations, generalised conclusions must be drawn with caution; yet the data reported by eleven DAC members for 2000 and 2001 suggest that water projects are slightly less targeted on poverty and gender concerns than are projects in other sectors,⁶ though, gender issues seem to be well taken into account in water supply and sanitation projects undertaken in rural areas.

Chart IX-4. Aid for water supply and sanitation by recipient – Overview of targeting to countries most in need, commitments 2000-2001



Source: OECD/CRS, World Bank.

5. This is the indicator used for monitoring progress towards the Millennium Development Goal of halving by 2015 the proportion of people without sustainable access to safe drinking water (see the Special Module at the end of Part II of this Report).

6. Australia, Canada (CIDA), Denmark, Finland, Germany (the KfW group), Japan, the Netherlands, Norway, Sweden, Switzerland, and the United Kingdom provide marker data for the majority of reported activities. Out of the total number of water projects screened against the policy markers, less than half were reported as direct assistance to poor people (principal or significant objective) and one-fourth as targeting gender equality (the majority scoring significant objective). For comparison, about two-thirds of activities in the health sector had been reported as poverty-focused and one-third as targeting gender equality.

3. Providing water and sanitation services in rapidly growing cities

Many towns and cities in developing countries have unreliable piped water systems with supply interruptions. Services delivery is deteriorating mainly because of fast population growth and urbanisation, the high capital costs of infrastructure and diminishing government resources for addressing urban water issues. Furthermore, existing systems often suffer from inefficiencies in their design and operations. It is estimated that by 2025, urban populations in developing countries will have doubled, compared to today's figure, to reach 4 billion. And stresses on already strained water supply systems will increase with the significant surge in urban populations.

The remainder of this section focuses on DAC members' experience in providing water and sanitation in rapidly growing urban cities that witness an increasing concentration of the poor. It outlines the main problems of water and sanitation provision in urban centres, and addresses ways of improving access to basic services for the poorest. Given the limited amount of available resources, it is critical to integrate these lessons into future initiatives to enhance water supply, maximise the benefits and potentials of available options and minimise the cost of providing water.

Reforming urban water and sanitation systems

In many developing countries, urban water and sanitation systems are managed by municipal or district water companies owned by local authorities. Water is provided at prices well below long-run

financial and environmental costs, resulting in overuse and waste that are accentuated by high levels of uncollected fees and systems losses. Combined with poor management practices, these inefficiencies severely undermine the ability of public water utilities to maintain, let alone expand or upgrade, their networks.

Many cities urgently need to comprehensively reform policies and institutions to stop the rapid deterioration of water infrastructure as well as to promote efficient and sustainable use of water, and to generate revenues for needed investments. Reforms will require increased cost-recovery, improved resource conservation and pollution prevention at the source. These reforms are necessary to enable water suppliers to expand services to less privileged communities.

Reforms must also encourage the mobilisation of private capital and management expertise to finance and operate water supply and sanitation infrastructure, as public funds and know-how are often insufficient to meet growing demand for these services. During the 1990s, most private investment in water and sanitation infrastructure projects resulted from public-private sector partnerships (PPPs). These PPPs are in large part due to the "public good" nature of the product and its importance to human health and well-being. Governments cannot fully relegate responsibility for such an important function, therefore ultimate ownership of infrastructure assets typically remain with the government.

Mobilising private capital through the commercialisation or privatisation of water supply services can work well, provided that local governments appropriately ensure public accountability

and protection against abuse of monopolies. At the same time, liberalising markets without effective regulatory systems can lead to major problems. Of particular concern is the tendency for private service providers to focus on the wealthier areas, best able to afford their services, while neglecting lower-income areas.

Regulations and regulatory controls are critical to ensure that public or private utilities perform properly. Regulations must set appropriate minimum standards (in terms of access to – and conditions of – services) and should encourage the introduction of systems that link charges accurately to the levels of service provision and the cost generated by pollution. Furthermore, regulatory authorities must also ensure that shifts towards full cost recovery do not unduly penalise the poor.

Improving access to basic water and sanitation services to the poorest in urban areas

Special efforts are needed to address the needs of the poorest, notably slum dwellers. They often have to purchase water from vendors at several times the price per litre of piped water. It is therefore important to understand how the poor can benefit from the development and maintenance of water and sanitation infrastructure and review low-cost-options that facilitate access to affordable water and sanitation for the poor.

Many poor households would be able to pay the full costs of water supply infrastructure and services (in cash or in kind) at the community level, and possibly at the household level. However, local authority's unwillingness to recognise the housing rights or land tenure of the urban poor limits their

access to adequate water and sanitation services in many cities.

The type of service provided must reflect the ability of users to fund the maintenance of the infrastructure, either through labour or fees. This implies making maximum use of low-cost options, which include involving communities to provide part of the services. For example, an agency (whether public or private) may provide piped water, sewer, or drain connections to a communal site, and the community would be responsible for distribution and fee collection.

Tariff structures with a low price per unit volume of water up to a certain consumption level also help ensure that even the poorest can afford water while discouraging waste. It may be necessary to support or establish community organisations in order to implement these low-cost options that require community involvement.

Water supply and sanitation are also closely related. As in the case of water supply, all cost-minimisation options, including sewerless systems, should be considered to address urgent demands. However, the demands of households and communities change over time. Growing households, for example, use more water and create more waste. Under-designed drainage or sewerage systems, particularly if not well maintained, can quickly become inadequate to the task and break down, increasing the public health risk they were intended to resolve.

Public funding is therefore necessary to reduce the negative externalities associated with inadequate sanitation systems and to help realise economies of scale in

Box IX-1.

Reforming water utilities: key institutional priorities

- Clarifying legal status to reinforce the autonomy and accountability of water utilities so that they are more attractive for private sector investment and public-private partnership arrangements (PPPs).
- Ensuring compliance with water quality and effluent standards.
- Developing the use of user and polluter charges based on the “user/polluter pays” principle, taking economic, environmental and social consideration into account.
- Reforming tariff structures to enable the development of self-financing systems that will in turn enable water services to be provided on a commercially viable basis.
- Improving operational and financial performance so as to improve their commercial viability, for example by:
 - Increasing billing and collection efficiency.
 - Encouraging reduction in operating costs.
 - Strengthening capacity to plan and carry out complex capital investment projects, for example in association with PPPs.
 - Reinforcing transparency in relations with the authorities, clients and media so as to facilitate PPPs; and exploring opportunities for raising additional finance (e.g. through private sector investment) for improvement and expansion of water services.

infrastructure provision. However, any developments should be implemented in conjunction with local communities and should include mobilisation of community financial and other resources. Involving the community, both women and men, at all stages – from the selection of the most appropriate options and design of the system, to the construction and maintenance of the infrastructure – is an important determinant of success.

Box IX-2 outlines institutional and technical options to minimise the cost of water supply and sanitation for poor households, subject to an assessment of longer-term demand for these services.

4. Water resources management and gender equality

Addressing gender roles and priorities

Social and cultural norms frequently result in gender differences in practices relating to the use of water resources. In the developing world, women traditionally play central roles as users, providers and managers of water in the household and are also responsible for hygiene. They dispose of household waste, maintain sanitation facilities and educate children in hygiene. They also play an important but often much less visible role in the public maintenance of water.

Box IX-2.

Facilitating access to affordable water and sanitation services to the poor

Options and issues involved

Options to improve water and sanitation in shanty settlements – and maximise the scope for recovering costs in order to ensure sustainability – vary considerably from settlement to settlement.

Technical issues. These include the cost of supply, which depends on a settlement's distance from existing water mains, sewers and drains, topography, soil structure, settlement density and layout, and the potential for tapping local water resources.

Institutional issues. These include the attitude of the authorities responsible with regard to the provision of water and sanitation in shantytowns and unauthorised settlements generally and the status of the inhabitants (whether they are “owners” or tenants). It is difficult for any water agency to provide house connections and receive regular payments in settlements where it is not clear who owns what plot and where houses do not have an official address. The possibilities for improving provision of public infrastructure and services in settlements with insecure tenure are therefore more limited.

Demand factors. Detailed information on existing (formal and informal) systems and businesses that are already providing water and sanitation is essential. This should include an analysis of different residents' needs, priorities and ability and willingness to pay. Some communities having secured sufficient access to water through informal means may have other priorities.

Institutional innovations: community provisions

Where it is too expensive or too difficult institutionally to provide piped water connections to each house or yard, a range of measures exist to improve provision and increase the scope for cost recovery. The water agency can provide connections to water mains and trunk sewers at the settlement's boundary with the inhabitants organising the systems within their settlements. The agency thus “wholesales” water to a community that assumes responsibility for collecting payments from households. Community water meters avoid the costs of providing and monitoring individual house meters.

Similar approaches are applicable for communities that are too distant from water mains to be connected. A water agency may for instance deliver bulk water to a large tank with the community organisation taking on the task of piping the water into each household and collecting payments.

Access to water and sanitation can be facilitated by allowing the initial connected charges to be paid over several months and integrated into service charges or through providing loans.

There are many examples of successful community-based savings and loan schemes to allow low-income households to obtain access to water and sanitation.

Cost minimising options

Partial self provision. The costs of installing pipes for water and/or sanitation can be considerably reduced if household and/or community organisations are prepared to dig the ditches and ensure houses are prepared for connections. This may allow good quality “expensive” solutions to be installed for low-income households with full cost recovery. Using smaller pipes and shallower trenches, shallower gradients and interceptor tanks can also reduce the cost of installing sewerage systems, although changes in demand over the longer term should also be considered.

Box IX-2. (cont.)

Facilitating access to affordable water and sanitation services to the poor

Sewerless sanitation. Many options exist for safe, good quality “sewerless” sanitation. The costs of on-site sanitation options – for instance “ventilated improved pit” latrines, pour-flush toilets linked to community septic tanks – are generally lower. Such facilities require regular emptying and disposal, a hazardous task best performed by specialists. The need for affordable maintenance services is often overlooked.

In large and high-density residential areas, unit costs for sewer systems may be comparable to sewerless systems. Those are generally much preferred by the inhabitants because they also remove wastewater and do not require regular emptying. The choice between these two systems is dictated by local conditions such as soil conditions, ease with which pits can be dug and groundwater levels. The costs of sewage treatment however have to be factored into comparisons between these systems: failure to provide for adequate treatment will result in major external costs to human health and to the environment.

In rural areas, women are involved in subsistence farming and the production of small-scale livestock, both activities depending largely on access to and availability of water. Men tend to have a greater role in public decision-making; hold technical and managerial positions; and are often responsible for the major cash generating activities such as irrigation and cattle raising.

Because of those differences, it is important to fully involve both women and men in demand-driven water supply and sanitation programmes where communities decide what type of systems they want and are willing to help finance. Thus, addressing gender roles and priorities increases project sustainability and equality of access to water resources.

In a 1994 paper specifically focusing on gender and water resources management presented to the DAC by the Swedish

International Development Agency (SIDA),⁷ the author argued that involving women as well as men in water resources management was desirable for its effective development and utilisation. Whereas this had been obvious in relation to domestic water supply and sanitation programmes, it had become clearer over recent years in relation to overall river basin management and in specific areas such as wetlands and irrigated agriculture. A number of recommendations for donor agencies were made to strengthen overall policy and strategic development in this area.

Meeting gender equality challenges

Since then, specific strategies and tool-kits on gender and the water sectors have been developed based on good donor practices, with gender training becoming an important project component in those

7. Carolyn Hannan-Andersson. “Gender and Water Resources Management” (Note by the DAC Expert Group on Women in Development); DAC/DAC(94)10. 15 April 1994.

Box IX-3.

**Ensuring quality and sustainability of water and sanitation facilities:
Why gender equality matters***

- Women's needs in relation to water are magnified when they relate to small-scale activities (gardening, small-scale livestock production and domestic uses) that are vital for the household.
- The design and location of water supply and sanitation facilities better reflect the needs of both women and men.
- The adopted technology better reflects women's needs (e.g. hand pump designs that are easy to use for women and children).
- Technical and financial planning for on-going operations and maintenance of water supply and sanitation facilities are improved as women's skills make them ideal candidates for saving and managing funds for this activity.
- Health benefits also improve because all members of the community are involved and can benefit from private, convenient and secure facilities.

* Adapted from the *Gender Equality Tipsheets: Health and Population (water supply and sanitation)*, prepared by the Australian Agency for International Development.

sectors. Meeting gender equality challenges frequently includes:

- *Using gender sensitive methodologies and tools* to improve donor agencies and developing country partners' understanding of gender roles, responsibilities and needs in water resources. Gender analysis will help to improve understanding the socio-economic and cultural context of the area to be serviced, men's and women's knowledge, attitudes and practices related to water supply and sanitation as well as the constraints to the participation of men and women in activities related to water.

- *Involving women in planning and decision-making* of water supply and sanitation facilities at community level. Greater participation by women may require the use of financial or other incentives as well as official recognition of their potential role and capacities.

- *Educating both women and men* about the need for and advantages of gender equality must be encouraged and facilitated (see Box IX-4).

- *Producing, collecting and analysing gender-disaggregated data* to understand gender roles and improve the targeting of activities to meet the priorities of both men and women. Donor reporting to the DAC demonstrates that the trend is moving in the right direction in this respect.

- *Looking beyond gender uses of domestic water* by taking into consideration women's productive uses of water for farming, raising animals, and produce for the market requires a change of mindset for most people, including planners. Sensitising men on the importance of women's contributions as active stakeholders also has to be done. Increasingly, this means going beyond the community level to look at the household

Box IX-4.

Women's involvement in the Lombok Rural Water Supply and Sanitation Project

In the Lombok rural water supply and sanitation project (RWSS) traditional restrictions on women's mobility and community leadership roles required project staff to take creative and culturally sensitive approaches to involving women in community decision-making and management of water supplies. When the project began, male community work groups were formed to assist with well construction and the digging of trenches for piped water supplies. These factors limited communication with women, confining their role to the provision of food and drink during construction, and to transport of materials to construction sites.

By the end of phase one of the project it was decided that water user groups would be formed first, to enable women to be more involved in the planning, location and organisation of construction. Work groups became a sub-group of water user groups, which included both men and women. This approach demonstrated that women are effective decision-makers and organisers, financially trust-worthy and creative in their management of the water supply and in the use of funds raised for water supply maintenance. For example, women established gardens to make use of drainage water, and supervised the use of the wells to ensure cleanliness and proper rationing in the dry season.

Sources include: Glen Chandler "Rural water supply and sanitation project, Lombok Tengah: RWSS and its impact on women", 1990; and Beth Mylius "Phase I Final Report: Community Component", 1987.

level to make gender roles, relations and contributions more visible.

- *Encouraging and assisting men and women to undertake new gender roles.* This means not only focusing on technical solutions but also on longer-term issues such as change

management, building community decision-making and leadership skills, and improving consultation processes within water and sanitation agencies. A number of donor agencies are taking an active interest in this, which is reflected in their support to civil society organisations in partner countries.

Glossary of Key Terms and Concepts

(Cross-references are given in CAPITALS)

AID: The words “aid” and “assistance” in this publication refer only to flows which qualify as OFFICIAL DEVELOPMENT ASSISTANCE (ODA) or OFFICIAL AID (OA).

AMORTIZATION: Repayments of principal on a LOAN. Does not include interest payments.

ASSOCIATED FINANCING: The combination of OFFICIAL DEVELOPMENT ASSISTANCE, whether GRANTS or LOANS, with any other funding to form finance packages. Associated Financing packages are subject to the same criteria of concessionality, developmental relevance and recipient country eligibility as TIED AID credits.

BILATERAL: See TOTAL RECEIPTS.

CLAIM: The entitlement of a creditor to repayment of a LOAN; by extension, the loan itself or the outstanding amount thereof.

COMMITMENT: A firm obligation, expressed in writing and backed by the necessary funds, undertaken by an official donor to provide specified assistance to a recipient country or a multilateral organisation. Bilateral commitments are recorded in the full amount of expected transfer, irrespective of the time required for the completion of DISBURSEMENTS. Commitments to multilateral organisations are reported as the sum of *i*) any disbursements in the year in question which have not previously been notified as commitments and *ii*) expected disbursements in the following year.

CONCESSIONALITY LEVEL: A measure of the “softness” of a credit reflecting the benefit to the borrower compared to a LOAN at market rate (*cf.* GRANT ELEMENT). Technically, it is calculated as the difference between the nominal value of a TIED AID credit and the present value of the debt service as of the date of DISBURSEMENT, calculated at a discount rate applicable to the currency of the transaction and expressed as a percentage of the nominal value.

DAC (DEVELOPMENT ASSISTANCE COMMITTEE): The committee of the OECD which deals with development co-operation matters. A description of its aims and a list of its Members are given at the front of this volume.

DAC LIST: See RECIPIENT COUNTRIES AND TERRITORIES.

DEBT REORGANISATION (also: RESTRUCTURING): Any action officially agreed between creditor and debtor that alters the terms previously established for repayment. This may include **forgiveness** (extinction of the LOAN), or **rescheduling** which can be implemented either by revising the repayment schedule or extending a new **refinancing** loan. See also “Notes on Definitions and Measurement” below.

DISBURSEMENT: The release of funds to, or the purchase of goods or services for a recipient; by extension, the amount thus spent. Disbursements record the actual international transfer of financial resources, or of goods or services valued at the cost to the donor. In the case of

activities carried out in donor countries, such as training, administration or public awareness programmes, disbursement is taken to have occurred when the funds have been transferred to the service provider or the recipient. They may be recorded **gross** (the total amount disbursed over a given accounting period) or net (the gross amount less any repayments of LOAN principal or recoveries on GRANTS received during the same period).

EXPORT CREDITS: LOANS for the purpose of trade and which are not represented by a negotiable instrument. They may be extended by the official or the private sector. If extended by the private sector, they may be supported by official guarantees.

GRACE PERIOD: See GRANT ELEMENT.

GRANTS: Transfers made in cash, goods or services for which no repayment is required.

GRANT ELEMENT: Reflects the **financial terms** of a COMMITMENT: interest rate, MATURITY and grace period (interval to first repayment of capital). It measures the concessionality of a LOAN, expressed as the percentage by which the present value of the expected stream of repayments falls short of the repayments that would have been generated at a given reference rate of interest. The reference rate is 10% in DAC statistics. This rate was selected as a proxy for the marginal efficiency of domestic investment, *i.e.* an indication of the opportunity cost to the donor of making the funds available. Thus, the grant element is nil for a loan carrying an interest rate of 10%; it is 100% for a GRANT; and it lies between these two limits for a loan at less than 10% interest. If the face value of a loan is mul-

tiplied by its grant element, the result is referred to as the **grant equivalent** of that loan (*cf.* CONCESSIONALITY LEVEL). (*Note:* the grant element concept is not applied to the non-concessional (“hard window”) operations of the multilateral development banks.)

GRANT-LIKE FLOW: A transaction in which the donor country retains formal title to repayment but has expressed its intention in the COMMITMENT to hold the proceeds of repayment in the borrowing country for the benefit of that country.

LOANS: Transfers for which repayment is required. Only loans with MATURITIES of over one year are included in DAC statistics. Data on net loans include deductions for repayments of principal (but not payment of interest) on earlier loans. This means that when a loan has been fully repaid, its effect on total NET FLOWS over the life of the loan is zero.

LONG-TERM: Used of LOANS with an original or extended MATURITY of more than one year.

MATURITY: The date at which the final repayment of a LOAN is due; by extension, the duration of the loan.

MULTILATERAL AGENCIES: In DAC statistics, those international institutions with governmental membership which conduct all or a significant part of their activities in favour of development and aid recipient countries. They include multilateral development banks (*e.g.* World Bank, regional development banks), United Nations agencies, and regional groupings (*e.g.* certain European Community and Arab agencies). A contribution by a DAC member to such an agency is deemed to be multilateral if it

is pooled with other contributions and disbursed at the discretion of the agency. Unless otherwise indicated, capital subscriptions to multilateral development banks are presented on a **deposit** basis, *i.e.* in the amount and as at the date of lodgement of the relevant letter of credit or other negotiable instrument. Limited data are available on an encashment basis, *i.e.* at the date and in the amount of each drawing made by the agency on letters or other instruments.

NET FLOW: The total amount disbursed over a given accounting period, less repayments of LOAN principal during the same period, no account being taken of interest.

NET TRANSFER: In DAC statistics, NET FLOW minus payments of interest.

OFFICIAL AID (OA): Flows which meet the conditions of eligibility for inclusion in OFFICIAL DEVELOPMENT ASSISTANCE, except that the recipients are on Part II of the DAC List of Aid Recipients (see RECIPIENT COUNTRIES AND TERRITORIES).

OFFICIAL DEVELOPMENT ASSISTANCE (ODA): GRANTS or LOANS to countries and territories on Part I of the DAC List of Aid Recipients (developing countries) which are:

- Undertaken by the official sector.
- With promotion of economic development and welfare as the main objective.
- At concessional financial terms (if a loan, having a GRANT ELEMENT of at least 25%).

In addition to financial flows, TECHNICAL CO-OPERATION is included in aid. Grants, loans and credits for military purposes are excluded. For the treatment of

the forgiveness of loans originally extended for military purposes, see “Notes on Definitions and Measurement” below.

OFFICIAL DEVELOPMENT FINANCE (ODF): Used in measuring the inflow of resources to recipient countries: includes *a)* bilateral ODA, *b)* GRANTS and concessional and non-concessional development lending by multilateral financial institutions, and *c)* those OTHER OFFICIAL FLOWS which are considered developmental (including refinancing LOANS) but which have too low a GRANT ELEMENT to qualify as ODA.

OFFSHORE BANKING CENTRES: Countries or territories whose financial institutions deal primarily with non-residents.

OTHER OFFICIAL FLOWS (OOF): Transactions by the official sector with countries on the DAC List of Aid Recipients which do not meet the conditions for eligibility as OFFICIAL DEVELOPMENT ASSISTANCE or OFFICIAL AID, either because they are not primarily aimed at development, or because they have a GRANT ELEMENT of less than 25%.

PARTIALLY UNTIED AID: Official Development Assistance for which the associated goods and services must be procured in the donor country or among a restricted group of other countries, which must however include substantially all recipient countries. Partially untied aid is subject to the same disciplines as TIED AID credits and ASSOCIATED FINANCING.

PRIVATE FLOWS: Consist of flows at market terms financed out of private sector resources (*i.e.* changes in holdings of private LONG-TERM assets held by residents of the reporting country) and private grants (*i.e.* grants by **non-governmental**

organisations, net of subsidies received from the official sector). In presentations focusing on the receipts of recipient countries, flows at market terms are shown as follows:

- **Direct investment:** Investment made to acquire or add to a lasting interest in an enterprise in a country on the DAC List of Aid Recipients (see RECIPIENT COUNTRIES AND TERRITORIES). “Lasting interest” implies a long-term relationship where the direct investor has a significant influence on the management of the enterprise, reflected by ownership of at least 10% of the shares, or equivalent voting power or other means of control. In practice it is recorded as the change in the net worth of a subsidiary in a recipient country to the parent company, as shown in the books of the latter.
- **International bank lending:** Net lending to countries on the DAC List of Aid Recipients by banks in OECD countries. LOANS from central monetary authorities are excluded. Guaranteed bank loans and bonds are included under OTHER PRIVATE or BOND LENDING (see below) in these presentations.
- **Bond lending:** Net completed international bonds issued by countries on the DAC List of Aid Recipients.
- **Other private:** Mainly reported holdings of equities issued by firms in aid recipient countries.

In data presentations which focus on the outflow of funds from donors, private flows other than direct investment are restricted to credits with a MATURITY of greater than one year and are usually divided into:

- **Private export credits:** See EXPORT CREDITS.

- **Securities of multilateral agencies:** This covers the transactions of the private non-bank and bank sector in bonds, debentures etc. issued by multilateral institutions.

- **Bilateral portfolio investment and other:** Includes bank lending and the purchase of shares, bonds and real estate.

RECIPIENT COUNTRIES AND TERRITORIES: The DAC List of Aid Recipients used to compile the statistics in this volume is shown separately at the end of this publication. Some details about recent changes in the List are given in the “Notes on Definitions and Measurement” below. From 1 January 2000, Part I of the List is presented in the following categories (the word “countries” includes territories):

- **LDCs:** Least Developed Countries. Group established by the United Nations. To be classified as an LDC, countries must fall below thresholds established for income, economic diversification and social development. The DAC List is updated immediately to reflect any change in the LDC group.
- **Other LICs:** Other Low-Income Countries. Includes all non-LDC countries with per capita GNP \$760 or less in 1998 (World Bank Atlas basis).
- **LMICs:** Lower Middle-Income Countries, *i.e.* with GNP per capita (Atlas basis) between \$761 and \$3 030 in 1998. LDCs which are also LMICs are only shown as LDCs – not as LMICs.
- **UMICs:** Upper Middle-Income Countries, *i.e.* with GNP per capita (Atlas basis) between \$3 031 and \$9 360 in 1998.
- **HICs:** High-Income Countries, *i.e.* with GNP per capita (Atlas basis) more than \$9 360 in 1998.

Part II of the List comprises “Countries in Transition”. These comprise *i)* more

advanced Central and Eastern European Countries and New Independent States of the former Soviet Union; and *ii*) more advanced developing countries. See also OFFICIAL AID.

SHORT-TERM: Used of LOANS with a MATURITY of one year or less.

TECHNICAL CO-OPERATION: Includes both (a) GRANTS to nationals of aid recipient countries receiving education or training at home or abroad, and (b) payments to consultants, advisers and similar personnel as well as teachers and administrators serving in recipient countries (including the cost of associated equipment). Assistance of this kind provided specifically to facilitate the implementation of a capital project is included indistinguishably among bilateral project and programme expenditures, and is omitted from technical co-operation in statistics of aggregate flows.

TIED AID: Official GRANTS or LOANS where procurement of the goods or services involved is limited to the donor country or to a group of countries which does not include substantially all aid recipient countries. Tied aid loans, credits and ASSOCIATED FINANCING packages are subject to certain disciplines concerning their CONCESSIONALITY LEVELS, the countries to which they may be directed, and their developmental relevance so as to avoid using aid funds on projects that would be commercially viable with market finance, and to ensure that recipient countries receive good value. Details are given in the **Development Co-operation Reports** for 1987 (pp. 177-181) and 1992 (pp. 10-11).

TOTAL RECEIPTS: The inflow of resources to aid recipient countries (see

Table I of the Statistical Annex) includes, in addition to ODF, official and private EXPORT CREDITS, and LONG- and SHORT-TERM private transactions (see PRIVATE FLOWS). Total receipts are measured net of AMORTIZATION payments and repatriation of capital by private investors. **Bilateral** flows are provided directly by a donor country to an aid recipient country. **Multilateral** flows are channelled via an international organisation active in development (*e.g.* World Bank, UNDP). In tables showing total receipts of recipient countries, the outflows of multilateral agencies to those countries is shown, not the contributions which the agencies received from donors.

UNDISBURSED: Describes amounts committed but not yet spent. See also COMMITMENT, DISBURSEMENT.

UNTIED AID: Official Development Assistance for which the associated goods and services may be fully and freely procured in substantially all countries.

VOLUME (real terms): The flow data in this publication are expressed in US dollars. To give a truer idea of the volume of flows over time, some data are presented in constant prices and exchange rates, with a reference year specified. This means that adjustment has been made to cover both inflation in the donor's currency between the year in question and the reference year, and changes in the exchange rate between that currency and the United States dollar over the same period. A table of combined conversion factors (deflators) is provided in the Statistical Annex (Table 36) which allows any figure in the Report in current United States dollars to be converted to dollars of the reference year ("constant prices").

Notes on Definitions and Measurement

The coverage of the data presented in this Report has changed in recent years. The main points are:

Changes in the ODA concept and the coverage of GNP

While the definition of Official Development Assistance has not changed since 1972, some changes in interpretation have tended to broaden the scope of the concept. The main ones are the recording of administrative costs as ODA (from 1979), the imputation as ODA of the share of subsidies to educational systems representing the cost of educating students from aid recipient countries (first specifically identified in 1984), and the inclusion of assistance provided by donor countries in the first year after the arrival of a refugee from an aid recipient country (eligible to be reported from the early 1980s but widely used only since 1991).

Precise quantification of the effects of these changes is difficult because changes in data collection methodology and coverage are often not directly apparent from members' statistical returns. The amounts involved can, however, be substantial. For example, reporting by Canada in 1993 included for the first time a figure for in-Canada refugee support. The amount involved (\$184 m.) represented almost 8% of total Canadian ODA. Aid flows reported by Australia in the late 1980s, it has been estimated, were some 12% higher than had they been calculated according to the rules

and procedures applying fifteen years earlier.*

The coverage of national income has also been expanding through the inclusion of new areas of economic activity and the improvement of collection methods. In particular, the new System of National Accounts (SNA) co-sponsored by the OECD and other major international organisations broadens the coverage of GNP, now renamed GNI – Gross National Income. This tends to depress donors' ODA/GNI ratios. Norway's and Denmark's ODA/GNI ratios declined by 6 to 8% as a result of moving to the new SNA in the mid-1990s. Finland and Australia later showed smaller falls of 2 to 4%. All DAC members are now using the new SNA.

Recipient country coverage

Since 1990, the following entities have been added to the list of ODA recipients at the dates shown: the Black Communities of South Africa (1991 – now simply South Africa); Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan (1992); Armenia, Georgia and Azerbaijan (1993), Palestinian Administered Areas (1994), Moldova (1997). Eritrea, formerly part of Ethiopia, has been treated as a separate country from 1993. The former United States Trust Territory of the Pacific Islands has been progressively replaced by its independent successor states, viz. Federated States of Micronesia and Marshall

* S. Scott, "Some Aspects of the 1988/89 Aid Budget", in *Quarterly Aid Round-up*, No. 6, AIDAB, Canberra, 1989, pp. 11-18.

Islands (1992); Northern Marianas and Palau Islands (1994).

Over the same period, the following countries and territories have been removed from the ODA recipient list: Portugal (1991); French Guyana, Guadeloupe, Martinique, Réunion and St Pierre and Miquelon (1992), Greece (1994).

From 1993, several CEEC/NIS countries in transition have been included on Part II of a new List of Aid Recipients (the List is given at the end of this volume). Aid to countries on Part II of the List is recorded as "Official Aid", not as ODA. To avoid overlap, Part II of the new List does not include those CEEC/NIS countries which have been classified as ODA recipients.

From 1996, the following High-Income Countries were transferred from Part I to Part II of the List: Bahamas, Brunei, Kuwait, Qatar, Singapore and United Arab Emirates. From 1997, seven further High-Income Countries were transferred to Part II: Bermuda, Cayman Islands, Chinese Taipei, Cyprus, Falkland Islands, Hong Kong (China), and Israel. From 1 January 2000, Aruba, the British Virgin Islands, French Polynesia, Gibraltar, Korea, Libya, Macao, Netherlands Antilles, New Caledonia and Northern Marianas progressed to Part II. In 2001, Senegal transferred to the group of LDCs, and Northern Marianas left the List.

Data on total aid to Part I countries (ODA) and total aid to Part II countries (OA) follow the recipient list for the year in question. However, when a country is added to or removed from an income group in Part I, totals for the groups affected are adjusted retroactively to maximise comparability over time with reference to the current list.

Donor country coverage

Spain and Portugal joined the DAC in 1991, Luxembourg joined in 1992 and Greece joined in 1999. Their assistance is now counted within the DAC total. ODA flows from these countries before they joined the DAC have been added to earlier years' data where available. The accession of new members has added to total DAC ODA, but has usually reduced the overall ODA/GNP ratio, since their programmes are often smaller in relation to GNP than those of the longer-established donors.

Treatment of debt forgiveness

The treatment of the **forgiveness of loans not originally reported as ODA** varied in earlier years. Up to and including 1992, where forgiveness of non-ODA debt met the tests of ODA it was reportable as ODA. From 1990 to 1992 inclusive it remained reportable as part of a country's ODA, but was excluded from the DAC total. From 1993, forgiveness of debt originally intended for military purposes has been reportable as "Other Official Flows", whereas forgiveness of other non-ODA loans (mainly **export credits**) recorded as ODA is included both in country data and in total DAC ODA in the same way as it was until 1989.

The **forgiveness of outstanding loan principal originally reported as ODA** does not give rise to a new net disbursement of ODA. Statistically, the benefit is reflected in the fact that because the cancelled repayments will not take place, net ODA disbursements will not be reduced.

Reporting year

All data in this publication refer to calendar years, unless otherwise stated.

DAC List of Aid Recipients – For 2001 Flows

Part I: Developing Countries and Territories (Official Development Assistance)					Part II: Countries and Territories in Transition (Official Aid)	
LLDCs	Other LICs (per capita GNP < \$760 in 1998)	LMICs (per capita GNP \$761-\$3 030 in 1998)	UMICs (per capita GNP \$3 031-\$9 360 in 1998)	HICs (per capita GNP > \$9 360 in 1998) ¹	CEECs/NIS	More Advanced Developing Countries and Territories
Afghanistan Angola Bangladesh Benin Bhutan Burkina Faso Burundi Cambodia Cape Verde Central African Republic Chad Comoros Congo, Dem. Rep. Djibouti Equatorial Guinea Eritrea Ethiopia Gambia Guinea Guinea-Bissau Haiti Kiribati Laos Lesotho Liberia Madagascar Malawi Maldives Mali Mauritania Mozambique Myanmar Nepal Niger Rwanda Samoa São Tomé and Príncipe Sierra Leone Solomon Islands Somalia Sudan Tanzania Togo Tuvalu Uganda Vanuatu Yemen Zambia	* Armenia * Azerbaijan Cameroon China Congo, Rep. Côte d'Ivoire East Timor Ghana Honduras India Indonesia Kenya Korea, Democratic Republic * Kyrgyz Rep. * Moldova Mongolia Nicaragua Nigeria Pakistan Senegal ² * Tajikistan * Turkmenistan Viet Nam Zimbabwe	* Albania Algeria Belize Bolivia Bosnia and Herzegovina Colombia Costa Rica Cuba Dominica Dominican Republic Ecuador Egypt El Salvador Fiji * Georgia Guatemala Guyana Iran Iraq Jamaica Jordan * Kazakhstan Macedonia (former Yugoslav Republic) Marshall Islands Micronesia, Federated States Morocco Namibia Niue	Palestinian Administered Areas Papua New Guinea Paraguay Peru Philippines South Africa Sri Lanka St Vincent and Grenadines Suriname Swaziland Syria Thailand • Tokelau Tonga Tunisia * Uzbekistan • Wallis and Futuna Yugoslavia, Federal Republic	Botswana Brazil Chile Cook Islands Croatia Gabon Grenada Lebanon Malaysia Mauritius • Mayotte Mexico Nauru Palau Islands Panama • St Helena St Lucia Trinidad and Tobago Turkey Uruguay Venezuela	Malta ¹ Slovenia ¹	* Belarus * Bulgaria * Czech Republic * Estonia * Hungary * Latvia * Lithuania * Poland * Romania * Russia * Slovak Republic * Ukraine • Aruba Bahamas • Bermuda Brunei • Cayman Islands Chinese Taipei Cyprus • Falkland Islands • French Polynesia • Gibraltar • Hong Kong, China Israel Korea Kuwait Libya • Macao • Netherlands Antilles • New Caledonia Qatar Singapore United Arab Emirates • Virgin Islands (UK)

* Central and eastern European countries and New Independent States of the former Soviet Union (CEECs/NIS).

• Territory.

1. These countries and territories will transfer to Part II on 1 January 2003.

As of July 2002, **the Heavily Indebted Poor Countries (HIPC)** are: Angola, Benin, Bolivia, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Congo (Dem. Rep.), Congo (Rep.), Côte d'Ivoire, Ethiopia, Gambia, Ghana, Guinea, Guinea-Bissau, Guyana, Honduras, Kenya, Laos, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nicaragua, Niger, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Uganda, Viet Nam and Zambia.

List of acronyms¹

ACP	AFRICAN, CARIBBEAN AND PACIFIC COUNTRIES
AERA	ACCELERATED ECONOMIC RECOVERY IN ASIA
AfDB	AFRICAN DEVELOPMENT BANK
AfDF	AFRICAN DEVELOPMENT FUND
AsDB	ASIAN DEVELOPMENT BANK
AsDF	ASIAN DEVELOPMENT FUND
ASEAN	ASSOCIATION OF SOUTH-EAST ASIAN NATIONS
BIS	BANK FOR INTERNATIONAL SETTLEMENTS
BHN	BASIC HUMAN NEEDS
BSS	BASIC SOCIAL SERVICES
CCA	COMMON COUNTRY ASSESSMENT
CDE	CAPACITY DEVELOPMENT IN ENVIRONMENT
CDF	COMPREHENSIVE DEVELOPMENT FRAMEWORK
CEC	COMMISSION OF THE EUROPEAN COMMUNITIES
CEDAW	CONVENTION ON THE ELIMINATION OF DISCRIMINATION AGAINST WOMEN
CEECs	CENTRAL AND EASTERN EUROPEAN COUNTRIES
CFA²	AFRICAN FINANCIAL COMMUNITY
CIS	COMMONWEALTH OF INDEPENDENT STATES
CMH	COMMISSION ON MACROECONOMICS AND HEALTH (WHO)
CPE	COUNTRY PROGRAMME EVALUATION
CPIA	COUNTRY POLICY AND INSTITUTIONAL ASSESSMENT
CRS	CREDITOR REPORTING SYSTEM (of the DAC)
CSOs	CIVIL SOCIETY ORGANISATIONS
DAC	DEVELOPMENT ASSISTANCE COMMITTEE
DCD	DEVELOPMENT CO-OPERATION DIRECTORATE (OECD)
EBRD	EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT
EC	EUROPEAN COMMUNITY
ECA	ECONOMIC COMMISSION FOR AFRICA
ECHO	EUROPEAN COMMUNITY HUMANITARIAN OFFICE
EDF	EUROPEAN DEVELOPMENT FUND
EFA	EDUCATION FOR ALL
ESAF	ENHANCED STRUCTURAL ADJUSTMENT FACILITY (IMF, now PRGF)
EU	EUROPEAN UNION
FDI	FOREIGN DIRECT INVESTMENT
FSAP	FINANCIAL SECTOR ASSESSMENT PROGRAMME (of the IMF/World Bank)
GSP	GENERALISED SYSTEM OF PREFERENCES
GNI	GROSS NATIONAL INCOME
HICs	HIGH-INCOME COUNTRIES
HIPCs	HEAVILY-INDEBTED POOR COUNTRIES (see DAC List of Aid Recipients in this annex)
HPI	HUMAN POVERTY INDEX
IBRD	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
ICB	INTERNATIONAL COMPETITIVE BIDDING

ICPD	INTERNATIONAL CONFERENCE ON POPULATION AND DEVELOPMENT (Cairo, 1994)
IDA	INTERNATIONAL DEVELOPMENT ASSOCIATION
IDAI	INTEGRATED DEVELOPMENT ACTIVITY INFORMATION
IDB	INTER-AMERICAN DEVELOPMENT BANK
IDGs	INTERNATIONAL DEVELOPMENT GOALS
IECDF	INTERNATIONAL ECONOMIC CO-OPERATION DEVELOPMENT FUND
IFAD	INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
IFC	INTERNATIONAL FINANCE CORPORATION
ILO	INTERNATIONAL LABOUR ORGANISATION
IMF	INTERNATIONAL MONETARY FUND
IMSG	INFORMAL MULTILATERAL SECRETARIATS GROUP
IRTA	INVESTMENT-RELATED TECHNICAL ASSISTANCE
ITC	INTERNATIONAL TRADE CENTRE
JBIC	JAPAN BANK FOR INTERNATIONAL CO-OPERATION (ex OECF + JEXIM)
JEXIM	JAPAN EXPORT IMPORT BANK (now JBIC)
KfW²	BANK FOR RECONSTRUCTION AND DEVELOPMENT (Germany)
LDCs	DEVELOPING COUNTRIES
LICs	LOW-INCOME COUNTRIES
LLDCs	LEAST DEVELOPED COUNTRIES
LMICs	LOWER MIDDLE-INCOME COUNTRIES
MDBs	MULTILATERAL DEVELOPMENT BANKS
NEPAD	NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT
NGO	NON-GOVERNMENTAL ORGANISATION
NIS	NEW INDEPENDENT STATES (of the former Soviet Union)
NSSDs	NATIONAL STRATEGIES FOR SUSTAINABLE DEVELOPMENT
ODA	OFFICIAL DEVELOPMENT ASSISTANCE
ODF	OFFICIAL DEVELOPMENT FINANCE
OECD	ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT
OECF	OVERSEAS ECONOMIC CO-OPERATION FUND (Japan, now JBIC)
OLICs	OTHER LOW-INCOME COUNTRIES
OOF	OTHER OFFICIAL FLOWS
PDGG	PARTICIPATORY DEVELOPMENT AND GOOD GOVERNANCE
PRGF	POVERTY REDUCTION AND GROWTH FACILITY (IMF, formerly ESAF)
PRSP	POVERTY REDUCTION STRATEGY PAPER
RBM	RESULTS-BASED MANAGEMENT
S-21	21st CENTURY STRATEGY
SAF	STRUCTURAL ADJUSTMENT FACILITY
SDR	SPECIAL DRAWING RIGHT
SNA	SYSTEM OF NATIONAL ACCOUNTS
SPA	STRATEGIC PARTNERSHIP WITH AFRICA (formerly Special Programme of Assistance for Africa)
SPS	SECTOR PROGRAMME SUPPORT
SSA	SUB-SAHARAN AFRICA
SWAPs	SECTOR-WIDE APPROACHES

TC	TECHNICAL CO-OPERATION
TRTA	TRADE-RELATED TECHNICAL ASSISTANCE
UMICs	UPPER MIDDLE-INCOME COUNTRIES
UN	UNITED NATIONS
UNCED	UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT (Rio de Janeiro, 1992)
UNCTAD	UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT
UNDAF	UNITED NATIONS DEVELOPMENT ASSISTANCE FRAMEWORK
UNDP	UNITED NATIONS DEVELOPMENT PROGRAMME
UNEP	UNITED NATIONS ENVIRONMENT PROGRAMME
UNESCO	UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANISATION
UNFCCC	UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE
UNFPA	UNITED NATIONS FUND FOR POPULATION ACTIVITIES
UNHCR	UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES
UNICEF	UNITED NATIONS CHILDREN'S FUND
WFP	WORLD FOOD PROGRAMME
WHO	WORLD HEALTH ORGANISATION
WID	WOMEN IN DEVELOPMENT
WSSD	WORLD SUMMIT FOR SUSTAINABLE DEVELOPMENT (Johannesburg, 2002)
WTO	WORLD TRADE ORGANISATION

1. This list is not exhaustive. It provides the most common development co-operation related acronyms, including those referred to in this Report. Acronyms for country Ministries and Aid Agencies are provided in Chapter V.
2. Denotes acronym in the original language.

Preface by the Secretary-General	3
Foreword by the DAC Chairman	5
Overview by the DAC Chairman, Mr. Jean-Claude Faure	11

Part I
Aid Effectiveness

I	An Action Plan for Aid Effectiveness	27
	1. Introduction	27
	2. Current DAC/DCD work on aid effectiveness	27
	3. Future directions	29
	4. Conclusion	33
II	Managing for Development Results and Aid Effectiveness	35
	1. Introduction	35
	2. Strategic context	36
	3. Managing for results at the operational level	37
	4. Results management in public sector reforms in developing countries	42
	5. Implications for management.....	45
	6. Main conclusions and findings of the Forum	49
III	Harmonising Donor Practices for Effective Aid Delivery	53
	1. Introduction	53
	2. The Needs Assessment Survey	54
	3. A Framework for Donor Co-operation	57

Part II
Donor Efforts

IV	Peer Review: A Tool for Co-operation and Change	69
	1. An OECD working method	69
	2. The peer review process in the Development Assistance Committee.....	77
V	Reviewing Donor Efforts and Policies	85
	1. ODA trends in 2001	85
	2. ODA outlook after Monterrey.....	88
	3. Untying ODA to the least developed countries	88
	4. Notes on individual DAC members	90
	Australia.....	93
	Austria	94
	Belgium.....	95
	Canada.....	96
	Denmark.....	98
	European Community.....	99

Finland	101
France	102
Germany	103
Greece	104
Ireland	106
Italy.....	107
Japan	108
Luxembourg.....	109
The Netherlands	110
New Zealand.....	111
Norway.....	112
Portugal.....	113
Spain.....	114
Sweden	116
Switzerland	117
United Kingdom	118
United States	119
5. Notes on non-DAC OECD members' aid programmes	121
Czech Republic.....	121
Iceland.....	121
Korea.....	122
Mexico	123
Poland	123
Slovak Republic.....	124
Turkey.....	124
Special Module: Millennium Development Goals:	
Progress during the 1990s	127

Part III

Inclusive Globalisation

VI	Trade Capacity Building after Doha: Making it a Reality.....	141
	1. Introduction	141
	2. The Trade Capacity Building Database.....	142
	3. Regional Workshop on "Trade Capacity Building: Experiences in an African Context"	145
VII	Working for Development in Difficult Partnerships.....	153
	1. Introduction	153
	2. Joint DAC/World Bank/EC/UNDP Workshop on "Working for Development in Difficult Partnerships", 28-29 October 2002	153
	3. DAC Experts Meeting on "Afghanistan Reconstruction and Recovery: Seeing Round the Corner", 2-3 May 2002.....	160
VIII	Investing in Health to Reduce Poverty	165
	1. Background: the DAC Reference Document on Poverty and Health.....	165
	2. Introduction	165

3. Poverty and health	167
4. Key actions to promote pro-poor health	167
5. Defining and applying a pro-poor health approach.....	169
6. Responding to different country contexts	173
7. Mobilising resources for pro-poor health	174
8. Improving the effectiveness of development co-operation to meet pro-poor health objectives	176

IX

Supporting the Development of Water and Sanitation Services in Developing Countries	179
1. Introduction	179
2. Aid to the water supply and sanitation sector: a statistical overview	180
3. Providing water and sanitation services in rapidly growing cities	186
4. Water resources management and gender equality	188

Part IV The DAC at Work

1. Development Assistance Committee (DAC)	195
The DAC's Mission	195
Key Activities	195
Structure and Membership of the DAC and its Subsidiary Bodies in 2002.....	197
2. Development Co-operation Directorate (DCD)	209
Structure of the Development Co-operation Directorate in 2002	211
Staff of the Development Co-operation Directorate.....	212
DAC/DCD Website Themes and Aliases	215
Statistical Annex	217

Technical Notes (including Key Terms, Definitions, Acronyms and DAC List of Aid Recipients)	319
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Tables	
Table III-1. Burdens as ranked by respondents	55
Table III-2. Initiatives suggested for improving management.....	56
Table IV-1. DAC peer review processes.....	79
Table V-1. Net official development assistance from DAC members in 2000 and 2001	86
Table VIII-1. Official development assistance (ODA) to health, 1996-2001: annual average commitment and share in total aid allocated by sector	175
Table IX-1. Aid to water supply and sanitation by donor.....	183

Charts

Chart V-1. Net ODA from DAC countries in 2001	87
Chart IX-1. Aid to water supply and sanitation, commitments 1973-2001: 5-year moving average	181
Chart IX-2. Water supply and sanitation aid by subsector, 1997-2001	184
Chart IX-3. Geographical breakdown of aid for water supply and sanitation, commitments 1996-2001	184
Chart IX-4. Aid for water supply and sanitation by recipient – Overview of targeting to countries most in need, commitments 2000-2001	185

Boxes

Box II-1. Managing for results: Canada, the United States and the United Kingdom	40
Box II-2. Results orientation in the World Bank	41
Box II-3. Public sector reform in Tanzania	43
Box II-4. PARIS21	48
Box III-1. Guiding principles on providing co-ordinated aid	58
Box III-2. Donor-government partnerships in Uganda	60
Box III-3. Joint programme for macro-financial support in Mozambique	61
Box III-4. Examples of joint working in India and Viet Nam	63
Box III-5. Adopting common procedures: Cambodia and Viet Nam	64
Box III-6. Reviewing the constraints to more flexible working	66
Box V-1. Client Survey Study of DAC Peer Reviews	91
Box V-2. DAC Peer Review of Canada, 15 November 2002	97
Box V-3. DAC Peer Review of the European Community, 6 June 2002	100
Box V-4. DAC Peer Review of Greece, 12 March 2002	105
Box V-5. DAC Peer Review of Spain, 9 April 2002	115
Box V-6. DAC Peer Review of the United States, 22 October 2002	120
Box VI-1. Snapshot of trade-related technical assistance and capacity building (TRTA/CB) in 2001	144
Box VI-2. Trade capacity building in the African context	148
Box VII-1. Approaches to addressing difficult partnerships	156
Box IX-1. Reforming water utilities: key institutional priorities	188
Box IX-2. Facilitating access to affordable water and sanitation services to the poor	189
Box IX-3. Ensuring quality and sustainability of water and sanitation facilities: Why gender equality matters	191
Box IX-4. Women's involvement in the Lombok Rural Water Supply and Sanitation Project	192