

AFRICAN DEVELOPMENT BANK GROUP



Integrated Water Resource Management: How Relevant is it to Water Operations by the African Development Bank?

Evaluation Approach Paper

**OPERATIONS EVALUATION DEPARTMENT
(OPEV)**

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“IWRM is a challenge to conventional practices, attitudes and professional certainties. It confronts entrenched sectoral interests and requires that the water resource is managed holistically for the benefits of all. No one pretends that meeting the IWRM challenge will be easy but it is vital that a start is made now to avert the burgeoning crisis.” [Global Water Partnership](#)

1. Introduction

Water resources and water services in Africa are severely underdeveloped with less than five percent of Africa’s surface and groundwater harnessed for use¹. Water utilization for agriculture and energy production is low, constraining economic growth, poverty reduction and the achievement of the MDGs. In Sub-Saharan Africa, 40 percent of the population lacks access to safe drinking water and 69 percent to improved sanitation facilities with worse conditions in rural areas. The health implications of these statistics are enormous; over 1 million African children die from water related diseases each year, many under the age of five.

Climate change, population growth, rapid urbanization and extreme events such as droughts and floods are intensifying bringing new challenges to water management in the region.

For these reasons, water resource management is a key area of investment for the African Development Bank and is central to the achievement of wider corporate policy objectives.

Water management features throughout the Bank’s *Medium Term Strategy (2008-2012)* and in several Bank policy documents covering gender, transport, energy, agriculture, climate risk management, food security and the environment. Achieving results in water is therefore central to overall corporate performance.

In April 2000, the Bank approved a *Policy for Integrated Water Resource Management (IWRM)* to promote efficient, equitable, and sustainable development in water covering all investments in water including water and sanitation, agricultural production, energy and the protection of biodiversity and the environment. The IWRM policy called for a *new approach to water* based on its competing needs, and recognizing its connection with socio economic development, security, energy and food production, public health, the environment and other public policy objectives. A disjointed and sub-sectoral approach would therefore be replaced by an integrated approach, which would account of each of these broader policy issues. It is an approach that countries themselves are encouraged to adopt and not one which applies just to the AFDB.

¹ AFDB Water for Life: Accelerating Resource Mobilisation for Water and Sanitation in Africa. Concept Note for the 2011 AFDB Annual Meetings in Lisbon

IWRM has become a framework in the Bank for water governance, policy dialogue, and institutional building. IWRM has led to new partnerships (for financing projects and building Bank IWRM capacity) with bilateral and multi-lateral organizations involved in operations, water policy, water management and development.

Recently, the Operations Evaluation Department (OPEV), has planned to produce an evaluation that will assess how IWRM has been applied to decisions underpinning Bank investments in water and water related activities from 2000-2010. This evaluation will examine: (a) the Bank wide response to the IWRM policy particularly the scale and focus of water related operations over the period since the introduction of the IWRM policy; (b) the extent to which the Bank is organizationally equipped to deliver the IWRM policy objectives and respond to the changing water needs of its RMC clients; and (c) the extent to which the adoption of the IWRM approach has improved water interventions by the Bank and results in RMCs.

The evaluation scope will cover the 10 year period, since the approval of the IWRM approach, both at the policy, strategy and operational levels and will look for evidence of IWRM in country strategies and in project appraisal documents in water interventions. The rest of this paper sets out the background to this evaluation, particularly the emergence of high level political institutions in Africa that support water development and their relationship with the Bank and its approach to water.

2. Background

Evolution of Water Policy and Institutions in Africa

The Bank’s approach to water has been shaped in recent years by an evolving international, and increasingly African, consensus that recognizes the importance of water for the achievement of wider development objectives, particularly the MDGs. Poor access to water, for households and industry, is a major constraint to economic growth and poverty reduction and to development in Africa more generally.

The main guiding instruments used for the Bank’s water activities are *The Africa Water Vision 2025* and the political commitments made by the African Minister’s Council on Water (AMCOW) the most recent of which are summarized in the table below.

Table 1: Africa’s Evolving Water Consensus

<p>The eThekweni Declaration and AfricaSan Action Plan 2008</p>	<p>Articulates the critical actions to be further developed, funded and monitored by 2010 in order to put Africa “back on track” to meet the sanitation MDGs. Ministers pledged to create separate budget lines for sanitation and hygiene in their countries to commit at least 0.5% of GDP</p>
<p>Tunis: First African Water</p>	<p><i>AMCOW Ministerial Declaration on “Accelerating Water Security for Africa’s</i></p>

Week March 2008	<i>Social and Economic Development” which sees greater investment in water infrastructure as a means to achieve economic growth and poverty reduction and to strengthen the case for water use and sanitation infrastructure in National Development Plans and public expenditure and direct an increasing proportion of multi-lateral finance into infrastructure</i>
Sharm-el-Sheikh: Assembly of the African Union June 2008	<i>Africa’s Heads of State made commitments for accelerating the achievement of Water and Sanitation Goals by updating national water management policies, regulatory frameworks, and programmes and preparation of national strategies and action plans for achieving the MDG targets for water and sanitation over the next seven years</i>
Sirte December 2008	<i>Ministerial Declaration on Water for Agriculture and Energy in Africa and the Challenges of Climate Change committed to the adoption of sound policies and associated institutional reforms in support of water development at the national, regional and continental levels in order to fully exploit the potentialities of both the agriculture and energy sectors</i>

The Africa Water Vision (AWV) was adopted at the second World Water Forum in The Hague in 2000. The goal of the AWV is “equitable and sustainable use and management of water resources for poverty alleviation, socio-economic development, regional cooperation and the environment” which clearly places water at the centre of wider development objectives in Africa.

To ensure leadership and sufficient political support for the AWV, the Africa Union set up AMCOW in 2002 and made it responsible for the implementation of AWV’s objectives.² AMCOW established the **African Water Facility** (2004) hosted and managed by the African Development Bank. The Bank’s activities in the water sector are therefore linked directly to high-level political structures that support the development of water in Africa.

Evolution of the Bank’s Institutional Structures for Delivering Water Policy

The Bank’s approach to water is set out in the IWRM policy approved by the Bank in 2000.³ While the policy saw the Bank as playing a major role in the water sector in Africa it also recognized the need to create and sustain adequate in-house capacity within the Bank. In particular it called for:

1. the creation of a focal point which would take the lead in institutionalizing the IWRM concept across Bank wide water sector operations;

² AMCOW’s membership is made up of African Ministers with responsibility for water resources.

³ Key objectives of the IWRM policy are set out in Annexes 1 and 3

2. a multi disciplinary Task Force of professionals from different country departments with in the Bank who would collectively oversee the review and implementation of the IWRM approach and project appraisals
3. the allocation of adequate time to Bank staff to process and supervise water projects, especially during identification missions to ensure implementation of the IWRM concept in project formulation
4. detailed checklists and guidelines for water appraisals to be used by Bank water specialists; and
5. the allocation of high priority to water projects that incorporate the concepts of IWRM

The Bank's Organizational Response to IWRM

Prior to 2006, responsibility for water operations fell under the “Infrastructure” complexes – one for operations in North, East and South Africa, the other for Central and West Africa. Although the Africa Water Facility did exist as a unit within the Bank there was no specific *focal point* for water or for leading IWRM. However, in 2006, the **Water and Sanitation Department (OWAS)** was established to lead and coordinate water sector activities and to promote IWRM across all water interventions in the Bank.

A key function of OWAS is to engage in policy dialogue with RMCs on sector reforms, water security and adaptation to climate change, and with regional institutions such as AMCOW, NEPAD, and UN-Water Africa. OWAS is the main complex in the Bank through which a number of additional initiatives operate, including the Africa Water Facility and the Multi-Donor Water Partnership Programme (MDWPP). Water activities funded under NEPAD add an additional complexity which requires OWAS to adopt a water coordination role both within its own complex and in other operational complexes where water is key focus e.g. in Agriculture, Energy and Transport.

OWAS is also responsible for providing support to water and sanitation in urban and peri-urban areas (using ADF and ADB resources) and for the implementation of the Rural Water Supply and Sanitation Initiative (Trust Fund resources).

Water Initiatives and Programmes at AfDB

The Rural Water Supply and Sanitation Initiative (RWSSI) was conceived in 2002 as the Bank's response to the African Water Vision and the MDG targets for water and sanitation⁴. It was launched at the Pan-African conference on Water in December

⁴ MDG targets for water and sanitation are to half by 2015 the proportion of people without sustainable access to safe drinking water and basic sanitation.

2003 with the primary objective of assisting RMCs to address the problem of low access to water supply and sanitation in rural Africa.

The RWSSI's overall objective is to increase coverage in rural areas from the present 47 percent and 44 percent for water and sanitation respectively to 80 percent by 2015, providing an additional 270 million people with access to improved water supply and 300 million to adequate sanitation facilities. The overall estimated costs is US\$14 billion of which the Bank is committed to financing US\$4.2 billion (30 percent) with donors, governments and local communities contributing 50, 15 and 5 percent respectively of the total amount required.

The RWSSI aims to finance programmes (as opposed to isolated projects) and to build partnerships and leverage additional technical and financial resources from donors, government and civil society. The RWSSI Trust Fund, established in 2005, receives contributions from a range of bilateral donors as well as the AfDB. Principle functions of RWSSI include raising awareness of the water and sanitation situation in Africa, mobilizing funding, adapting fast track mechanisms, and prioritization of sanitation focusing on hygiene promotion and health education. RWSSI approaches emphasize capacity building, participation, and sustainability.

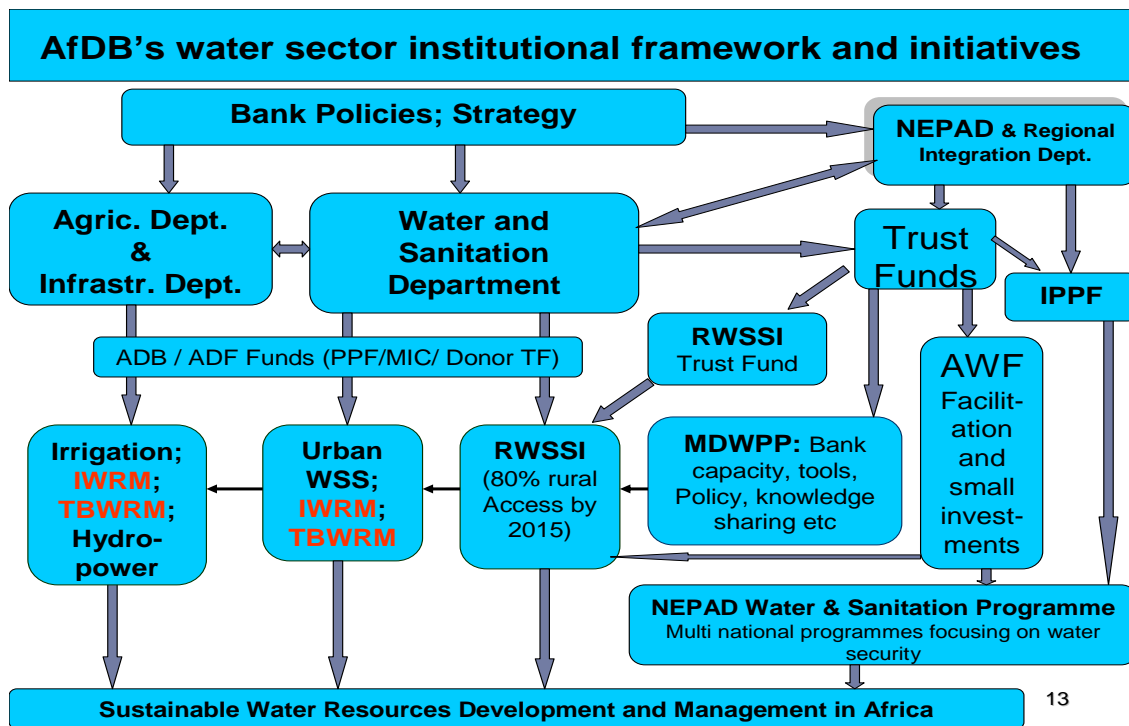
The Multi-Donor Water Partnership Programme was established in 2003 with funding from the Netherlands Government to support the AfDB in promoting IWRM practices and the implementation of the Bank's IWRM Policy in the RMCs. The funds also assist in building capacity of the Bank's professional staff, its management of water data and information, assessing and disseminating best practices and experiences and promoting effective collaboration and cooperation in the water sector in Africa. The MDWPP produces studies, guidelines and strategy papers in diverse areas relevant to the water sector (such as agriculture, wetlands, water supply and sanitation), and considers the health and socio economic impact of water. The MDWPP supports the exchange of ideas, experiences and best practices to build knowledge within the Bank, and other stakeholders for the effective implementation of various regional water initiatives.

The Africa Water Facility (AWF) is led by the Africa Minister's Council on Water (AMCOW) and was established in 2004 as a Special Water Fund managed by the African Development Bank. The AWF is an instrument to attract financial resources to build Africa's water infrastructure institutions and management capacity to meet the targets and goals of the AWV and the MDGs. The AWF has two broad objectives: (i) to improve the enabling environment to attract more investment for water; and (ii) to undertake capital investments for the purpose of triggering larger investments for sustainable development focused on IWRM.

The NEPAD Water and Sanitation Infrastructure Programme was created to accelerate the development of Africa's water resources on a regional level. NEPAD Water Sector Investment Programme aims at developing regional infrastructure, harmonizing sectoral procedures, enhancing financial flows towards investment in infrastructure and developing skills and knowledge for the installation, operation and maintenance of water and sanitation infrastructure. In line with the AWV, it aims to:

promote an enabling environment for regional cooperation, support the development of national IWRM policies, meet urgent water needs and improve water wisdom.

A diagram of the various interrelated water entities as they exist in the Bank and their relationship with the policy framework is set out below. It demonstrates the complexity of the policy and institutional setting for water in the Bank and the multiplication of Trust Funds and initiatives for responding to RMC water needs, including water and sanitation as just one aspect of the overall water response.



The evaluation questions that follow are therefore based on the relevance of the IWRM approach to the Bank’s water operations, the needs of RMCs, the efficiency and effectiveness of the institutional framework to respond to current and growing water issues and to the delivery of sustainable results in water at project, country and regional level.

3. The Evaluation

Scope

The evaluation scope will cover the period since the introduction of the IWRM Policy in 2000 until end 2010. This was a period of intense policy development and institutional change for water management both in and outside the Bank. While OWAS was specifically created to promote the IWRM approach, the evaluation will assess the

Bank-wide response to the IWRM policy and its impact on water activities and results in RMCs.

The evaluation will assess the implementation of the IWRM policy (see Annex 1 for a brief overview of the IWRM policy objectives). It will examine the institutional response by the Bank to the IWRM policy and how this has been translated into operational activities at the country level (including the development of the RMC policy response and the building of water institutions) to obtain results.

It will focus on the *on-going* relevance of the IWRM approach to decisions made by the Bank in its water portfolio i.e. how IWRM helps the Bank and RMCs make choices between competing demands for water investments. Included here are issues concerning the Bank's response to country needs; how choices are made at the country strategy level between competing water uses (i.e. between agriculture, energy, water and sanitation, environmental sustainability issues and others) and how IWRM is reflected in country strategy and project design across the water portfolio.

Institutional Framework and Management

The evaluation will assess the Bank wide response to IWRM and the institutional capacity to take forward the AWV objectives and respond efficiently to country needs and growing demands for water. It is interested in how the IWRM approach has been applied within both water specific projects and in mainstreaming water issues in other sectors e.g. human resource development in health and education.

While OWAS is the main focal point for IWRM in the Bank, the evaluation will also consider how other complexes have responded to the IWRM policy including infrastructure (ONRI), agriculture (OSAN) and energy and the environment (ONEC). Account will also need to be taken of the role of the African Water Facility, RWSSI, MDWPP, and NEPAD, as well as the role of other water related initiatives i.e., the Global Environmental Facility (GEF), the Programme for Infrastructure Development in Africa (PIDA) and the Climate Investment Funds (CIF). It will investigate non-sovereign loans to assess the extent to *which* the Bank is engaged in water though loans to the private sector. It will not include any ESW undertaken in the water sector. The evaluation will examine the institutional landscape for water in the Bank and the extent to which this provides an efficient and effective response to RMC and regional water needs.

Results will be assessed in two ways:

1. By assessing the relevance of the IWRM policy to RMCs and to the decisions made at the CSP level regarding the portfolio of water investments over the evaluation period; and
2. By assessing results on the ground over the evaluation period by drawing on evidence available in PCRs, PPERs and by undertaking country visits. A key question concerns the relevance and efficacy of the IWRM approach to achieving

country level results, particularly the ability of the government to sustain results through appropriate policy and institutional reforms, the adoption of appropriate regulation, pricing and social analysis.

Limitations of the evaluation

The evaluation will not assess the concept or purpose of the IWRM approach itself. However, the focus of the evaluation is on the IWRM approach and its implementation by the Bank in partnership with RMCs. This is to address whether this has contributed to the achievement of sustainable results at country and project level. However, the evaluation is interested in the ongoing relevance of IWRM and it will examine international literature to assess the extent to which the IWRM approach remains relevant to donor operations, country level results and new challenges in water operations.

The examination of results at project level is limited to the availability of PCRs, which may not be always available across the entire water portfolio or over the entire evaluation period. However, the evaluation will use existing PCR to assess emerging results and the factors that contributed to them. One way of overcoming this limitation will be to focus on those countries of which a wider range of PCR are available, otherwise, country visits will be designed to investigate the achievement of results in the water sector and the factors that contributed to these, including investments made by the Bank.

Data on water commitments by the Bank (where water is not the main project component) are not readily available and commitments made by non-water departments will not necessarily be recorded as water in SAP. While the SAP project recording system will be used to build a picture of water investments, this will not capture all water commitments and will need to be supplemented by building data from project appraisal reports, which will be labour and time intensive.

While the evaluation is interested in the Bank wide response to the IWRM policy it will not assess the efficiency and effectiveness of individual initiatives such as the RWSSI, MDWPP and NEPAD in detail as these initiatives have independent mechanisms for performance review. Investments made by these initiatives, however, will be included in the portfolio review as part of the Bank wide response to the IWRM. The results of these initiatives will also be considered in the country case studies as part of the Bank's operations in water.

Finally, while the evaluation is interested in results and on the factors that have contributed to these results, this evaluation is not considered an impact evaluation. This is because the evaluation does not draw a comparison or measure the effect of a water intervention on a group of people who received it verses those who did not. As such, the project does not have a counter-factual against which results can be assessed. Instead, it is interested in the relevance of the IWRM approach to both investment decisions (the water portfolio) and the results achieved on the ground with this approach.

Purpose and Objective of the Evaluation

The goal of the evaluation is to assess the relevance of the Bank's IWRM policy objectives to water operations and results at country level and, by doing so, contribute towards a new water policy.⁵

The overarching objective for the evaluation is to evaluate the relevance of the Bank's IWRM policy framework to country needs and the efficiency, effectiveness and sustainability of water operations by the Bank.

It will seek to identify changes that could be made in the future to both the policy framework and institutional structures for water management within the Bank.

Evaluation Questions

The questions below are framed around the issues of relevance, efficiency and effectiveness of the Bank's operations in the water sector. The evaluation activities (methods and instruments) that follow below are designed to collect sufficient information and evidence in order to answer these questions as objectively as possible. The questions will undergo further refinement in consultation with OWAS, ORPC and other water related departments in the Bank.

- **How relevant is the IWRM to the Bank's ability to meet the needs of its clients?**
 - What is the size and value of the water portfolio and how has its composition i.e. investment in water sub-sectors, changed over the evaluation period?
 - Is there evidence of IWRM in the investment portfolio⁶ - how has the portfolio changed over the evaluation period since the introduction of IWRM?
 - How is total investment in water decided? What is water as a share of total Bank operations and how has this changed over time?
 - How are resources allocated across countries baring in mind the water poverty index and countries defined to be under water stress?
 - Is the Bank responsive to emerging issues in water such as climate change, pollution, environmental issues, population growth and rapid urbanization?

- **To what extent are the Bank's organizational structures and processes efficient in the delivery of water operations?**
 - How does the Bank make decisions across competing water areas i.e., agriculture, energy and water and sanitation?

⁵ To be drafted by ORPC, Operational Resources and Policies Department

⁶ Not including ESW.

- Is the IWRM approach reflected in ⁷CSPs and has the strategy changed over the evaluation period?
 - How effectively do different complexes in the Bank work together at the country strategy level to achieve water objectives?
 - How successful has the Bank been in attracting additional finance for water, particularly investments for public-private partnerships?
 - How is IWRM reflected in project design and appraisal?
 - How are gender, social, economic, institutional and environmental issues treated in project design and appraisal?
 - Are country offices able to engage in policy dialogue in the water sector?
- **To what extent has the Bank's operations in water produced sustainable results?**
 - What are the main objectives of water interventions by the Bank?
 - To what extent were objectives achieved?
 - What mechanisms have been established to track results at the project and country level?
 - What were the main factors influencing the achievement/non achievement of water objectives?
 - What factors have contributed to the achievement and non-achievement of water results by other development agencies?

Evaluation Instruments and Methods

The different instruments that will be used to answer the main evaluation questions and sub-questions are briefly described below.

Portfolio Review

Portfolio Investments

Given the importance of water to development in Africa and to the achievement of the Bank's strategic objectives, the evaluation will focus on the scale of water investment by the Bank and how this has changed over the evaluation period. The evaluation will count investments made in water and sanitation, agriculture, energy, infrastructure, environment, climate change and others i.e. human resource development.

The portfolio review will attempt to capture all water investments by the Bank, including those investments where water is a sub-component, such as health and education. The review is interested in the share of water in total Bank lending and how it has evolved over the evaluation period; trends in water and sanitation, irrigation, hydropower, environmental flows and so on. It would also be important to capture the share of water in total investment by country and by region and in countries considered to be under water stress or rated as water poor.

⁷ The evaluation would look at CSPs in selected countries but not all CSP across the period.

Portfolio Performance

It will not be feasible to examine the performance of the entire water portfolio across the Bank. For this reason, two options are considered below:

Option 1: As it will not be possible to examine the performance of the water portfolio across the whole of the Bank, it is proposed that portfolio performance is examined at country level in a number of desk case studies (up to 15 desk studies).

Desk case studies could be selected from the following (to be refined following portfolio investment review and discussion with operational departments).

- The largest water borrowers (ADF and ADB countries)
- Water poor countries (as defined by the Water Poverty Index)
- Countries that share a major water resource
- Fragile states; and
- Countries for which a complete set of PCR are available.

The review would examine the scale of water investments in these countries over the evaluation period, the objectives of the water portfolio and the activities undertaken to achieve these objectives and the results achieved (from available Project Completion Reports and PPER). It would also draw on existing literature e.g. RWSSI reviews.

Option 2: Alternatively, the review of portfolio performance could focus only on water and sanitation operations. This is particularly if the commitment data shows that water and sanitation activities are the largest share of Bank water operations. The approach to be taken would depend on the availability of PCR for water and sanitation operations. If these are widely available, the performance review would focus on the water and sanitation operations portfolio over the evaluation period.

After consultation with stakeholder in the Bank, the first option has been selected as the IWRM policy that applies to all water operations not just water and sanitation interventions.

Literature review: The evaluation will assess (i) the on-going relevance of IWRM since its introduction by the Bank in 2000, (ii) how other donors have implemented and operationalised IWRM, and (iii) the lesson learned in doing so. The review would assess how the debate concerning IWRM has evolved since 2000 and how it features in evaluations undertaken by international development agencies over the last two decades. The review will help to identify those factors that have contributed to the achievement or non-achievement of results in water and the role played by IWRM.

Policy Review: The evaluation will undertake a policy review that will assess the Bank's existing IWRM policy document against a set of criteria for good policy design i.e. clear understanding of the problem to be addressed, attention to process, and outcome focused objectives among other criteria. The review will compare the Bank's IWRM policy document with the water policies of other development agencies most notably the World Bank, Asian Development Bank and the European Community as well as selected bilateral agencies that play a key role in water in Africa. As part of

the review, guidelines and other documents for implementing the policy will be reviewed.

Field Studies: The evaluation will undertake four country case studies. Countries will be selected based on the criteria for the portfolio review outlined above. The field studies would include the following activities.

- **Review country strategy papers** over the period to study water treatment at the country strategy level and for evidence of the IWRM approach or an overall strategy for water development at country level
- **Check Quality at Entry** of water operations over the evaluation period to locate evidence of the IWRM approach
- **Review objectives, activities and results** to be achieved across the water portfolio and evidence of performance
- **Conduct country visits** to review both completed and on going projects and to consider results at the project and country level.

Stakeholder Consultations and Communication

Stakeholder consultation for this evaluation will need to involve all complexes and departments in the Bank that design and deliver water activities. Given that IWRM applies to all water operations across the Bank, it will be important to establish a Stakeholder Reference Group (SRG) for this evaluation. The SRG will receive draft documents and be expected to provide written comment and feedback on the evaluation process to OPEV Task Manager.

Experience in conducting other evaluations in the Bank suggests that consultation and communication works best where a senior member of staff is appointed to be the focal point for the evaluation. The focal point would receive documents, circulate them within OWAS and organize informal meetings and workshops to discuss feedback with OPEV throughout the evaluation. It is important that this two-way process is established at the start of the evaluation so that OWAS and other water stakeholders are informed of evaluation findings as they emerge. The process will also promote learning and will help to mitigate the extent to which findings surprise stakeholders and cause unproductive conflict.

OPEV will circulate all evaluation products to OWAS and other stakeholders involved in water activities for comment and feedback. In doing so, OPEV will put together short briefs and/or power point presentations to communicate the key messages arising from the evaluation so that stakeholders do not have to read over long reports.

OPEV will ensure that OWAS is informed of evaluation findings throughout the evaluation process so that the final results of the evaluation are known in advance and do not come as a surprise to the stakeholders. Periodically, OPEV will also be required to update the President on emerging findings.

Management and Governance

OPEV has the overall responsibility for the design, implementation and the production of key outputs for this evaluation. The evaluation will be task managed by the Chief Evaluation Officer with managerial oversight by the Division Manager OPEV 2 and the Acting Director of OPEV. The responsibilities of the Task Manager are outlined below in section on process. Consultants will be hired on an open competitive basis to undertake certain tasks including the literature review, quality at entry and CSP review, and to assist with country case studies. The Task Manager together with OPEV research staff will undertake the Portfolio Review and draft the final synthesis report. Bank Resident Representatives in those countries selected as case studies will be consulted regarding country visits and would be expected to participate in the evaluation process.

Process

The time line for the evaluation is set out in the table below. Detailed ToR will be prepared for each activity and circulated to stakeholders for comments.

Evaluation Activities and Milestones	Responsibility	Inputs/Consultation	Timeframe
Finalisation of Approach Paper	OPEV	OWAS, OSAN, OPEV, CODE,	End July
Approach Paper Approved by CODE			
Portfolio Review			
Terms of Reference for Portfolio Performance Review	Task Manager OPEV	OPEV/OWAS	Mid-August
Portfolio Review conducted (i) Statistical (ii) Performance	OPEV	OWAS, OSAN,	End January End March
Literature Review			
TOR for Literature Review	Task Manager	OWAS/Reference Group	End August
Literature Review	OPEV to contract out	OWAS/Reference Group	End December
Policy Review			
ToR for Policy Review	Task Manager	Reference Group	Mid Sept
Policy Review	OPEV to Contract Out	Reference Group	End December

Country Case Studies			
ToR for Country Case Studies including: CSP Review Quality at Entry Review Results (PCR PPER) Methodology for Country Visits	Task Manager	Reference Group	End October
Country Case Study Visits and Reports	OPEV and consultants	OWAS	End April
Final Synthesis Report			
Synthesis Report	Task Manager	OWAS/OPEV	End July
Final Report to CODE	Task Manager		October

Key Outputs

The outputs for the evaluation will be:

- Portfolio performance review
- Literature review
- Policy Review
- Country case studies – CSP, Quality at Entry, Results, Country Visits
- Final evaluation report synthesizing the findings of the above reports and presenting the main conclusions and recommendations for the Bank.
- CODE report; to be produced by OPEV drawing on the evidence found in each of evaluation outputs listed above
- Summary report and power point presentations for dissemination and communication of findings throughout the Bank and with external organizations as needed

Task Management

The Task Manager for this evaluation is the Chief Evaluation Officer, Joanne Asquith, in OPEV2. She will be supported by Akua Arthur-Kissi who will lead the portfolio review. Individual consultants will be hired to undertake the literature review, portfolio review, and policy review and country case studies. The Task Manager will prepare TOR for each of these areas of work and will produce the final 20 page synthesis report for presentation to CODE. The Task Manager will be responsible for organizing communication processes with stakeholder within and outside the Bank.

Annex 1: IWRM Policy Framework*

Strategy	Expected Outcomes (long term)	Drivers and Assumptions <i>What key drivers and assumptions are responsible for delivery (or non-delivery) of results? What are the policy inputs?</i>	Risks <i>What are the risks and threats that will prevent results/impact?</i>	Intermediate Results <i>What has happened since the intervention(s) ended or still needs to happen to achieve impacts?</i>	Impact <i>What was the strategy ultimately aiming to achieve</i>
<p>An integrated approach in water which takes account of social, economic, and environmental objectives, assesses water resources within each basin evaluates and manages water demand and</p>	<p>Improved water quality</p> <p>Regional cooperation for the management of international water courses</p> <p>Health improvements (incidence of diarrhoea)</p> <p>Access to water enhances the economic and social empowerment of women and girls</p> <p>MDG for water and sanitation</p> <p>Sustainable water resource base for water security and environmental sustainability</p>	<p>Institutional Issues</p> <ul style="list-style-type: none"> Country Strategy Papers basis for country dialogue Financing priority to IWRM projects TA Fund for national IWRM policies Partnership institutions to build HR capacity Supports river basin authorities that span more than one country Support data management and water information systems <p>Technical Issues</p> <ul style="list-style-type: none"> Support water conservation and augmentation projects Support planning and implementation of drought mitigation measures Support appropriate technology Rehabilitate existing infrastructure in preference to new capital Increasing proportion of multilateral finance is on water infrastructure <p>Economic Issues</p> <ul style="list-style-type: none"> Support appropriate water pricing policies Promote public-private partnerships Facilitate private sector participation Support irrigation at affordable cost 0.5% of GDP committed to water and sanitation <p>Social Issues</p> <ul style="list-style-type: none"> Participation of beneficiaries (particularly women) Social analysis in project appraisal Time spent by women and girls fetching water is reduced Ensure projects conform with core labour standards Undertake health impact assessments <p>Environmental Issues</p> <ul style="list-style-type: none"> Only finance projects with adequate Environment Impact Assessments and mitigation measures included in budget Only finance water supply projects where sanitation and waste water aspects adequately covered. Treatment facilities to be installed in parallel or self purification capacity of waste water system is sufficient to handle wastewater effluent Promote reuse of wastewater for suitable irrigation and industrial activities for water conservation Support sustainable development of coastal environments Bank will promote the introduction of clean technologies to reduce industrial water emissions RMCs access GEF to finance water development for the protection of water based eco-systems 	<p>Inadequate human resource capacity in the Bank and in country</p> <p>Poor incentives for Regional cooperation</p> <p>Inadequate investment in water infrastructure and capacity</p> <p>Insufficient incentives for efficient management of water resources in country</p> <p>Countries fail to respond to population growth and climate change</p> <p>Water investments are not coordinated across the Bank or coordinated with other donors</p> <p>Little evidence of IWRM concept incorporated into Bank PADs</p> <p>Limited awareness of IWRM concept in the Bank and in country</p>	<p>National IWRM policies are developed and implemented incorporating solid waste management and environmental actions plans</p> <p>Effective water regulation</p> <p>Appropriate use of technology that can be maintained</p> <p>Strategic Action Plans for flood and drought forecasting</p> <p>Decentralisation of water management to the level of hydrological boundaries</p> <p>Decentralisation of water services to the lowest appropriate level and spatial scale</p> <p>Expanded AFDB Water investment portfolio</p> <p>RMC recurrent budget allocation to water and sanitation increases to reach 0.5% of GDP target</p> <p>Appropriate pricing mechanisms for cost recovery</p>	<p>Equitable and sustainable use and management of water resources for poverty alleviation, socio-economic development, regional cooperation and the environment</p>

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* Taken from the final version of the Policy for Integrated Water Resource Management: African Development Fund ADF/BD/WP/99141/Rev.2 26 April 2000

Annex 2: Evaluation Matrix

Overarching Objective(s):

Evaluate the relevance of the Bank's IWRM policy framework to country needs and the efficiency, effectiveness and sustainability of water operations by the Bank.

Sub-Objectives:

1. To evaluate the **relevance** of the Bank's IWRM policy to RMC needs
2. To evaluate the **efficiency** of the Bank in the delivery of water operations
3. To evaluate the **effectiveness, results and sustainability** of the Bank's investments in water

How <u>relevant</u> is the IWRM to the Bank's ability to meet the needs of its clients?			
Sub-questions	Indicators/Basic Data	Sources of Information	Methodology
What is the size and value of the water portfolio and how has its composition i.e. investment in water sub-sectors, changed over the evaluation period?	Significance and share of sub-sectors i.e. water and sanitation, irrigation etc	SAP, departmental records and PARs	Statistical Portfolio Review
Is there evidence of IWRM in the investment portfolio - how has the portfolio changed over the evaluation period since the introduction of IWRM?	Increasing integration of water across the Bank		Statistical and performance portfolio review
How is total investment in water decided? What is water as a share of total Bank operations and how has this changed over time?	Importance of water in total Bank lending		Statistical Review, semi structured interviews
How are resources allocated across countries baring in mind the water poverty index and countries defined to be under water stress?	CPIA, PBA allocations and internal records. Changes in methodology to reflect water scarcity		
Is the Bank responsive to emerging issues in water such as climate change, pollution, environmental issues, population growth and rapid urbanization?	Number and growing share of water operations managed by non-water complexes		SAP (as above)

To what extent are the Bank's organizational structures and processes efficient in the delivery of water operations?

How does the Bank make decisions across competing water areas i.e., agriculture, energy and water and sanitation?	Discussion of water priorities in the CSP. Priorities of AMCOW	SAP and CSPs	Statistical Portfolio Review. Review of internal literature. Semi-Structured interviews with Bank staff. Country case studies (including desk reviews)
Is the IWRM approach reflected in the CSP and has the strategy changed over the evaluation period?	Strategy for water contained in the CSPs – coordinated across the water complexes	CSPs	CSP Review/Portfolio Review Semi Structured Interviews
How effectively do different complexes in the Bank work together at the country strategy level to achieve water objectives?	Coordinated water response in country	CSPs	Semi Structured Interviews
How is IWRM reflected in project design and appraisal?	Priority given to projects that follow IWRM principles. Project design and approach follows IWRM principles	Project Appraisal reports in selected countries	Desk and case studies including quality at entry. Literature Review for experience in other donors.
How are gender, social, economic, institutional and environmental issues treated in project design and appraisal?	Adequate covering of wider issues in water sector	PARs	Desk Studies
Are country offices able to engage in policy dialogue in the water sector?	Water specialists based in country and engaged with others in water sector dialogue	Bank documents	Country Visits

To what extent has the Bank's operations in water produced sustainable results?

What are the main objectives of water interventions by the Bank?	Clearly stated in PARs	PAR	Portfolio Review Desk and case studies of selected countries
To what extent were objectives achieved?	Project Completion	PCR/PPER	Desk reviews and field work

	reports available over the review period		
What mechanisms have been established to track results at the project and country level?	Support has been provided to strengthen data collection in water for the Monitoring and Evaluation of water policy	PAR	Field Work
What were the main factors influencing the achievement/non achievement of water objectives?	Project delays, poor design issues, incentives and poor policy content	PCR, PPER Other review documents	Literature Review Field Work Semi Structured Interviews
What factors have contributed to the achievement and non-achievement of water results by other development agencies?	Presence of other factors including inefficiencies or not enough attention to infrastructure needs	Development literature and evaluation reports	Literature Review

Annex 3

IWRM Policy statements on Institutional Issues

The Bank:

1. Considers it essential that national Integrated Water Resources Management Policies (IWRMPs) be developed and implemented.
2. Will use the Country Strategy Papers as a basis for dialogue with RMCs to encourage the development and implementation of such policies.
3. Will, in future water projects give financing priority to those projects that comply with national policies that are based on the concept of IWRM.
4. Will support, where possible, countries that wish to develop their national IWRM Policies. A limited amount of financial support from the Technical Assistance Fund (TAF) may be used for such purposes.
5. Notes that water resources development, regulation, and service provision are three distinct functions. Ideally, these functions should be executed by separate organizations. Umbrella organizations should be mandated to exercise responsibilities for integrated water resources management at the national or basin level. Water services utilities should provide services to consumers at a fee, subject to regulation. Water resources management organizations should preferably cover the area of a river basin unit on a scale, which is administratively feasible.
6. Recognizes that inadequate human resources capacity often presents a constraint in the proper functioning of organizations in the water sector. The Bank, therefore, will strengthen its partnership with specialized institutions to promote activities such as training and research.
7. Will promote and support joint efforts of riparian countries in developing strategies for integrated water resources management on the basis of mutual agreement.
8. Will support multinational organizations and river basin authorities that span more than one country.
9. Seek broad agreement with riparian countries in respect of project proposals emanating from one country, for the development of shared water resources.
10. Urges RMC governments to review and sharpen their role in the management of water resources, in order to create an enabling environment for more effective public-private partnerships (PPPs) in the water sector, including the participation of users and community associations, local councils, NGOs, private sector entrepreneurs, and capital markets. Institutional arrangements to guarantee autonomy and accountability as well as to protect service providers need to be carefully thought out, discussed, and evaluated. The sharing of experience and best practices among African countries and from countries

in other regions of the world should prove immensely useful in this regard. Promoting good governance is also an important aspect of an enabling environment

11. Stress, in the course of its interventions, the importance of water resources quantity and quality assessment and monitoring and collection of data on other natural, environmental, economic, social and technical factors necessary for water resources development and management. The Bank would therefore promote the development of adequate data management and water information systems, as a basis for sustainable development and management of water resources. The establishment of Early Warning Systems for drought and flood control would be encouraged

IWRM Policy Statements on Technical Issues

The Bank will:

1. Support projects, whose objective is to establish sustainable water assessment and monitoring programs, as much as possible, on the basis of cost-recovery.
2. Encourage RMCs to give a high priority (i.e. through skilled human resource development, and sustained financing of data and information systems, and research) to the development of capacity to generate and continuously update their knowledge of water resources issues.
3. Promote and support water conservation and augmentation projects that are aimed at addressing water scarcity problems through increased water productivity and supply development.
4. Support the planning and implementation of structural and nonstructural flood and drought mitigation measures in the framework of IWRM approach.
5. Encourage the application of appropriate technologies, which would enhance water availability and supply, particularly efficiency in water use in agriculture and irrigation, improve leakage control and detection and enhance water reclamation and recycling.
6. Encourage the adoption of efficient technologies, particularly for increasing water productivity in agriculture and improve leakage control and detection in water supply systems.
7. Ensure that rehabilitation is giving priority, where applicable, in project appraisal, as an alternative to costly new capital expenditures. In the context of increasing water scarcity, economic cost pricing, including recognition of opportunity cost should be used as a basis for water allocation decisions

IWRM Policy Statement on Economic Issues

1. Ultimately, the aim of water pricing should be economic cost recovery, taking into account social equity and capacity to pay by the rural and urban poor. Initially, however, RMCs should target the recovery of full financial costs.
2. The principle of “the polluter pays” is crucial in protecting freshwater resources from pollution and degradation. Its implementation will ensure that consumers and other water users are made aware of the costs of maintaining water resources at a minimum quality level, commensurate with the continued integrity of natural aquatic ecosystems or the safety of surface and ground water resources for human consumption. The Bank will provide support to RMCs in formulating policies, legal instruments and institutional arrangements to monitor and implement this principle.
3. The Bank will support RMCs’ strategies to develop appropriate water pricing policies. In order to balance the interests of different consumer groups, the general public, and service providers (whether public or private) RMCs need to put in place competent regulatory capacities.
4. Due consideration should be given to demand management and conservation as important alternatives to costly supply capacity augmentation in certain situations. In this context, pricing is also a demand management tool, which encourages efficient utilization of water and minimizes wastage, promotes sustainability, conservation and protection of water resources.
5. The Bank will promote public-private partnerships, by: helping to create an enabling environment; ensuring the application of good governance; promoting regional co-operation and facilitating the acquisition and exchange of knowledge and experience in such partnerships.
6. The Bank will facilitate the participation of the private sector and Water User Associations in the water sector of RMCs. The Bank will also be an active partner in finding ways to alleviate the social impacts (e.g. unemployment, increased prices) that are likely to accompany increased private sector participation.
7. The Bank will support the sustainable development of small, medium and –large scale irrigation schemes, where applicable. As a social good, there is a universal right to water and it should be made available to all at an affordable cost.

IWRM Policy Statements on Social Issues

1. Gender issues should be taken into account in integrated water resources management. The Bank will strongly support water resources development projects which show good prospects of reducing the time spent by women and girls in fetching and storing water.

2. The Bank will bring up issues on Core Labour Standards in the process of discussions with RMCs, and appraise programmes and projects in the water sector to ensure that they are in conformity with established criteria on labour.
3. Where involved, the Bank will ensure that stakeholders are effective participants in all decision-making process likely to affect them. Their willingness and capacity to pay for water resources development should be sought and not just assumed.
4. The Bank will ensure that control and prevention measures of water related disease are integrated as part of the water management practices control and prevention measures based on proper health impact assessment and through effective stakeholder participation.

IWRM Policy Statements on Environmental Issues

1. Water is an environmental good with three major dimensions: (1) it is required by all living creatures and it is vital for the survival of ecosystems; (2) as part of the natural environment, it is an asset with aesthetic values; (3) it is an essential component in the positional transfer of matter and energy. Although these environmental dimensions cannot always be assessed in monetary terms, they should be evaluated through the decision-making process.
2. The Bank will only finance water related projects for which adequate environmental impact assessment have been conducted, and where the costs of necessary mitigation measures have been incorporated into the overall project costs.
3. The Bank will promote the treatment of domestic and industrial wastewater as essential to the environment in general and health in particular. In general, the level of capital investment in sanitation and treatment facilities is relatively low compared to that of water supply facilities. The Bank will only finance water supply projects, for which the sanitation and wastewater aspects are adequately covered, if applicable. This means that either treatment facilities have to be installed in parallel, or it must be shown that the self-purification capacity of the water system is sufficient to handle the wastewater effluent.
4. The Bank will also promote the reuse of treated wastewater for suitable irrigation and industrial activities, as a means of water conservation.
5. The Bank will support the sustainable development of coastal environments and internationally coordinated environmental protection policies, in which the global solidarity principle is included (i.e. countries have a common responsibility for not polluting shared coastal environments). In this context, the Bank will assist RMCs to have access to grants from GEF.

6. The Bank supports the envisaged activities set out by the Convention on Drought and Desertification and will seek to increase its involvement in providing support for the implementation of these activities.
7. The Bank urges countries to incorporate policy on management of solid waste management into national IWRMPs and the National Environmental Action Plans.
8. The Bank highly favors the establishment of cross-linkages between National Environmental Action Plans and Integrated Water Resources Management.
9. The Bank will promote the introduction of clean technologies to reduce industrial waste emissions.