

Emerging good practice on Codes of Conduct, Partnership Principles and Memorandums of Understanding in the Water Sector

Final Report

Eric Buhl-Nielsen

October 2010



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PREFACE

This paper is based on experience and best practice from six different African countries in the development of codes of conduct, partnership principles and memorandums of understanding in the water sector. The five countries are: Burkina Faso, Kenya, Malawi, Mozambique, Rwanda and Zambia. The paper is inspired by the outcome and deliberations of a seminar run by the Ministry of Water Resources and Public Works in Ghana in March 2010 and commented on by a number of EU delegations and other parties.

The purpose of the paper is to guide practitioners in implementing the sector approach in the water sector. The paper is directed towards EU delegations that are involved or likely to be involved in supporting the water sector. It might also be found relevant to delegations supporting other multi-actor sectors such as agriculture, rural development, environment and natural resources.

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GLOSSARY

Alignment	Donors base their overall support on partner countries' national development strategies, institutions and processes (Paris Declaration)
Code of Conduct – Partnership Principles – Memorandum of Understanding	these terms are used for a document that spells out the rules and principles under which partners agree to coordinate and cooperate in the sector. (In principle the different titles have the same overall intent although the term memorandum of understanding is often also used to describe an agreement on pooling of funds e.g. a joint financing agreement)
Development partners	donors or those external agencies that provide funding and/ or support national agencies and authorities within the public and private sector as well as civil society
Harmonisation	Donor actions are more harmonised, transparent and collectively effective (Paris Declaration).
Sector Wide Approach (SWAp)	A programme-based approach operating at the level of an entire sector.
Transaction Costs	The direct and indirect costs incurred by aid providers and recipients, which are specifically associated with the management of aid and the aid partnership generally. Costs may be in terms of funds, time, use of resources, efficiency losses, etc. Often, the term is used particularly about the transaction costs on the recipient side.

1. Introduction

Codes of conduct, partnership principles, and memorandum of understandings¹ are used to support sector wide approaches in the water sector. The main purpose of these documents is to further the aims of alignment and harmonization as defined in the Paris Declaration. They are powerful because they provide an operational country-led and sector-specific plan on how to implement the Paris Declaration. Greater alignment and harmonization in the sector aided by codes of conduct are expected to lead to greater effectiveness, efficiency and provide the basis for mutual accountability.

Codes of conduct are best and only really effective when they are national codes of conduct rather than a donor code of conduct. That is they express the principle of mutual accountability – accountability of both parties (donor and national government) and they are based on adherence/alignment to national (domestic) policy, planning, coordination, institutions and performance measurement frameworks.

Experience has shown that the complexity of the water sector with its many actors across institutional boundaries

and its multitude of donors makes a more formalized definition of the sector scope and cooperation arrangements worthwhile. Box 1 outlines findings on the challenges facing the water sector in trying to align and harmonize.

The advantages in the water sector of using more systematic cooperation tools is evident from the experience gained on Integrated Water Resources Management (IWRM). Where IWRM is practiced, there will be a tradition for coordinating across institutional boundaries and some of the coordination mechanisms may already be in place which will assist the process of developing a code of conduct. The EU reference document on water sector development and governance (December 2009) points to the importance of accountability, inclusion, participation and transparency in IWRM and water sector governance. As well as contributing towards achievement of the aims of the Paris Declaration, codes of conduct can serve as an instrument to bring these complex concepts into reality at least for a group of actors composed of the development partners and the national authorities responsible for interacting with external agencies.

Box 1 Alignment and harmonization challenges in the water sector – findings from a recent study (Danida, 2006).

- The challenge is “what to align to?” in cases where policies, strategies are non-existent or weak
- There is often an absence of incentive systems within development partner organisations to support harmonization and alignment
- A common tendency to create upward accountability between governments and development partners rather than (downward) from government to citizens;
- A tension between development partners adhering to high quality standards versus ownership of the agenda by national stakeholders.
- The tendency of development partners to “gang up”, especially in cases where country ownership is still weak

In response to these challenges five recommendations were developed:

- Take a low entry approach to harmonisation
- Avoid competing harmonisation and alignment processes
- Strengthen country leadership in aid management
- Strengthen country capacity to implement sector programs
- Extend harmonisation to non-government organizations

1 These documents spell out the principles under which partners agree to coordinate and cooperate in the sector. In principle the different titles have the same overall intent although the term memorandum of understanding is often also used to describe an agreement on pooling of funds e.g. a joint financing agreement. This document focuses attention on the use of codes of conduct and partnership principles as instruments of coordination and not as tools for common pool funding or delegated cooperation or agreements on division of labour. All these other purposes are guided by other specific guidelines and tools such as: i) Division of labour: EU tool kit for the implementation of complementarity and division of labour in development policy 2009, ii) Common pool funding: EU, Support to Sector Programmes Covering the three financing modalities: Sector Budget Support, Pool Funding and EC project procedures, 2007 iii) Delegated Cooperation . iv) Nordic plus template for Joint Financing Arrangements, 2007

Codes of conduct can be seen as a tool in the movement from stand alone EU financed projects to EU support within a Sector Policy Support Programme to the definition of multi donor support of national programmes. Codes of conduct can provide a suitable framework for special forms of cooperation such as the EU Water Facility. Codes of conduct can ensure that such special assistance is provided as aligned projects within the national strategy and programme. These considerations are supported by the findings of a number of studies (Box 1). Codes of conduct are very useful where there are

many donors. Where there are only a few donors, such as is the case in Namibia for example a code of conduct might not be needed. Instead a government led forum (similar to a sector working group) will be able through normal meetings to ensure the development of common approaches and procedures between the few donors.

For the more complex situation of many donors, what the codes of conduct are meant to achieve, who are involved in developing and using them and when and how they are used is summarized below:

Summary of content and processes for codes of conduct

What	<ul style="list-style-type: none"> • Build partnership between national authorities and development partners by ensuring a collective understanding of the main policies and strategies that govern and guide the sector • Define the scope of a sector i.e. how wide the sector is and which ministries and functional areas it includes e.g. sanitation, irrigation, hydropower etc. • Assist in alignment by setting out what policies, strategies, plans and programs the development partner efforts should be aligned to • Assist in harmonization by setting out which development partner agencies are involved and creating a framework for cooperation • Ensure a common understanding of what mechanisms and processes should guide the partnership towards greater harmonization and alignment. • Point to unfinished reforms that are needed for the sector to be effective • Form a basis for holding national authorities and development partners to account for the extent to which they have contributed towards alignment and harmonization.
Who	<ul style="list-style-type: none"> • National authorities responsible for the sector (core partner) • Development partners active in the sector (core partner) • Civil Society (can be brought in) • Private sector (can be brought in)
When	<ul style="list-style-type: none"> • It is ideal to develop Codes of Conduct at the start of adopting a sector wide approach • But it is possible at any stage of development to introduce and improve codes of conduct • Codes of conduct are not static so they can be enlarged as new development partners come on board
How	<ul style="list-style-type: none"> • As part of a wider one multi-sector agreement between national authorities and development partners i.e. covering more than just the water sector • As a special effort for the water sector alone and under a process...

2. Issues and options

Ten key issues can be distinguished around what the document should achieve, who is involved and how it can be implemented. Each of these issues raises a number of

common topics. Around each issue there are a number of options that can be considered.

	Main issues	Common topics/ challenges/ questions
What	Legal basis of the agreement	<ul style="list-style-type: none"> Is the document legally binding If not enforceable– can it be useful?
	Scope of the agreement	<ul style="list-style-type: none"> How broadly should the sector be covered? Should the document not serve all sectors?
	Underlying link to a broader policy framework	<ul style="list-style-type: none"> What happens if the underlying policy is missing or flawed? Should the document be a policy statement?
	Domestic accountability/ governance	<ul style="list-style-type: none"> How to avoid codes of conduct replacing domestic accountability?
	Decentralization	<ul style="list-style-type: none"> How to avoid over-centralising the sector? How to involve local levels?
Who	Actors involved	<ul style="list-style-type: none"> How broad should the agreement/code of conduct be? Should it include only the like minded?
	Degree of inclusiveness	<ul style="list-style-type: none"> Should the private sector and civil society organisations be involved? Should the code of conduct wait for all actors to be ready?
	Flexible ambition level	<ul style="list-style-type: none"> What degree of difference of opinion is feasible?
	Coordination	<ul style="list-style-type: none"> What type of coordination arrangements are most effective?
How	Modalities	<ul style="list-style-type: none"> Need to separate the code of conduct from choice of modalities
	Transaction costs	<ul style="list-style-type: none"> Codes of conduct can lead to higher transaction costs if not made light

2.1. Issues around what the code of conduct is and should contain

Legal basis of the agreement

A code of conduct will not normally be a legally enforceable document. The code of conduct is not meant to supersede other agreements between partner countries and development partners. Furthermore it often aims to introduce a broader scope of cooperation than would be possible to enforce legally. A legally enforceable agreement has the disadvantages that it would need to be much more limited and circumspect in its scope. A legal document would also complicate the process of agreement and make it more difficult to ensure that all main stakeholders are signatories.

Even though it is not normally legally enforceable, a code of conduct is not necessarily weak or toothless. If the process for developing the agreement is sound, there

will be sufficient understanding of the benefits of its provisions for the document to be self-regulating. The code of conduct also makes use of peer pressure. The fact that there are explicit written provisions is an incentive not to deviate from the principles because such deviation is easily revealed. Whether such “soft” incentives work in practice depend much on the quality of the coordination once an agreement is signed. In other words, the agreement itself is not enough, although it is a good start.

Scope of the agreement

The scope of the agreement/code of conduct can vary depending on the nature of the sector. In some cases the code can be general enough to cover all sectors. In other cases they will be narrowed down to a specific sector and thus be more specific on what policies and strategies will be followed. Usually the code of conduct will be sector wide and are thus different from agreements

around a particular program or project – although if most sector activities are gathered into a single main program then the code of conduct could be formed around that program. Arranging partnership principles or a code of conduct around participation in a particular program was the the case to some extent in the water sector in Malawi.

There are thus options around how broad or narrow to make the scope of the document e.g. in the water sector should it include sanitation and irrigation rather than just domestic water supply? In some countries water resources management is done by a different ministry e.g. in Vietnam rural water supply is handled by the Ministry of Agriculture and Rural Development, rural sanitation by the Ministry of Health, Urban water supply and sewerage by the Ministry of Construction and water resources by the Ministry of Natural Resources and Environment. Normally one would be guided by how broadly the sector is interpreted by the country in question and the institutional set up that exists.

Underlying link to a broader policy framework

The code of code and/or partnership principles is usually linked to a broader policy framework. It is important that the code of conduct does not become policy itself. Instead the code should clearly state the national policies and elements of the national sector framework that development partners (and national authorities) should align to. In the water sector the policy may often be spread amongst several documents and institutions e.g. Ministry of Water Resources (if there is one); Ministry of Health (usually for sanitation and hygiene); Ministry of Education (for school water and sanitation); Ministry of Agriculture (for irrigation); Ministry of Energy (for hydro-power); Ministry of Local Government and Housing (for service delivery). This makes it complicated and in some cases documents might be out of date and contradictory.

The biggest challenge is when the underlying framework is absent or partially absent or flawed in some way. This makes alignment very difficult. A code of conduct can be one way of at least ensuring harmonization in the absence of the possibility to align. This is especially valuable in fragile states or those where the water sector lags behind.

Domestic accountability and governance

Codes of conduct are an example of implementing mutual accountability as defined in the Paris Declaration. The roles and responsibilities of national authorities and development partners should be clearly outlined. It is important that the code of conduct puts emphasis on national systems of domestic accountability and governance rather than inadvertently establishing any new systems of monitoring or accountability. Where national systems are not good enough, attention can be given to improving them rather than substituting them. The code

of conduct is an ideal platform for development partners to agree on how to improve systems of accountability if the present ones cannot be fully relied on i.e. what temporary safeguards are needed and agreed as necessary by all parties.

Decentralization

Codes of conduct are, by their nature, quite centralized. It is difficult to involve local government and de-concentrated or decentralized entities. Sometimes, local government can be represented by an association or is under a ministry of local government or home affairs. Even if it is not practical or not found necessary to involve individual decentralized entities in the agreement, it is important that they are consulted during the process of agreeing on the code of conduct and that they feel represented in one way or another by government at central level. The code of conduct can refer to (and ensure that donors and national authorities where relevant defer to) regional or local coordination arrangements if these are part of the national sector framework.

Coordination

There are different levels of coordination from international level (such as the African Ministerial Conference on Water; OECD and others) to the national level (such as sector working groups or national sector forums) to regional and local levels (district water and sanitation committees within local government). The code of conduct needs to recognize the national and local levels as supremely important domestic coordination bodies. At no stage should the task of coordination of donors (even though it is important) take over or over-shadow domestic coordination. The code of conduct needs to be very clear on this point.

2.2. Issues around which actors should be involved

Actors involved

The water sector involves not only the public sector but the private sector and civil society and often, depending on the institutional set up, will include a number of parastatal or autonomous institutions. Even within these broad categories there are important differences. Not all external development partners are necessarily donors in the traditional sense e.g. the UN agencies (for this reason the term development partner rather than donor is often used). Not all civil society is the same, there are advocacy bodies and service delivery bodies which are little different from commercial service providers.

A problem occurs if there are many NGOs - if there is an umbrella NGO that represents the NGOs, then this provides a very convenient solution.

Degree of inclusiveness

A code of conduct between a national authority and its development partners will need to involve the lead national agency for the sector and most but not necessarily all development partners. Ideally, all relevant and substantial development partners including bi-lateral and multi-lateral donors, NGOs and UN and other specialist agencies that are active in the sector should be involved. But the agreement need not wait for all actors to join and so long as it brings together the main parties and reflects 60-80% of the external funding it is still valid to go ahead and wait for the others to join. Usually the EU delegation, where there are substantial EU water facility projects, might consider to be a partner even if it does not directly support the water sector. This is especially because this and similar special facilities are often criticized for ignoring sector coordination frameworks.

Where there is a clear lead donor, this donor should obviously be involved in bringing together and, where relevant, representing the others. Division of labour exercises help in reducing the number of development partners. An issue which is increasingly arising is the introduction of the new donors such as China and India. Codes of practice can help in effective division of labour.

Flexible ambition level

The national authority and the different development partners will often have different levels of ambition in terms of how fast alignment and harmonization should proceed. There is a balance to be struck between aiming at the lowest common level of ambition and aiming at higher level ambition which only one or very few development partners will feel comfortable with. The key point is to formalize the desire and commitment to move in the same direction rather than necessarily define the end goal and how fast it should be reached. This will allow a wider range of actors to be brought into the code of conduct.

There is of course a limit and at some stage the code could be diluted to become meaningless. It is useful to note that few stipulations of a code of conduct are likely to go beyond the Paris Declaration which most developing countries and development partners have signed.

a preference for certain modalities and the code of conduct can reflect this preference without necessarily outlawing support that is well aligned even if not under the preferred modality.

A code of conduct is not normally a good place to force development partners to adopt a particular modality but it is a useful tool for making sure that whatever modality is used, it is aligned to the national sector framework.

Transaction costs

Cumbersome coordination arrangements can lead to heavy transaction costs and distract from implementation action. It is important therefore that the code of conduct does not add to the complexity of sector arrangements but rather, by formalizing commonly held principles, frees discussions from internal coordination issues so that more focus can be put on responding to sector challenges and implementation of sector reforms and service delivery. Thus a light touch is required.

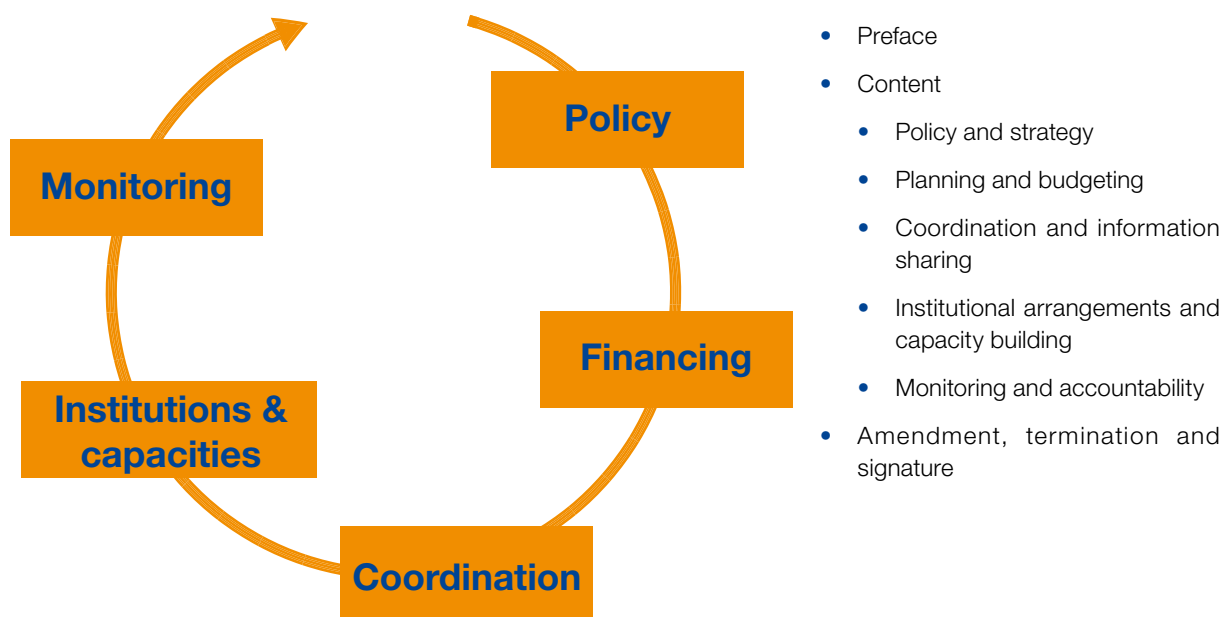
2.3. Issues around how the code of conduct can be made operational

Modalities

It is important the code of conduct upholds the distinction between sector approaches and the different modalities of: budget support; common pooled funding and project funding. The primary aim is not necessarily to aim at budget support at all costs but to ensure that all efforts, even if provided as projects, are aligned to national systems. The national authority will often express

3. Key features

The key features of a code of conduct can be arranged around i) a preface that outlines the purpose; ii) the main content which can be formed around the 5 pillars of a sector approach and iii) procedure for amendment and termination as well as signatures.



It is useful to be explicit about the different responsibilities of the national authorities and development partners. This can be done for each party under each of the 5 content areas above. Alternatively a separate section for the national authority and similarly one for development partners can be made which then defines the responsibilities under each of the 5 areas.

Preface

The preface is best kept short. It should follow the style preferred by the national authorities for similar agreements. Common styles include: i) statements of the national vision for the sector (example Rwanda); ii) statements on the context, justification and status of the code of conduct (example Burkina Faso, Mozambique); iii) outline of the structure of the document (example Malawi). It is also possible to dispense with a preface and present the substance immediately (example Kenya).

Content - Policy and strategy

The main point of this section is to define and refer to the policy and strategy documents that guide the sector and to which the efforts of all parties should be aligned. The core principles and particularly the policy choices

made can be outlined e.g. on cost recovery or levels of subsidy. The code of conduct should also refer to other important documents such as a capacity development plan where these documents define the government's intentions which donors should align to. Where the pol-

icy framework is incomplete agreed principles can be outlined and the intended process for completing the policy framework can be referred to.

Content - Planning and budgeting

This section outlines or refers to the main planning and budgeting routines which the government and its development partners should align to. The section will often refer to the Medium Term Expenditure Framework and annual implementation plans and the benefits of adhering to compatible project cycles. This means development partners making information available that is timely for annual planning and in a format which can be included in national budgets (e.g. similar definition of recurrent and capital expenditure). Reference can be made to national planning documents or sector investment plans that spell out the priorities that should guide the use of external finance. This section aims at ensuring that where project modalities are used, that they are used for aligned projects. In the spirit of mutual accountability and to reinforce the credibility of national plans, it may also be useful to underline that the national authority will not request external assistance for activities that are outside the nationally set priorities or use its own finance for such purposes.

Content - Coordination and information sharing

The main coordination arrangements should be mentioned e.g. the role of sector working groups where these have been set up². It is useful to distinguish between decision making coordination (high level) and technical coordination at the more operational level. At the operational level, coordination and information sharing might include joint learning platforms, as well sharing of databases etc. At the operational level there are often a variety of informal coordination arrangements that are often very valuable in practice, the code should not inadvertently block or frustrate such channels.

It is also usually helpful to distinguish between. i) the domestic coordination arrangement of the sector (i.e. country led and internally within national structures); ii) the coordination of donors (by government and/or internally via a lead donor) and, iii) dialogue arrangements. It is useful to specify the information that should be shared by development partners e.g. project documents, current and future levels of support, evaluation and other reports that might serve the sector. And also the information that should be shared by the government e.g. changes in policy, budgets, institutional arrangements and other areas that might affect the effectiveness of aid.

For donor coordination arrangements, the role of internal donor coordination and especially the role and function of the lead donor can be usefully spelt out. The procedures for launching donor review and other missions can also be defined. The aim is to harmonize to the extent possible.

Content - Institutional arrangements and capacity building

The mandate and role of key institutions can be defined or referred to in order to ensure that external support is aligned to and strengthens the national institutional framework. This can help ensure that external support is directed to the most appropriate institution.

The principles and procedures for providing technical cooperation can be outlined – in detail if not already provided for another agreement or national code on technical cooperation. This provides a good opportunity to introduce the generally well accepted principles of the EU reform of technical cooperation. Principles regarding the use of project implementation units can be also mentioned under this section. This section can also describe any agreements reached by sector actors on levels of remuneration and allowances for locally employed project staff as well as any payments by development partners to government staff if this is practiced.

Content - Monitoring and accountability

As for the other sections, the code of conduct can in this section refer to the national monitoring and evaluation system and the need to adhere to national indicators and data collection and processing routines. Where such systems are not sufficiently in place, reference can be made to plans to improve it and how development partners can most constructively support the emergence of a coherent nationally based system. The main point is to foster the development of domestic accountability³ and prevent fragmentation of monitoring into incompatible data sets.

The key sector review and reporting framework and schedules that can be relied upon and if needed strengthened can be mentioned. For example, where a joint annual sector review has become a norm this can replace individual donor reviews.

The role of national audits and their acceptance by development partners is a topic that can also be mentioned if appropriate. Where possible the additional safeguards required by donors can be mentioned. If conditions are needed or found appropriate, this section (under accountability) is where they can potentially be stated or referred to.

Amendment, termination and signatures

This section allows for changes and reviews of the code of conduct. It also allows for new signatories and for the exit of those no longer involved in the sector or not wishing to be part of the code of conduct. Sometimes the signature of the lead donor alone is enough, but more commonly all donors will sign.

2 Sector working groups, that bring together high level representatives from different ministries involved in the sector to coordinate policy, planning and sector budgeting, are a common feature of sector approaches – in effect they are inter-ministerial working groups that are not issue based but charged with oversight on a whole sector.

3 Domestic accountability is the accountability of the sector to the national authorities as opposed to accountability to donors.

4. Process design

As mentioned earlier, the process of developing and consulting the different partners on the principles and details of the code of conduct will often yield significant benefits in itself. The process, if not made too heavy or long winded, offers a chance to renew commitments to effective cooperation and breath new energy into sector coordination and dialogue.

It is useful to note that most codes of conduct rarely go beyond commitments already made by the national and development partners who are signatories of the Paris Declaration (i.e. it should not be difficult for development partners and national authorities to sign because in principle they have already signed a commitment to alignment and harmonization that is the same or greater).

One of the opportunities that the development of a code of conduct or agreed set of partnership principles allows is the stock taking of current activities. Current government, NGO and donor projects can be examined against the principles and in particular against existing policy and institutional arrangements. This will often reveal a number of projects and activities which are less than fully aligned and in some cases even contradictory to sector policy. Such an exercise can give teeth and meaning to the code of conduct and make it an effective instrument in achieving sector goals.

Conclusion on how to approach development of codes of conduct

The approach of a donor (such as the EU delegation) towards the development of a code of conduct depends very much on the role of the delegation in the sector and the institutional set up of the sector itself. Two scenarios are outlined below – the first where the donor is a main or lead donor and a second where it is only a minor donor (e.g. only providing assistance via the EU Water facility or as part of sector support to rural development or environment or some other cross cutting area). In most circumstances the donor should welcome any initiative to develop a code of conduct because it is a useful step towards harmonization and alignment. Box 2 highlights some generic advice based on lessons learnt from a number of countries.

Where a donor is a main or lead donor, a leadership role can be taken to introduce to the national authorities and the other development partners in the sector the benefits of developing a code of conduct. Where the donor is not a main donor the issue of developing a code of conduct can be taken up with the lead donor and support offered to preparing the document and undertaking dialogue with the national authorities and relevant agencies and development partners.

Box 2 Summary of generic advice on developing codes of conduct

- Wherever possible encourage country leadership in the development of the code of conduct
- Better to keep simple in order to overview the implementation and adherence – too easy (for both sides) to squeeze out of overly complex arrangements
- Keep simple not to introduce too many misunderstandings
- Keep simple to lower the barriers and not to frighten new donors
- Don't focus too much on the paper work but rather on developing trust and partnership through joint contribution to results i.e. all the mechanisms of cooperation, if complex, tend to distract not help implementation
- Don't be tempted to put in things or use language or terminology that are highly specific to you as a particular donor – make it simple and generic
- The document is not meant to be a legal or insurance type document that foresees all eventualities – it is more a statement of simple straightforward principles of partnership
- Use where possible codes of conduct developed in other sectors and if available any umbrella code of conduct (which may possibly make a sector specific one redundant)

5. Examples in the water sector

All these examples can be found on the Capacity4Development website⁴.

Burkina Faso (March 2010)

The agreement (Cadre Partenarial) involves 9 development partners and government at level of Ministry of Finance and the line ministry responsible for the water sector. The structure is under 7 areas:

- (1) Context and justification
- (2) Objectives
- (3) Dialogue mechanisms and financial modalities (project, sector budget support, basket funding)
- (4) Responsibilities of the different parties (government, development partners)
- (5) Capacity building
- 6) & 7) Review and revision

Kenya (2006) & Malawi (2007, draft)

The partnership principles for Kenya and the proposed ones for Malawi follow a very similar template. They involved the national lead agency for the water sector and development partners. The structure is under 9 areas:

- (1) Definition of sector responsibilities
- (2) Alignment with planning and budget processes
- (3) Information sharing – development partners – Government of Malawi
- (4) Meeting, missions and reports
- (5) Harmonisation of systems
- (6) Capacity building and implementation
- (7) Technical cooperation / assistance
- (8) Performance monitoring, review and conditionality
- (9) General principles (outside of the sector)

Mozambique (March 2008)

The code of conduct is a relatively short one (7p). It is led by the Ministry of Public Works and Housing and its National Directorate of Water. It was developed to support the ongoing SWAp in the water sector. It has the following structure:

- (1) Preface
- (2) Background and objectives
- (3) Commitment to SWAp

- (4) Principles of the partnership (6 key principles: ownership; alignment; national capacity building; harmonization; public financial management; untieing of aid)
- (5) Mechanisms for implementing the partnership (5 key mechanisms: policy, planning and budgetary instruments; coordination mechanisms, performance review mechanisms, management of TA and, review and revision of the code of conduct)

Alignment and untieing of aid is acknowledged as a gradual process. There is an emphasis on sharing of information

Rwanda (October 2009)

The Memorandum of Understanding is between the Ministry of Infrastructure and development partners. It was developed to support a SWAp. The MoU is not a legally binding agreement. It has the following structure:

- (1) Introduction and definition of terms
- (2) Objectives of the SWAp cooperation (definition of the national sector framework)
- (3) Commitments of the Government of Rwanda
- (4) Commitments of the development partners
- (5) Collective responsibilities of all signatories
- (6) Cooperation procedures (planning, monitoring, finance, reporting, capacity building)

Remaining sections (7 to 10) on eligibility, amendments etc.

Zambia (August 2007)

The Memorandum of Understanding is between the Government of the Republic of Zambia and its co-operating partners (development partners). The Ministry of Finance and Planning is the lead agency in the agreement with the Ministry of Local Government and Housing being the implementing agency on behalf of the government. It has two types of signatory - those that provide sector budget support and those that provide project support. It has the following structure:

- Part 1 – Outlines the program and scope of the memorandum which is around? support to the National Rural Water Supply and Sanitation Programme
- Part 2 – Responsibilities and representation
- Part 3 – Contribution (with a focus on predictability and procedures to be followed)
- Part 4 – Organisational arrangements, policy dialogue and decision making

Part 5 – Governance (refers to the wider Joint assistance strategy for all donors for all sectors)

Part 6 – Modification, donor accession and withdrawal

Part 7 – Handling of disagreements

Part 8 – Disbursements

Part 9 – Procurement

Part 10– Reporting

Part 11– Monitoring and evaluation

Part 12– Accounting and auditing

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- Guidelines (n°3) - “Making technical cooperation more effective” - 2009
- Guidelines (n°4) – “Guidelines on the Integration of Environment and Climate Change in Development Cooperation” - 2009

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