



ESA/STAT/AC.116/11

DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS
STATISTICS DIVISION
UNITED NATIONS

**User-Producer Conference on
Water Accounting for Integrated Water Resource Management
Voorburg, the Netherlands 22-24 May 2006**

**Organized under the auspices of the
UN Committee of Experts on Environmental-Economic Accounting
and hosted by Statistics Netherlands**

Note on the EUWI Monitoring and Reporting System

Umberto Triulzi

Note on the EUWI Monitoring and Reporting System

1. Introduction

Since September 2004, the European Commission and the Italian Ministry of Foreign Affairs have been leading the Monitoring and Reporting Working Group (M/R WG) of the EUWI. The objective of the group is to outline an effective system for monitoring the progress made in implementing the EUWI's set objectives and for measuring the contribution of the EUWI to the water-related MGDs and WSSD targets.

The tasks of the M/R WG has been preparing, designing, testing and applying to selected case studies a monitoring model that fits the characteristics of the EUWI. Once the model of the M/R system will be worked out, the implementation will be the responsibility of the regional and cross-cutting Components. The governing body of the EUWI, the Steering Group (SG), will be responsible for overall supervision. The M/R WG will further assist throughout the implementation process, in order to guarantee that the system runs on sound technical basis. The M/R WG will perform such activities as: a) collecting the forms and undertaking quality review; b) supporting on data processing, elaboration and analysis; c) elaborating the data from international statistics; d) building context indicators and coverage ratios; e) finalizing the periodic dossier and reports.

2. Monitoring as strategic device: the added value of the EUWI

Monitoring is a key tool in developing an effective communication strategy and raising the political visibility of the EUWI. A Monitoring and Reporting System of the EUWI allows for: reinforcing accountability, transparency and visibility; strengthening coordination and coherence among working groups; highlighting possible room for improvement of the overall strategy; giving evidence of the contribution of the EUWI pursuits.

A crucial preliminary step to designing a M/R System is highlighting the kind of contribution that the EUWI is expected to give to the attaining of the international targets. Since the EUWI will not directly finance traditional projects, but it will rather act as a mechanism for catalysing and coordinating ongoing and future projects by national actors and donors, the added value of the EUWI should be found in its peculiar characteristics.

The added value of the EUWI identified by the M/R WG is the fulfilment of the following three criteria, which are derived from the five EUWI objectives:

consistency: the ability of the EUWI to promote strong political commitment between objectives and implemented activities at all levels by donors, local authorities and other stakeholders;

coordination: the ability of the EUWI to stimulate harmonised actions and participated interventions by donors, local authorities and other stakeholders;

complementarity: the ability of the EUWI to stimulate financial involvement of other actors and to leverage additional funds.

At the global level, the main objective of the M/R System is assessing the ability of the EUWI to respond to the challenges of attaining the international targets. At the level of EUWI Components, the M/R system will assess their success in expanding the partnership and catalysing additional funding. At the country, basin or regional levels, the phenomena captured by the monitoring system are, among others, the improvement of governments capacity to manage development funds, the coordination among donors in delivering aid, and the poverty and gender focus of the planned intervention.

3. Overview of the monitoring model

Having defined the added value of the EUWI, a Monitoring and Reporting Model is required to derive specific indicators that can be employed to estimate the EUWI contribution to the international targets. Monitoring such a complex policy as the EUWI calls for several departures from the way this activity is usually conceived. A policy is made of complex tasks and activities, related to different administrative and geographical levels, that should all respond to the overall objectives set at the highest level. Hence, data collection should move from the level of sector performance, in order to focus on the process of policy implementation. Moreover, sector data are not able to disentangling the relative contribution of one policy or another, which is instead the aim of monitoring the EUWI.

The model developed by the M/R WG is therefore based on the Logical Framework (Logframe) approach. This approach defines an overarching goal. Different interventions may be required to attain the goal, each with a unique and clearly defined purpose. Achieving this purpose requires interventions to accomplish outputs, or results, through a particular set of activities. The starting point is the definition of a real-world outcome to be attained – the goal. Actions are then designed around the interventions needed to attain the goal.

In order to apply the Logframe approach to complex policies, such as the EUWI, the mechanism of ‘interlocking’ or ‘nested’ objectives is frequently used. This links the objectives of the overall policy to those of the related programmes, and then to the objectives of the projects undertaken. Accordingly, the overall objective of a policy is specified in a purpose and several results, which in turn are the overall objective and purposes of a set of programmes, and so forth, up to the project level.

The Logframe approach has been slightly modified by the M/R WG in order to derive a monitoring model that conceptualises the distinctive organizational structure of the EUWI. In terms of the aforementioned terminology, in the applied model the overall policy is the EUWI, the EUWI Components and WGs are its programmes, while the single undertakings of the Components are the projects. Hence, the EUWI is methodologically conceptualized as divided into four policy levels. Each of these levels of the EUWI are monitored and assessed in terms of the degree to which they reach the objectives of the immediately-upper level.

In particular:

First level: the achievements of the EUWI as a whole are assessed in terms of the progress towards the MDGs and WSSD targets;

Second level: the joint results of the EUWI Components and WGs are assessed in terms of the attainment of the 5 EUWI objectives;

Third level: the whole series of activities (Country Dialogues, IWRM Plans, Transboundary Plans, Conferences, Research Programmes, etc.) implemented by the EUWI Components and WGs are measured in terms of the attainment of the Component's objectives;

Fourth level: individual activities of the EUWI Components and WGs are measured in terms of the specific objective (s) of the Components and WGs to which they refer.

The model is structured in such a way so as to retain the overall consistency among different levels, while leaving room for adaptation to the several contexts and scopes of the activities of the EUWI Components. The architecture is modular and is able to incorporate adaptations easily, in order to take into account the particularities of each EUWI Component.

4. General characteristics of the EUWI M/R System

According to the methodology elaborated by the M/R WG, each of the four levels of the EUWI will have specific tools with appropriate indicators that complement to each other and combine into a single, consistent Monitoring and Reporting System. The aforementioned level of the activities implemented by the EUWI Components is the key source of information. It is the **basic informational unit of reference** for the EUWI M/R System. This is where raw data are collected and put into standardised monitoring forms. Each kind of activities has its tailor-made monitoring form, which is the basis for compiling the monitoring forms of the following levels of the Components, and then those of the EUWI. Adopting a unique, consistent monitoring framework throughout the EUWI Components and WGs is, thus, key to guaranteeing that results are systematically reported in a comparable way. Where feasible, mainly at the higher levels, the system builds on existing sources. Some indicators, therefore, rely on data available in national and international agencies.

It is also important to relate information needs to the different levels of the EUWI structure. The level of detail of information required will vary according to the level of management. At the level of the Component, it is essential to distinguish between each of the activities undertaken. The other EUWI levels will need aggregated information, to depict broader scenarios of the policy.

Accordingly, two methodological choices have been taken in the design of the M/R System:

- **homogeneity of results:** the EUWI Components are required to use similar indicators and present them in a common template, to allow for tracking implementation in a comparable way;
- **aggregability of indicators:** the majority of the indicators in the higher levels of the EUWI are build by aggregating figures resulting from the information collected at the lowest levels of the activities, in order to retain consistency.

5. The set of indicators

Ongoing monitoring includes the systematic and continuous collection, analysis and use of information about a project, for management control and decision-making. This internal monitoring addresses regularly the following basic issues:

- which activities are underway and what progress has been made?
- at what rate are means being used and cost incurred?
- are the desired results being achieved?
- what changes in the project environment occur?

In addition, external monitoring is often required by international agencies, in order to gather summary information without all the details of internal monitoring. The focus is rather on overall relevance, impact and sustainability. Both internal/project level monitoring and external monitoring operate in a way that decisions based on the observations and recommendations can be made in due course, thus having a direct and rapid impact on project management.

Following the aforementioned principles, taken from the PCM Training Handbook of the European Commission, the EUWI M/R System has been designed along two monitoring sub-systems:

- **quantitative sub-system:** it is based on objectively verifiable indicators (OVIs) collected in a standardized and systematic way every six months, in order to give a quantitative measurement of progresses;
- **qualitative/participatory sub-system:** designed to work as a device for external monitoring and to keep EUWI partners and stakeholders always involved, by giving them every year the opportunity to express through a questionnaire an opinion on the progress of the EUWI.

The core of the proposed model is a set of four monitoring lines that implement the EUWI M/R System, three quantitative lines and one qualitative line:

- **input line:** measures the contributions to the EUWI made by the Commission and Member States, in terms of financial, physical and human resources;
- **output line:** measures the direct realisations of the EUWI, in financial, physical and procedural terms;
- **outcome line:** measures the long-term effects of the EUWI on recipient countries and international donors;
- **qualitative line:** picks up the opinion of EUWI partners about its relevance, impact and sustainability.

6. Implementing the EUWI monitoring system

At a meeting in Brussels on 4th May 2006, between the M/R WG leadership, the European Commission and a team of experts, it was decided to follow a two-track approach to monitoring the EUWI: 1) carry out an initial monitoring to demonstrate early efforts and results of the EUWI; 2) implement gradually the comprehensive approach of designing and developing a consistent monitoring system. It was agreed to propose to the forthcoming EUWI-SG on 17

May a plan for how to carry out such early monitoring, so as to report it by the time of the next Stockholm Water Week in August 2006.

The first set of indicators proposed here is deeply rooted in the previous work done within the M/R WG, but presents some simplifications in order to bring about immediate results. This approach does not pretend to measure all relevant aspects of the EUWI. Instead, it offers an opportunity to pick some low-hanging fruits in terms of efforts required for monitoring certain aspects of the initiative – and leave those indicators requiring more time and work to the next stage.

The work done by the M/R WG on developing a comprehensive monitoring system has focused on four different levels of monitoring, from the individual activity under the regional or thematic Working Groups to the global level of achieving the MDGs and IWRM targets. Accordingly, the original methodology uses two broad classes of indicators: those which are peculiar to each level, and those that can be aggregated across the EUWI levels.

Whereas these are all important, it is realized that, in order to present results by the Water Week in Stockholm, compromises must be made. Therefore, it is proposed for this first round of monitoring to concentrate on those indicators that can be aggregated across the levels, in order to focus on the overall EUWI results.

Similarly, whereas it is recognized that both input, output and outcome indicators need to be included in the full-fledged monitoring system, it is recognized that in order to produce results before Stockholm, outcome indicators may have to be put on hold for now: in fact, there is generally a significant time-lag between initiation of the initiative and expected outcomes materialising. Moreover, outcome indicators typically require the participation of recipient countries and complicate data collection and transfer procedures. Therefore, it is suggested to focus on input and output indicators for the initial monitoring exercise.

The following table presents the suggested first set of indicators for the EUWI. *Italic type* indicates the suggested entity in charge of collecting raw data. In all cases, the submission of data forms will go through the WG lead countries.

Table 1 – First set of indicators

EUWI objective	Input indicator	Output indicator
The reinforcement of political commitment towards action and innovation oriented partnership	<p>1-a. Number of EU-countries participating in country dialogues. <i>CD lead countries</i></p> <p>1-b. Number of non-EU donors and IFI's participating in country dialogues. <i>CD lead countries</i></p> <p>1-c. Number of participants from recipient countries in EUWI WG meetings. <i>WG lead countries</i></p>	<p>2-a. Number of IWRM plans initiated/completed with EUWI support. <i>WG lead countries</i></p> <p>2-b. Number of conferences/official meetings convened under the EUWI umbrella. <i>WG lead countries</i></p> <p>2-c. Number of formal agreements proposed/signed between EUWI and specialised programmes. <i>CD and WG lead countries</i></p>
The promotion of improved water governance, capacity building and awareness	<p>3-a. Number of conferences/official meetings with specific EUWI contributions. <i>WG lead countries</i></p> <p>3-b. Operational cost of running the Research WG. <i>EU Commission, DG Research</i></p>	<p>4-a. Number of research reports and documents on capacity building produced by EUWI-WGs. <i>WG lead countries</i></p> <p>4-b. Number and value of Capacity Building-oriented Technical Assistance projects (planned/initiated/completed) coordinated by the EUWI. <i>WG lead countries</i></p>
Improved efficiency and effectiveness of water management through multi-stakeholder dialogue and coordination	<p>5. Operational cost of running WS&S activities under the WGs <i>WG lead countries</i></p>	<p>6-a. Number of country dialogues with EUWI support (planned/initiated/completed). <i>WG lead countries</i></p> <p>6-b. Number and value of WS&S projects (planned/initiated/completed) coordinated by WG's as part of country dialogues. <i>WG lead countries</i></p>
Strengthened cooperation through promoting river basin approaches in national and transboundary waters	<p>7. Operational cost of running national/transboundary river basin management activities under the WG's. <i>WG lead countries</i></p>	<p>8-a. Number and value of national RBM projects (planned/ initiated/completed) coordinated by WG's as part of national plans <i>WG lead countries</i></p> <p>8-b. Number and value of transboundary RBM projects (planned/initiated/completed) coordinated by WG's as part of transboundary plans <i>WG lead countries</i></p>
Identification of additional financial resources and mechanisms to ensure sustainable financing	<p>9-a. Operational costs of running Financing WG <i>Financing WG lead country</i></p> <p>9-b. Number of country dialogues where the Financing WG has made a specific contribution to develop national financing strategies. <i>Financing WG lead country</i></p>	<p>10-a. Number of guidelines/best practices/assessment reports etc. produced by EUWI-WG on financing mechanisms <i>WG lead countries</i></p> <p>10-b. Number and value of projects allocated/dispursed through EUWF. <i>EuropeAid</i></p>

7. The system of qualitative indicators

Participatory monitoring will be introduced in order to work as a device for external monitoring. This will be also an instrument to keep political support high and to involve EUWI partners and stakeholders, by giving them every year the opportunity to express through a questionnaire an opinion on the progress of the EUWI.

According to the practices of external monitoring adopted by the European Commission, qualitative indicators will be structured in such a way so as partners can give a score ranging from 1 to 4 according to the following scale:

- 1: not satisfactory;
- 2: almost satisfactory;
- 3: quite satisfactory;
- 4: very satisfactory.

Qualitative indicators will act at the level of the Components and the EUWI, to provide a snapshot about what EUWI partners perceive about the relevance, impact and sustainability of the Initiative. A list of qualitative indicators will be suggested after the next M/R WG meeting, to be held in Brussels on 22nd June 2006.