



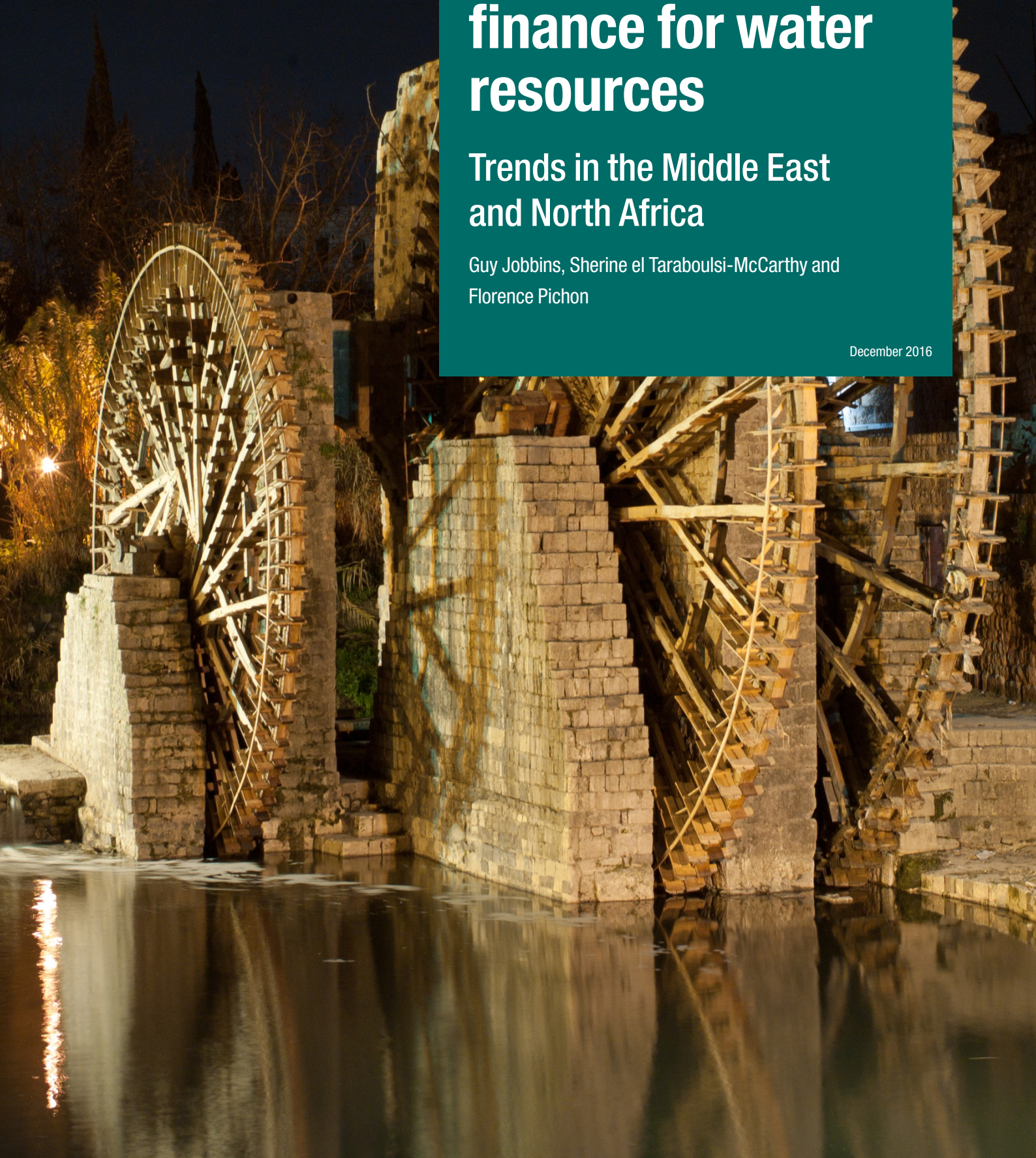
Report

Development finance for water resources

Trends in the Middle East and North Africa

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Abbreviations

AfDB	African Development Bank
AFESD	Arab Fund for Economic and Social Development
CRS	OECD's Creditor Reporting System database
DAC	Development Assistance Committee
EU	European Union
FEA	Far East Asia
GDP	Gross Domestic Product
MENA	Middle East and North Africa
OECD	Organisation for Economic Co-operation and Development
ODA	Official Development Assistance
ODI	Overseas Development Institute
OOF	Other Official Flows
OFID	Organization of the Petroleum Exporting Countries Fund for International Development
SCA	South and Central Asia
Sida	Swedish International Development Cooperation Agency
SSA	Sub-Saharan Africa
UAE	United Arab Emirates
US	United States of America
USAID	United States Agency for International Development
\$	United States dollars
WASH	Water, Sanitation and Hygiene
WRM	Water Resources Management

Abstract

This paper provides an overview of development finance for water resources in the Middle East and North Africa (MENA). Based on analysis of reported data and interviews with donor institutions, it explores: how finance for water resources in MENA compares to that in other regions of Africa and Asia; how countries within MENA compare in their access to finance; and how donors from the region and beyond make allocation choices. Based on our findings, we make four key policy recommendations to improve the effectiveness of finance for water resources in MENA

1. Maintain support for water resources to sustain development gains.
2. Raise the political profile of water resources reform.
3. Use politically aware and cross-departmental approaches.
4. Form innovative donor partnerships in the region.

Executive summary

Low- and middle-income countries of the Middle East and North Africa (MENA) need substantial investment in water resources to meet the needs of growing populations and diversifying economies. Low incentives and competing priorities hamper both private and domestic public investment, while political economy issues constrain reforms essential for transforming the economic and social returns of water use while returning basins to sustainable levels of consumption. Against this background, we examine trends in international development finance for water resources directed at MENA between 2002 and 2014 in terms of three questions:

- How does development finance for water resources in MENA compare to that in other regions, and how has this changed since 2002?
- Which MENA countries are accessing finance for water resources, how has this changed since 2002, and what factors explain differences in volumes of disbursements?
- How do different providers of finance engage in MENA, how has this changed since 2002, and what drives patterns of engagement?

This initial quantitative analysis has some limitations. It only uses data from some donors that report to the Organisation for Economic Co-operation and Development, and data quality may be undermined by inconsistent coding of sub-sector codes used to distinguish finance for water resources from finance for water supply and sanitation. Nevertheless, some clear patterns emerge from the analysis, which has been supplemented by fifteen interviews with donors from and beyond the region.

Compared to development finance for water resources in other regions of Asia and Africa, that in MENA is generous in per capita terms (\$0.5 per person) and as a share of total development finance (1.2%) – only sub-Saharan Africa receives more. However, while finance for water resources has risen in other regions over the last decade, in MENA it has fallen in absolute and relative terms. The influence of geopolitical events on this finance is seen in the significant allocation of resources for the reconstruction of Iraq between 2003 and 2008, and the deprioritisation of water resources following the 2011 Arab uprisings and emergence of associated protracted conflicts. While short-term events are likely to continue driving allocations of development finance in MENA, **maintaining support for water resources is important for long-term sustainability and consolidation of development gains.**

Development finance for water resources to individual MENA countries was highly concentrated, with five countries capturing 80% of all flows, between 2010 and 2014. High flows were not correlated with water stress but rather with geopolitical interests (e.g. Iraq and Jordan) and signals of institutional and policy reform (e.g. Morocco and Tunisia). Most countries continue to receive all or most finance in the form of official development assistance (ODA) grants, volumes of which are declining across the region. However, demonstrated progress with water reform in Morocco, Tunisia and Lebanon has enabled these countries to access significant non-concessional loans from the World Bank and other lenders. Egypt, by contrast, has not made sufficient progress with reform to offset declining ODA grants by increasing loans. More evidence on the costs of water insecurity is needed, and **higher political prioritisation for water reform is required to mobilise finance and achieve water security in MENA.**

Interviews with donors from outside the region underlined the difficulties of supporting such reform. Most donors engage with technical line ministries, yet these rarely have sufficient influence to mobilise broad political support for reform. Several donors have developed alternative strategies, working in collaboration with other agencies of government, with non-governmental organisations or with the private sector to build support for reform. **Politically aware approaches that engage with key political actors and agendas are more likely to succeed in promoting reform**, although more evidence is needed on success factors for water reform in MENA's different contexts.

The potential role of regional donors – sovereign and philanthropic – is often underappreciated. Funds from Kuwait, the United Arab Emirates, and the Arab Fund for Economic and Social Development for water resources in MENA grew in volume over the last decade (data from other regional donors were not available). In addition to substantial resources, these donors offer alternative pathways of influence in the public and private spheres. While hampered by limited institutionalisation – none of those interviewed had a water resources strategy, for example – regional donors are going through a period of reform and innovation. Therefore, there are opportunities for donors from the region and from elsewhere to **form innovative partnerships that build on comparative advantage to support water reform.**

1. Introduction

1.1 Water resources in the Middle East and North Africa: a long-term issue in a short-term region

The Middle East and North Africa (MENA)¹ is the most water-stressed region on the planet, and water scarcity increasingly constrains economic and social development (World Bank, 2007).

Water is highly interconnected with human development goals. Progress in employment, economic growth, human rights, governance, gender equality, migration and political stability is shaped by and in return shapes how water is accessed and managed, particularly in a water insecure environment like MENA (Mason and Calow, 2012).

Box 1: Water security defined

Water security means having sufficient water, in quantity and quality, for the needs of humans (health, livelihoods and productive economic activities) and ecosystems, matched by the capacity to access and use it, resolve trade-offs, and manage water-related risks including flood, drought and pollution (Mason and Calow, 2012).

Source: Mason and Calow, 2012.

MENA is diverse in politics, economic activity and human development as well as in physical geography; making general statements about the whole region is a perilous exercise, particularly when discussing complex issues. However, while specific water security challenges vary across the region, their principal underlying driver is the scarcity of water available to meet growing and competing demands from diversifying economic activities and burgeoning populations. MENA's population has trebled since the 1950s, and has become increasingly urbanised, consequently increasing and changing demand for water. Governance systems have not proved effective

at sustainably managing these competing demands and addressing inequalities in access (Allan, 2002).

A key challenge is the dominance of agricultural water use. There is enough natural water in the region to meet current and future demand for domestic supply and industrial use. However, MENA withdraws more of its water – 85% – for use in agriculture than anywhere else on Earth, meaning industrial and domestic users compete for the small remaining share, withdrawing 5% and 10% respectively (World Bank, 2016a). Agricultural and industrial pollution, poor environmental controls, and poorly maintained infrastructure mean that in many areas this competition is over poor-quality water; the economic costs to MENA countries of water degradation are estimated at 0.5%-2.5% of gross domestic product (GDP) (World Bank, 2007).

The difficulties and costs of securing reliable sources of sufficient water are a challenge for growth and diversification of the region's stagnant economies. The 2015 Global Risks Perception Survey, for example, ranked the water crisis as the most likely risk to MENA businesses and economies over the next 10 years, alongside unemployment and ahead of social instability and failures in governance (World Economic Forum, 2016). This is a strategic issue for water security in MENA. Economic diversification and growth of non-agricultural sectors is not just essential for generating much needed employment (United Nations World Water Assessment Programme, 2016). It also offers a pathway to sustainability; generating revenue to import food – and embedded 'virtual water' – from international markets eases domestic agricultural water demand (Allan, 2006).

Similarly, while MENA has made considerable progress in extending water supply coverage since the introduction of the Millennium Development Goal targets, 55 million people in MENA still lack access to an improved drinking water source (United Nations Economic and Social Commission for Western Asia, 2015). Unlike regions such as sub-Saharan Africa (SSA), where governance or institutional problems largely explain supply gaps, in MENA physical shortages of water supply are as great a constraint (World Health Organization, 2014). Even in major cities, like Beirut and Amman, with high connection

¹ For the purpose of this paper, we define the Middle East and North Africa as the region from Morocco to Iran. Our analysis of development finance focuses on MENA's low- and middle-income economies: Algeria, Egypt, Iran, Iraq, Jordan, Lebanon, Libya, Morocco, Palestine, Syria, Tunisia and Yemen. We also consider regional programmes in MENA, which may include coverage of other territories.

rates, water rationing is commonplace (e.g. Korfali and Jurdi, 2007; Potter, Darmame and Nortcliff, 2010). In many parts of MENA, achieving sustainable and universal access to water and sanitation (WASH) requires not just the provision of WASH infrastructure and services but also reform of policies, institutions, and infrastructure for water resources. Continued population growth and urbanisation are placing further demands on already stressed water resources. Climate change and increasing climate variability pose further risks to water security. Of particular concern are the potential links between water insecurity, poor governance, and political instability in MENA. While not a primary cause of the eventual conflict, ineffective policy responses to ongoing drought contributed to political unrest in Syria during 2011 (Sowers, Waterbury and Woertz, 2013). MENA is currently experiencing the worst series of droughts for 900 years; in coming decades the social and economic impacts of more frequent and more intense dry periods are likely to be reinforced (World Bank, 2014).

The Middle East and North Africa region will be particularly at risk, given existing high levels of water stress and high rates of population growth.’ National Security Strategy and Strategic Defence and Security Review on climate change and resource scarcity (HM Government, 2015)

The constraints posed by water scarcity to economic and social development all imply an urgent need for better water resources management (WRM) and higher investment. While there are few feasible conventional options to mobilise additional water supplies, non-conventional technologies provide options in the form of water treatment, recycling and reuse; and water manufacture through desalination (Murakami, 1995). When coupled with institutional and policy reforms supporting better social and economic returns from water, these technologies can offer routes to water security.

In recent years, Israel has deployed such reforms and technologies to effectively decouple economic growth from physical water constraints, despite considerable political and economic challenges (Gilmont, 2014). Some low- and middle-income MENA countries – Morocco, Jordan, Lebanon and Tunisia – have embarked on similar processes of reform, with the implicit challenges of mobilising sufficient investment and political will. Other countries have yet to begin such reform processes.

Public and private sector finance for water resources is a significant constraint in MENA. National governments allocate domestic financial resources to water resources, but generally don’t meet required levels of investment due to stagnant economies, competing urgent demands for

public finance, and low immediate returns on investment. According to one estimate, MENA’s governments spend between 1.7% and 3.6% of GDP on the water sector, far short of annual investment needs of 4.5% of GDP (United Nations Development Programme, 2013).

Recognising this shortfall in funding, the Arab Water Security Action Plan (Arab League, 2014) calls for urgent action to mobilise additional investment for water resources from the private sector, development banks and donors. Stimulating private sector finance for water resources – hampered across the region by disincentives from structures of water pricing and heavily bureaucratised systems – will require significant policy reform (World Bank, 2007; United Nations Development Programme, 2013). So what will be the role for development banks and donors, as sources of development finance?

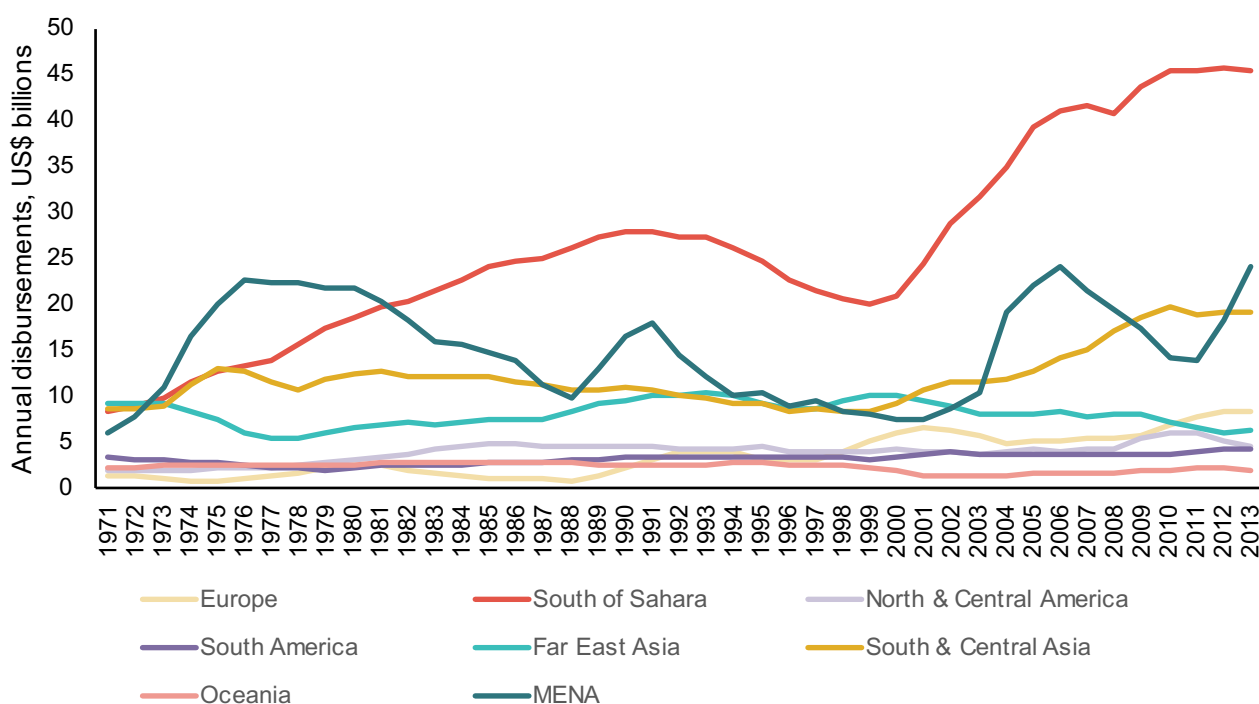
Development finance, and particularly official development assistance (ODA), has a chequered history in MENA. In per capita terms, the region has been the world’s largest recipient of ODA for decades (Harrigan, 2011). In absolute terms, flows of ODA to MENA compare favourably with flows to South and Central Asia, and are consistently behind only sub-Saharan Africa (SSA) (Figure 1).

This prominent place as a recipient of ODA largely results from geopolitics: the region’s colonial past, its proximity to Europe, the concentration of global oil reserves and strategic transportation routes, the Arab–Israeli conflict, and – more recently – wars in Iraq (Harrigan, 2011). Figure 1 clearly shows increases in ODA to MENA following the 2003 invasion of Iraq and the 2011 Arab uprisings and emergence of associated conflicts in Syria, Yemen and Libya.

Jane Harrigan (ibid) suggests that another indicator of donor interests in development finance to MENA is the relatively high share of ODA funding (i.e., grants and concessional loans) compared to other official flows (e.g. non-concessional loans) (Figure 2). This is particularly notable given that most MENA countries are not low-income economies – only Yemen is currently considered eligible for ODA grants and concessional loans by the World Bank, for example (World Bank, 2016b). The United States of America’s dominant role, accounting for 40% of all ODA to the region between 1994 and 2014 (Organisation for Economic Co-operation and Development, 2016a), also indicates how the interests of individual donors can shape the broader landscape.

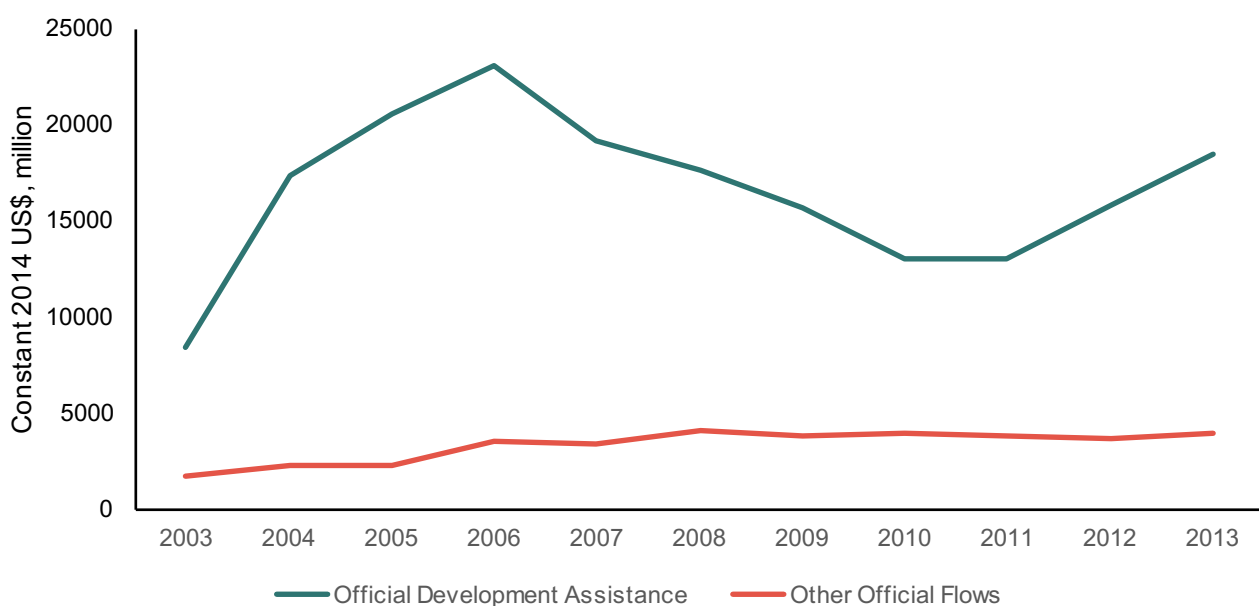
This politicisation of ODA has contributed to ineffective outcomes from development assistance in MENA (Harrigan, 2015). This is partly due to bilateral donor priorities changing in response to regional conflicts and events, and to shifting domestic political agendas. Evolving professional development discourse, and shifts in objectives by development actors, have also affected ODA flows to MENA. Similarly, an enhanced focus on expanding access to WASH may have shifted attention away from

Figure 1: MENA consistently receives high volumes of ODA



Source: OECD's aid disbursement to countries and regions DAC2a database. Data from 1970 to 2014 smoothed to provide 3-year averages

Figure 2: ODA consistently dominates flows of development finance to MENA



Source: OECD CRS database. Data from 2002 to 2014 used to provide smoothed 3-year average

the water resources needed to secure sustainable delivery of WASH services. Whether this is the case, and whether the variability and inconsistency of immediate donor priorities has affected strategic finance for water resources investments in MENA, are among the questions driving this paper.

Before turning to these questions, however, we want to highlight the underappreciated significance of donors within MENA. Although this is not generally recognised, state and philanthropic donors from MENA are important and significant actors in the humanitarian and development donor landscape. Saudi Arabia is among the largest donors in the world (United Nations Development

Programme, 2016), and development finance to MENA from regional donors is estimated to be comparable to that from international sources (Villanger, 2007). That their significance is often unrecognised is partly because most donors from the region do not report disbursements to the Organisation for Economic Co-operation and Development (OECD), and tend to value privacy – even secrecy – in their work.

Humanitarian and development objectives, often interconnected, are the foci of most Arab donors, but their action on issues of water resources remains unclear. As with donors from outside the region, their engagement in particular countries and on particular issues can be driven by geopolitical interests. How donors from the region are incentivised to engage on water resources is another question we wish to consider.

This paper provides an initial scoping of development financing for water resources in MENA between 2002 (when data on sub-sector disbursements first become available) and 2014 (the most recent year for which data are available), and addresses three main questions:

- How does development finance for water resources in MENA compare to that in other regions, and how has this changed since 2002?
- Which MENA countries are accessing finance for water resources, how has this changed since 2002, and what factors explain differences in volumes of disbursements?
- How do different providers of finance/financiers engage in MENA, how has this changed since 2002, and what drives patterns of engagement?

1.2 Methodological note

This paper uses data from OECD Development Assistance Committee (DAC) databases (primarily the Creditor Reporting System (CRS)) supported by publicly available data from the World Bank and other organisations, and supplemented by 15 semi-structured qualitative interviews with donors from the region and elsewhere.

For the purpose of this paper we define development finance as ODA (i.e. concessional grants and loans) and other official flows (OOF)² (mostly non-concessional loans). Analysis of data from CRS (OECD, 2016b) focuses on development finance coded for WRM, excluding sub-sector codes for water supply and sanitation and agricultural water (e.g. irrigation) (Box 2). The analysis uses data for actual disbursements of finance rather than commitments.

In terms of geography, our analysis focuses on low- and middle-income economies of North Africa and the Middle

East: Algeria, Egypt, Iran, Iraq, Jordan, Lebanon, Libya, Morocco, Palestine, Tunisia and Yemen. We also consider regional programmes in MENA, which may include coverage of other territories.

This initial analysis has some limitations. Donors that do not report to DAC, including the Kingdom of Saudi Arabia and other potentially significant sources of finance, are necessarily excluded from the data. Data quality may also be undermined by poor or inconsistent coding of finance in reports to DAC. For example, it is possible that some projects coded as ‘sanitation’ by one donor might be coded as ‘waste management and disposal’ by another. Third, examining volumes of disbursements has no relation to project outcomes; successful governance projects may achieve significant impact for low levels of resources, while expensive infrastructure projects can exacerbate problems if poorly designed. Fourth, we do not consider private or domestic public resource mobilisation, so the analysis is an incomplete picture of supply and demand for water resources finance in the region.

Box 2: Tracking water resources finance in the OECD Creditor Reporting System dataset

In the OECD’s CRS dataset, each project is coded by sector and sub-sector. The code for the water sector (140) includes all finance for water resources, water supply and sanitation. For this analysis we have excluded finance coded as water supply or sanitation (14020-14022 and 14030-14032) but included codes for water resources policy and administration (14010), water resources protection (14015), river basin development (14040), waste management and disposal (14050) and education and training in water supply and sanitation (14081). Including 14081 may overestimate flows where projects are focusing on water supply and sanitation (WASH) rather than water resources management, but flows are small compared to other sub-sectors. The analysis here does not include water transport (21040) or agricultural water resources (31140).

This paper continues in Section 2 by analysing available OECD data on development finance for water resources in MENA. Section 3 draws on this analysis and interview data to assess the role and engagement of national governments and of donors – from both the region and elsewhere – in development finance for water resources. Section 4 identifies four key research findings and provides accompanying policy recommendations.

2 Other official flows (OOF) is a category covering official finance not meeting ODA criteria. This includes non-concessional loans, bilateral finance intended to have a development impact but with a grant component of less than 25%, and grants to developing countries for commercial or representational purposes. The OECD CRS database excludes export credits from its OOF data. Most OOF for water resources in MENA examined in our analysis appears to be for non-concessional loans.

2. Trends in development finance for water resources in MENA

2.1 How does MENA's access to water resources finance compare to that of other regions?

Patterns of finance for water resources management (WRM) in the Middle East and North Africa (MENA) have changed significantly since 2003. In 2003, MENA received higher volumes of disbursements for WRM than other regions of Africa and Asia (Figure 3). In 2013, MENA received less than half the volume of disbursements to SSA or Far East Asia (FEA).

MENA was the only region to see consistent declines in disbursement volumes since 2006. By contrast, disbursements to FEA, SSA and South and Central Asia (SCA) have doubled or more, albeit with some short-term downturns.

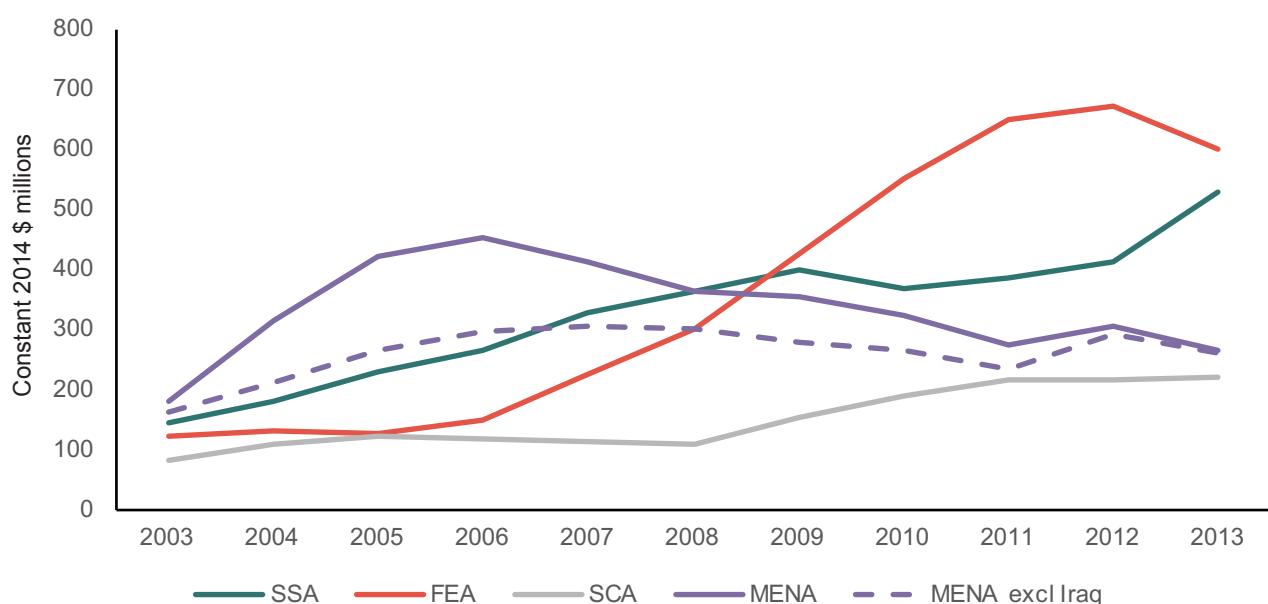
Between 2002 and 2006, funding for WRM in MENA rose dramatically. This is largely a product of funding

the reconstruction of Iraqi water infrastructure. Figure 3 shows results both for MENA and for MENA excluding Iraq, demonstrating the distorting effect of that finance on regional figures. Reduced funding for Iraq accounts for most of the overall decline in WRM finance in MENA since 2006; excluding Iraq shows a stagnation and slight decline in disbursement to the rest of the region since 2007.

While MENA receives less than other regions in absolute terms, MENA still attracted significant per capita disbursement for water resources in 2013. At \$0.50 per capita, MENA received more than double FEA (\$0.24 per capita) or SCA (\$0.13 per capita), although far less than SSA (\$0.81 per capita).

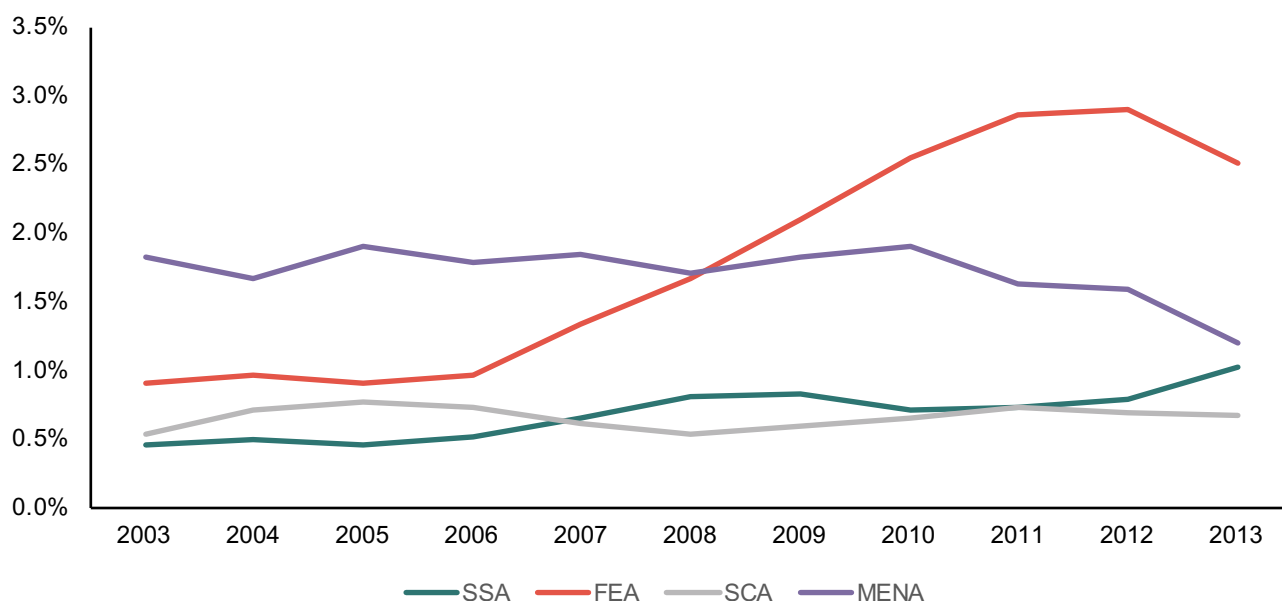
Development finance for WRM in MENA was deprioritised after 2011 and the Arab Spring (Figure 4),

Figure 3: Volumes of development finance to MENA for water resources have stagnated over the last decade



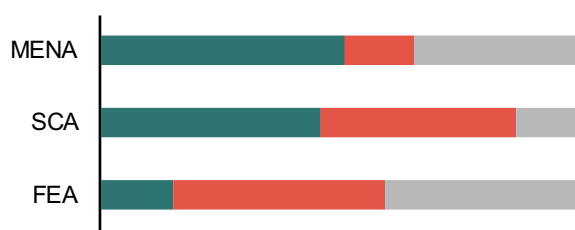
Source: OECD CRS database. Data from 2002 to 2014 used to provide smoothed 3-year average

Figure 4: Development finance for water resources in MENA has been deprioritised since 2010



Source: OECD CRS database. Data from 2002 to 2014 used to provide smoothed 3-year average

Figure 5: ODA grants dominated receipts of water resources development finance in MENA in 2010-2014



Source: OECD CRS database

but water resources still received a higher share of total disbursements in MENA than in SSA or SCA. Water resources management grew as a priority in FEA and significantly in SSA, while remaining stable in SCA.

In 2010-2014 MENA received the second highest proportion of ODA grants across regions (51% of all water resources disbursements), second only to SSA (62%) (Figure 5). This is a significant decline from the period 2006-2010, when 65% of disbursements to MENA took the form of grants. This lower proportion of grants partly reflects a return to the pre-2003 status quo in funding composition as grants to Iraq were reduced, and as grants to Jordan also declined (see Section 2.2). Volumes of concessional loans to MENA have not significantly changed since 2003, while volumes to other regions have generally increased while remaining reasonably constant in terms of their significance. By contrast, OOF – mostly comprising non-concessional loans – to MENA increased in both volume and significance

between 2003 and 2013, mostly due to increased World Bank lending to Morocco.

Recent reductions in spending for water resources have not been replaced with spending on water supply and sanitation on a like-for-like basis (Figure 6). Volumes of disbursements for WASH to the region also fell steadily over the period, from \$1.1 billion in 2006 to \$632 million in 2013. Figures for 2014 show a marked reversal, with disbursements for WASH of over \$1 billion, largely due to significant increases in ODA grants and loans for Jordan (from multiple donors), Morocco (Germany and the European Union (EU)) and Iraq (Japan). It remains to be seen whether 2014 is an anomaly or if this reversal indicates a new trend. Whatever the case, these figures indicate that declining finance for water resources cannot be explained as the same level of funds simply being reallocated to or channelled through codes for WASH finance.

2.2 How does development finance for water resources compare across MENA countries?

Funding to the region is highly concentrated. In 2010-2014, 80% of funding was concentrated in five countries; Morocco (39%), Tunisia (11%), Jordan (11%), Egypt (10%) and Iraq (9%). Reductions in flows to Jordan, Iraq and Egypt mean that regional funding was less concentrated in later years than over the period 2002-2010, when these five countries captured 85% of finance.

Aggregate regional trends are not necessarily reflected at the country level. While Jordan, Iraq, Egypt, Palestine and Algeria received lower disbursements for water resources in 2010-2014 than in 2002-2006, other countries received higher levels of funding (Figure 7). Morocco, Tunisia, Yemen, Lebanon and Iran all saw significant increases in disbursements.

Most countries saw few substantial changes in terms of proportions of grants and concessional and non-concessional loans.⁴ In other countries, changes in funding composition were more significant (Figure 8).

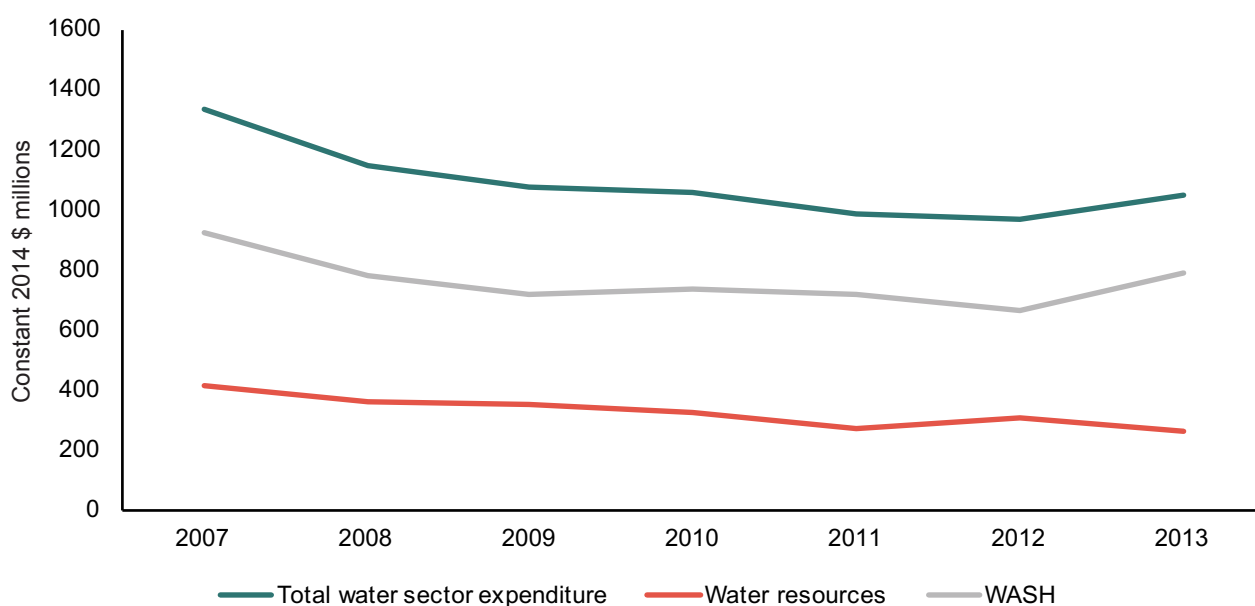
Although disbursement of grants to Morocco increased by 145% over the period, grants dramatically declined in importance relative to non-concessional loans. Morocco's eligibility for World Bank ODA grants and loans ended in 2007, and non-concessional loans from the World Bank increased from \$0.3 million over the previous 4 years (2003-2006) to \$155 million in 2006-2010, and to \$357 million in 2011-2014. This strongly contrasts with Egypt, the only other MENA country between 2002 and 2014 to become ineligible for World Bank ODA grants and loans. Following this change in status in 2002, Egypt took on larger volumes of

concessional and non-concessional loans, accounting for 28% of finance in 2010-2014, but this did not offset the value of declining grant volumes from other sources.

Higher volumes of concessional and non-concessional loans explain the higher finance to Tunisia, while Lebanon has accessed higher volumes of grants and concessional loans. Fluctuations in non-concessional loans also explain declining finance for Algeria, possibly due to closure of a single or small number of projects.

Water stress⁵ does not explain patterns of development finance flows to MENA countries either as absolute volumes or in per capita terms. Jordan (\$4 per capita), Morocco (\$3.2 per capita) and Tunisia (\$2.6 per capita) received the highest levels of funding (Figure 9). The picture changes little when considering ODA grants and loans only, except for Morocco where expenditure falls to \$0.6 per capita. While Jordan is highly water stressed, withdrawing 126% of renewable water resources each year, Lebanon (29%), Morocco (48%) and Tunisia (57%) are – at a national scale – the least water-stressed countries. Highly water-stressed countries such as Egypt, Palestine, Libya and Yemen received lower levels of funding.

Figure 6: Development finance for the whole water sector in MENA declined between 2007 and 2013³



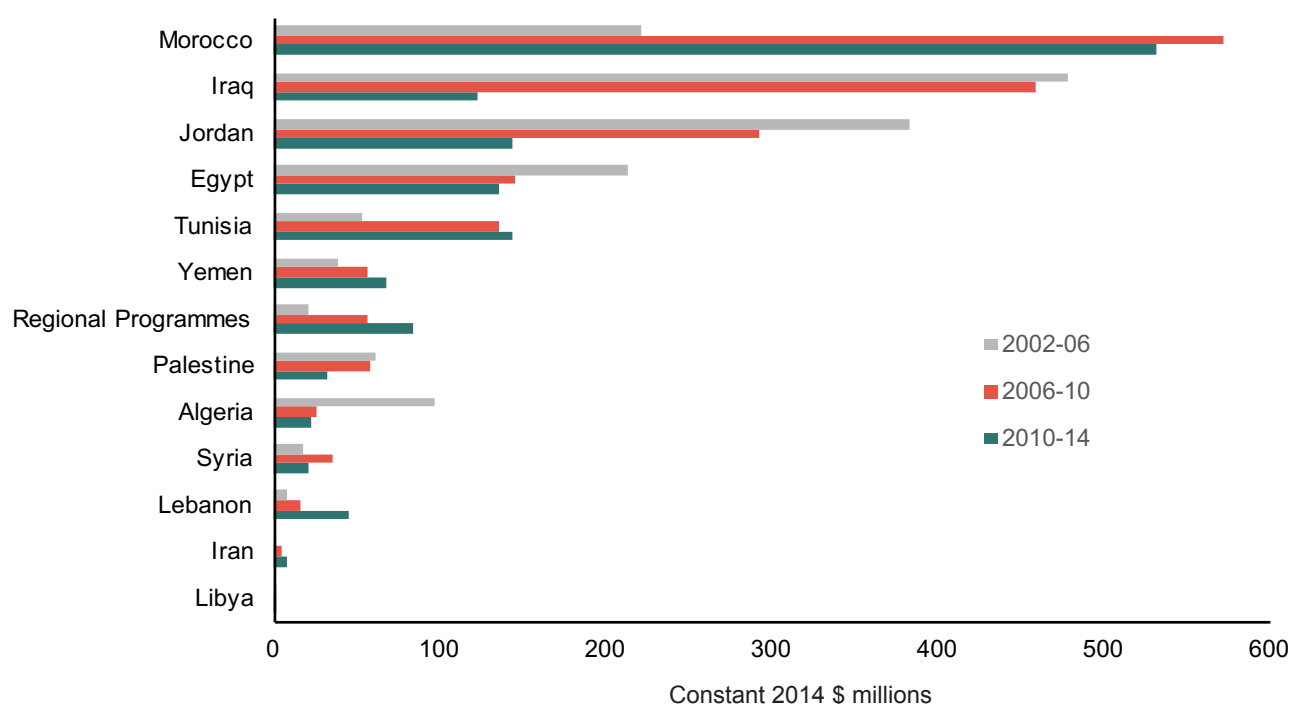
Source: OECD CRS database. Data from 2006 to 2014 used to provide smoothed 3-year average

3 Figures for 'total water sector expenditure' refer to the total reported flows for the water sector code 140, and therefore represent the sum of disbursements for water resources and WASH (see Box 2).

4 Palestine, Iraq, regional programmes, Iran and Libya saw no changes, with all disbursements taking the form of grants. The share of concessional loans remained reasonably consistent in Yemen (8-16%) and Syria (7-16%), neither of which received non-concessional loans. In Jordan, the share of concessional loans grew from 0.1% in 2002-2006 to 9% in 2010-2014, while non-concessional loans remained less than 0.2% of all funding.

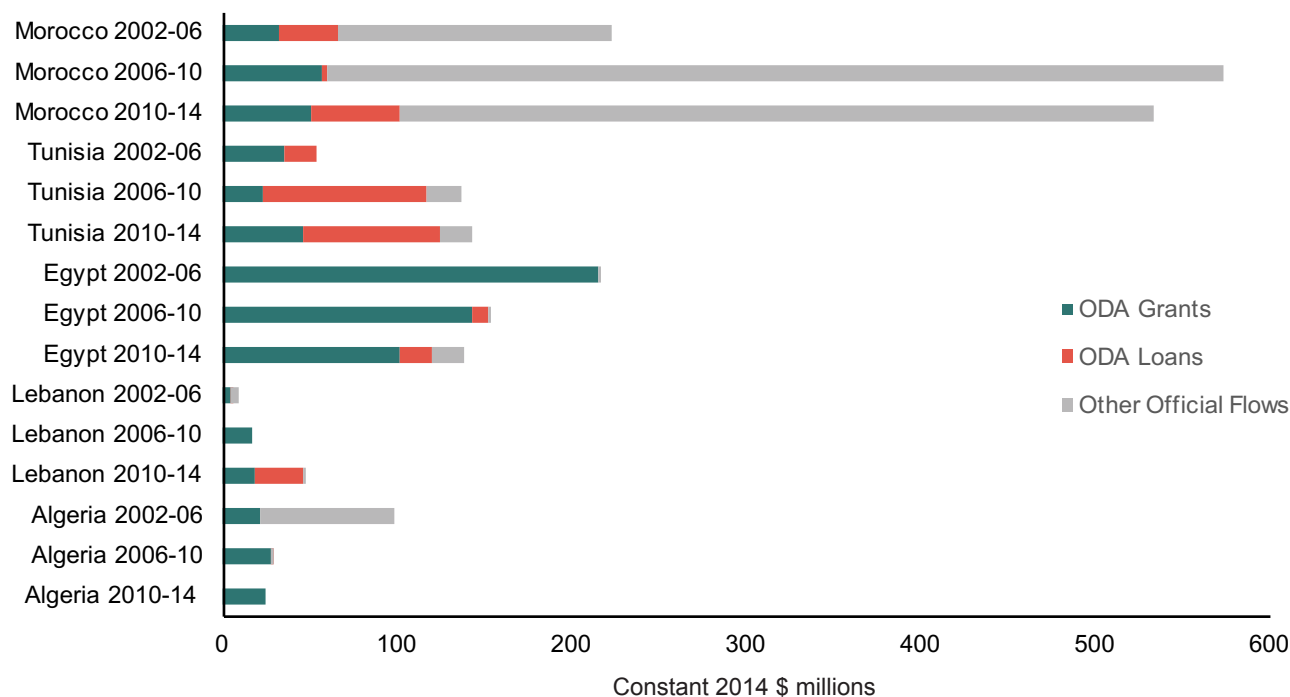
5 Directly comparing the degree of water scarcity and stress in different countries is a significant challenge (see Brown and Matlock, 2011, for a review of different metrics). We use water stress – the volume of water withdrawn each year as a proportion of total available renewable water resources – as a simple national level indicator, but acknowledge that it can obscure sub-national issues.

Figure 7: Total disbursements for water resources to each MENA country, 2002-2014



Source: OECD CRS database

Figure 8: Five MENA countries have seen significant changes in funding composition



Source: OECD CRS database

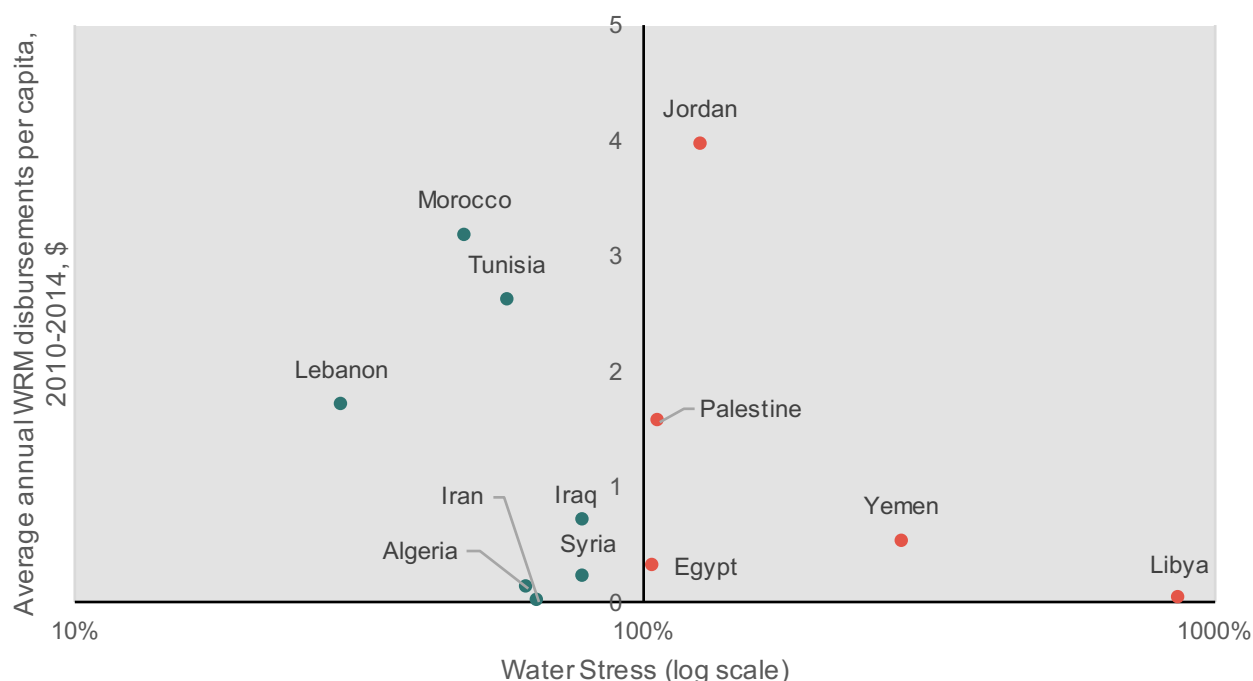
Interviews conducted with donors highlighted two key factors underlying this pattern. First, Morocco, Tunisia, and Lebanon are regarded as regional leaders on institutional and policy reforms for water resources. Political engagement in reforms, and the higher institutional capacity this implies, are signals encouraging donors to commit resources. That governments in Lebanon, Morocco, and Tunisia are willing to allocate domestic resources for financing loans may also encourage donors. Second, geopolitics has a role in directing funding for many bilateral donors. Until recently, economic and political sanctions on Iran, for example, have foreclosed many options for bilateral cooperation. Conversely, Jordan receives a prominent position in the United States Agency for International Development's (USAID's) regional strategy partly due to alignment between narratives around water scarcity and conflict and US interests in promoting peace between Israel and its neighbours.

Another question is how water resources management has changed as a priority for development finance in different countries. As shown in Figure 10, seven countries received smaller disbursements for water resources in 2010-2014 compared to 2006-2010; but the share of water resources in total development finance fell in eight countries over the same period. Absolute and relative

increases in water resources finance were confined to regional programmes, Iran, and Lebanon, and the scale of increases in Iran and Lebanon should be set against low baselines in 2006-2010. In Iraq, the share of water resources in total development finances increased, despite falling disbursements over the period, while in Tunisia and Yemen the opposite was true. In Jordan, Palestine, Syria, Algeria, Morocco and Egypt water resources disbursements fell both in terms of volume and as a share of total development finance. Water resources finance declined in significance for the region's most water-stressed countries (Jordan, Egypt, Palestine, and Yemen), except in Libya, where disbursements remained negligible.

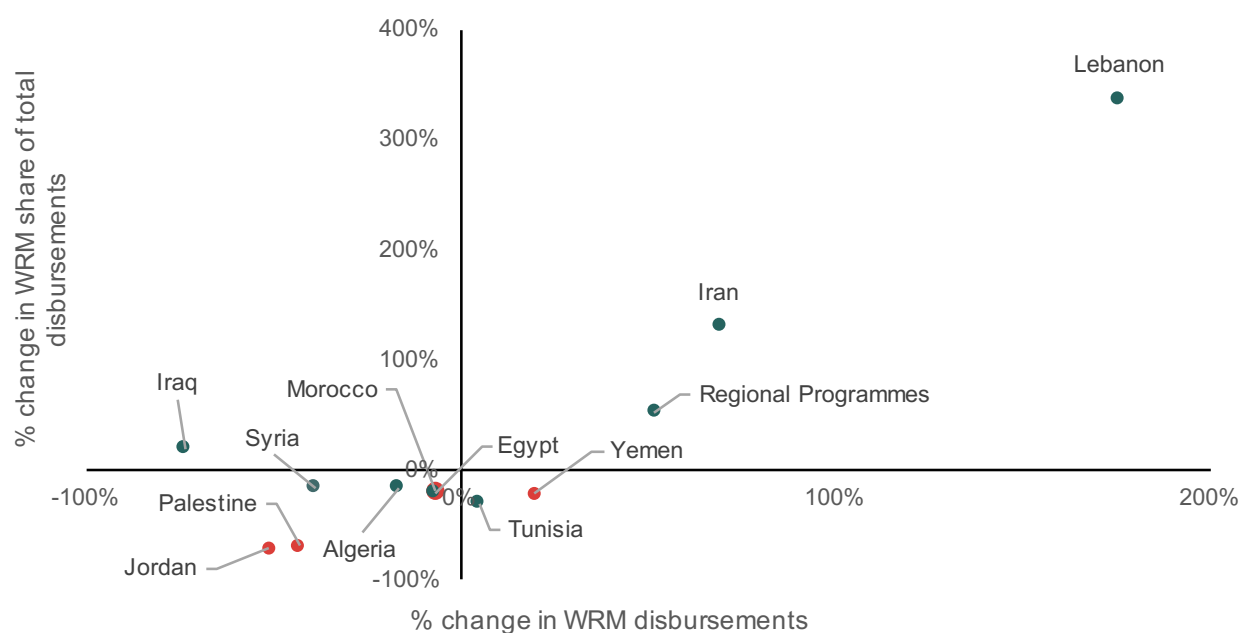
Most countries received more than 50% of commitments in 2010-2014 from just one source, and the significance of individual donors varied markedly between countries (Figure 11). Only Tunisia, Yemen, and regional programmes had less concentrated funding bases. Figure 11 shows only the most significant sources of finance in each country (>5% of flows), which tends to exclude relatively small but still sizeable commitments in countries such as Jordan and Morocco.

Figure 9: Water resources disbursements per capita are not correlated with water stress



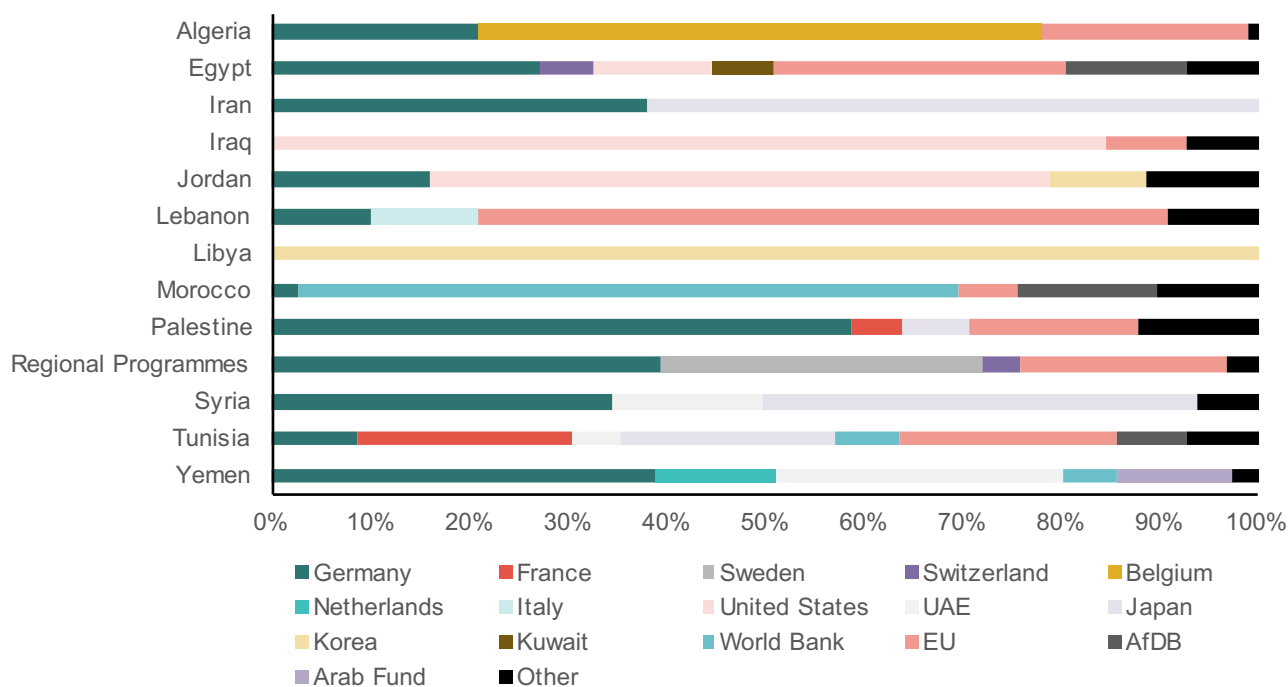
Source: OECD CRS database. Water stress: World Resources Institute's Aqueduct database, % of renewable water resources withdrawn annually. Population: World Bank World Development Indicators, 2014 population

Figure 10: Changes in water resources disbursement volumes and as share of total disbursements, 2010-2014 compared to 2006-2010



Source: OECD CRS database

Figure 11: Most countries received the majority funding from just one donor (data for 2010-2014)



Source: OECD CRS database

2.3 How do different sources of water resources finance engage in the region?

The largest source of water resources development finance in MENA from 2002 to 2014 was the US (Figure 12). However, water resources disbursements from the US declined significantly over the period, from a total of \$979 million in 2002-2006 to \$211 million in 2010-2014 (see Annex A1). Disbursements from Netherlands and Canada – relatively small but significant sources of grants for technical assistance and research – also fell by over 50% during the period, as did larger flows of non-concessional loans from the African Development Bank (AfDB).

Finance increased over the period from some sources – notably Germany and the EU, which dispersed higher levels of funding quite broadly; and the World Bank, a source of loans to a few specific countries, notably Morocco. New sources of finance also emerged, such as Korea and the UAE, and including Kuwait, the Arab Fund for Economic and Social Development (AFESD), and the OPEC Fund for International Development (OFID), which remain relatively modest and are not shown here.

Most bilateral donors employed ODA grants only. Concessional loans were a major element of other finance sources, including emerging donors from Korea, UAE, Kuwait, AFESD, and OFID, and some of the traditional donors, such as France, the EU, and Japan. Unsurprisingly, given that other MENA countries were not eligible, the World Bank provided ODA grants and loans only to Yemen; other countries received non-concessional loans.

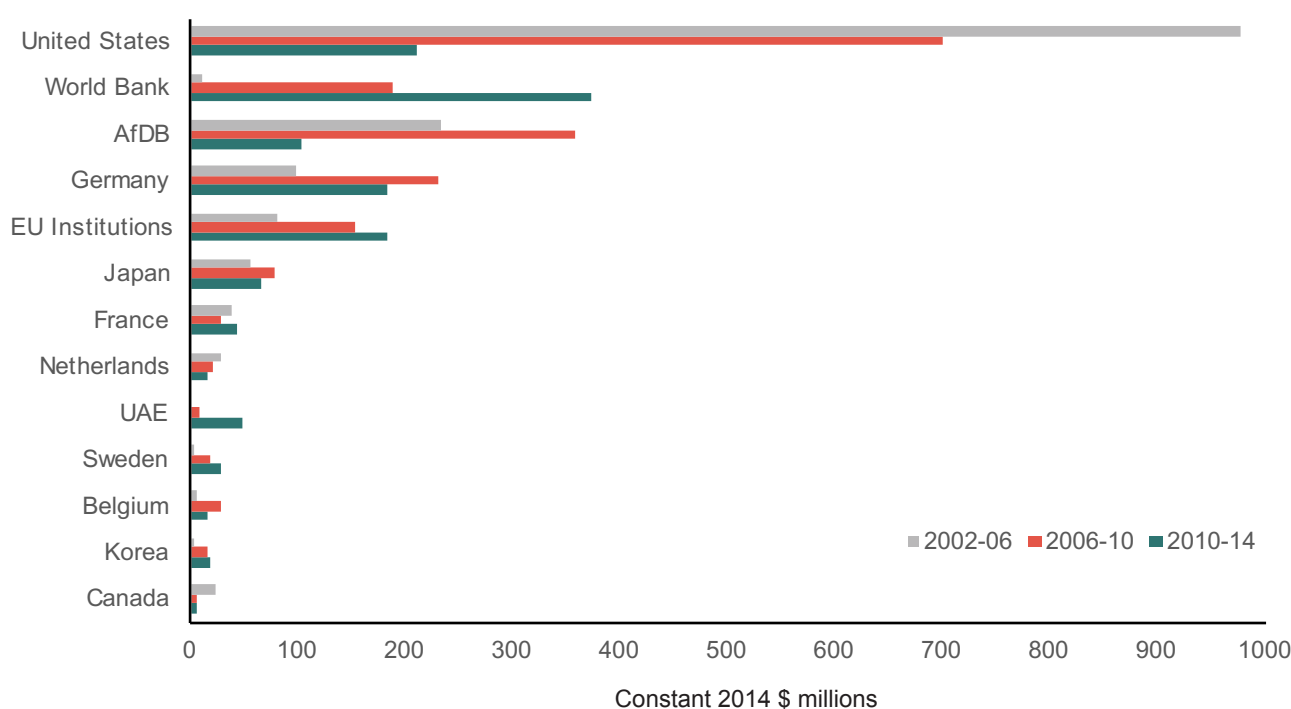
Box 3: What do disbursements imply about priorities for each country?

Water resources management (WRM) is a declining share of total disbursements in eight MENA countries: Jordan, Syria, Yemen, Palestine, Algeria, Morocco, Tunisia and Egypt. In these countries, except for Morocco, there have been increased disbursements to priorities relating to conflict and political instability, domestically or in neighbouring countries.

In Syria, Yemen, Jordan, and Palestine, a declining share for WRM in total disbursements is associated with a significant increase in humanitarian aid disbursements. In Egypt, WRM's declining share of total disbursements is partly distorted by \$3 billion of general budget and commodity support following the uprising of 2011, chiefly by the United Arab Emirates (UAE) and the US. Algeria is receiving lower disbursements overall, but has seen significant increases in support for government and civil society and humanitarian aid to Saharawi refugee camps.

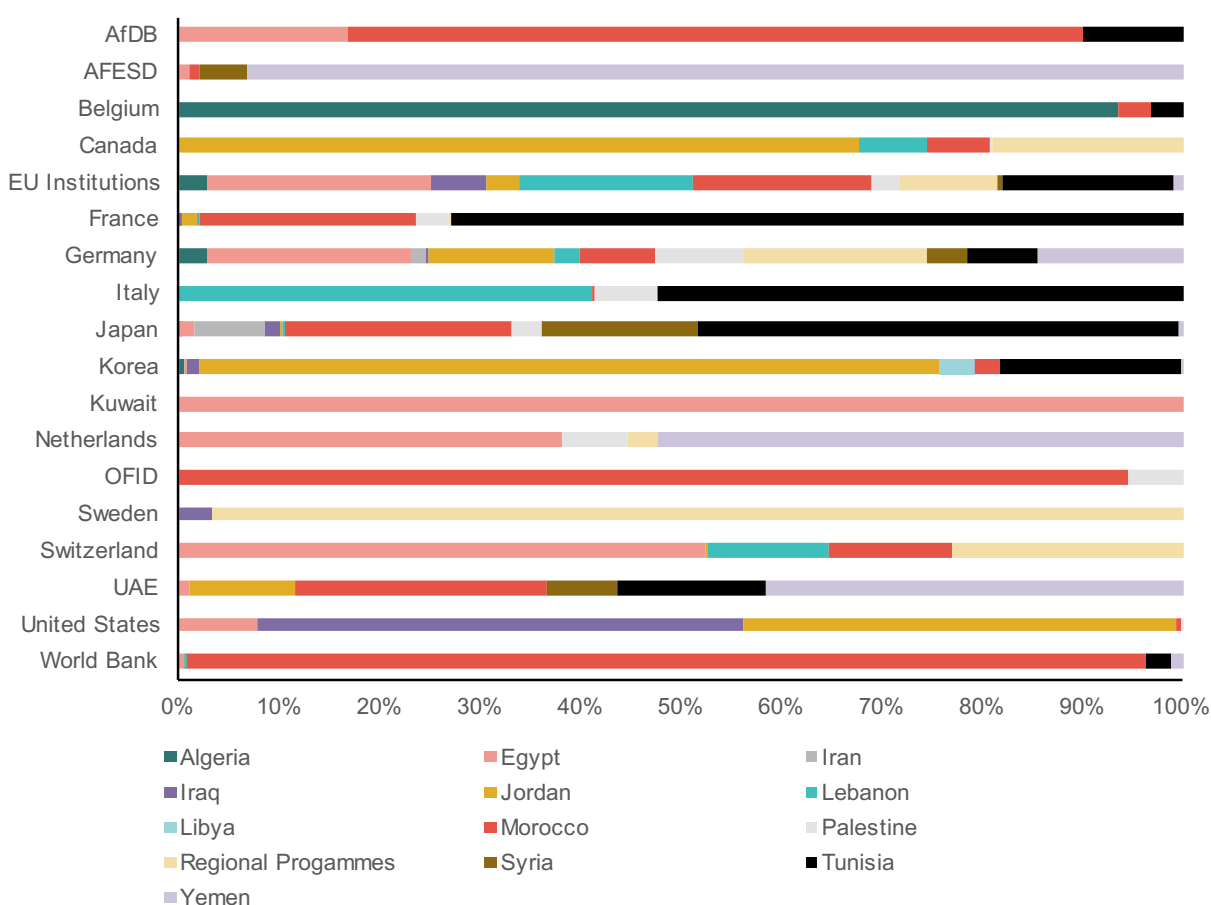
Source data: OECD CRS database

Figure 12: Most significant sources of water resources development finance in MENA, 2002-2014



Source : OECD CRS database

Figure 13: Most donors concentrate their funding in a small number of countries (data for 2010-2014)



Source: OECD CRS database

Similarly, most of AfDB's finance to North Africa took the form of non-concessional loans, although relatively small ODA grants were provided to Tunisia (\$1.1 million) and Morocco (\$0.4 million) between 2011 and 2014.

Donors tend to concentrate their funding in just a few countries (Figure 13). Of the 18 finance sources shown above, 12 spent at least 90% of their disbursements in just one or two territories. A further three (Switzerland, Japan, Canada) each spent 85% or more in three territories. Germany, UAE, and the EU Institutions disbursed funds more broadly, with no territory dominating their focus.

The donors most focused on crisis and fragile states are AFESD, with the majority of funding going to Yemen and Syria; the Netherlands (Yemen, Palestine and Egypt); Kuwait (Egypt); UAE (Yemen and Syria); and the US (Iraq and Egypt).

Sweden is notable for disbursing 97% of resources to regional programmes, the majority of which are focused on peace-building efforts between Jordan, Palestine, and Israel through transboundary water cooperation. Germany, Canada, and Switzerland were also significant contributors to regional programmes.

2.4 Summary

In per capita terms, MENA's access to development finance for water resources is high compared to most other regions. However, compared to increasing levels of investment elsewhere in Africa and Asia, investment in water resources has fallen in MENA over the last decade. In addition to this absolute decline in disbursements, development finance for water resources has also diminished relative to other sectors since 2010. Levels of ODA have become significantly lower across the region, with non-concessional loans becoming more significant.

Underlying these regional trends are a range of different national-level and donor patterns. Particularly those countries receiving large volumes of grants from the US – Iraq, Jordan, Egypt and Palestine – have seen receipts of finance for water resources decline significantly over the last decade. Other countries, notably Morocco, have seen large increases in receipts of concessional and non-concessional loans, particularly from the World Bank.

As well as variability in flows from larger actors – the US, World Bank, EU and Germany – there has also been significant variation in relatively small sources of funding

such as Canada and the Netherlands, and an increasing importance of relatively new actors such as UAE, Korea, and AFESD. Given the concentrated patterns of relationships between donors and recipients, such changes could have significant local effects, particularly where donors have specific comparative advantage.

3. Discussion

3.1 Access to development finance for water resources in MENA

Development finance for water resources in MENA displays distinct trends compared to that in other regions. MENA is in a favourable position for indicators such as the relatively high levels of per capita finance, ODA grants disbursed, and water resources as a share of total development finance. These all suggest that the sector is accorded a higher priority in MENA – or at least in some MENA countries – than it is in some other regions. In recent years, however, volumes of finance for water resources in MENA have stagnated, and the relative share of water resources in total development finance has also fallen markedly since 2011.

As demonstrated in Section 2, the two biggest reasons of variation in water resources finance in MENA since 2002 have been a sharp increase and subsequent decline in funding from the US, and the increasing role of the World Bank. The US dramatically increased funding during the reconstruction of Iraq, and reduced funding for water resources between 2009 and 2014. However, while significant at the regional level, this has practical consequences only for Jordan, Egypt, Palestine, and Iraq. Similarly, the very significant increase in World Bank funding for water resources has affected only Morocco and, to a lesser extent, Tunisia and Yemen.

Several of these issues – notably the relatively high levels of ODA grants disbursed, the increase and decline in funding for Iraq, and the reduced share of water resources funding after 2011 – support Harrigan’s (2011) assertion that ODA in the region is driven by political events and geopolitics. However, other trends indicate the importance of donor engagement (see below) and prioritisation by national governments.

Morocco’s ability to raise concessional and non-concessional loans from a wide range of actors, notably the World Bank, is directly related to the political prioritisation of reforms of water policies and institutions. To a lesser extent, this is also the case for Tunisia and Lebanon. By contrast, Egypt, which has shown little appetite for deep-rooted reform of water institutions, has struggled to offset declining volumes of ODA grants with loans despite courting the major lenders. The message from the banks is clear – more progress with institutional reform is needed before loans and investments can be justified. For countries focused on more immediate political priorities, accustomed

to grants with low conditionalities, and where water’s role in the political economy is entrenched, the process of mobilising that reform could be lengthy.

3.2 Engagement of donors from outside the region

Most donors acting in the region have highly concentrated sets of country relationships, and most countries have had significant relationships with a narrow range of donors. Here, too, the role of geopolitics is evident. Colonial history and shared language explain France’s and Belgium’s concentration in francophone North Africa, while the US’s focus on Jordan, Palestine, and Egypt relates to the history of US engagement in Arab–Israeli relations. Sweden’s engagement in transboundary water projects is also framed in terms of ‘Blue Peace’, combining water resources with efforts to avoid and resolve conflict. Even the contrasting and dispersed engagement of the EU, according to some interviewees, reflects internal politics between EU members over spheres of influence and priorities.

Interviewed donors all commented on the challenges of triangulating political directives, demand from country partners, and expert assessments of development needs and likely outcomes in selecting, designing and approving projects and investments. For organisations like USAID, where objectives and priorities are set by government (e.g. US Congress, 2014) and global strategies (e.g. USAID, undated), officers must negotiate country demand and expert assessments within the constraints of centralised policy.

In some cases, these constraints can also include domestic political challenges. For example, the UK’s Department for International Development funds basic needs in MENA in response to crisis, but has no current engagements in water resources. Among other reasons, the relationship between strategic water security and humanitarian crisis is not necessarily straightforward or easy to communicate to a UK public concerned with the prioritisation of efforts and resources. The Swedish International Development Cooperation Agency (Sida), with its ‘Blue Peace’ initiative, and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), with an increasing focus on water resources for enhancing economic growth and reducing migration, have both developed narratives that connect water security with themes of broader political resonance.

These messages and narratives resonate with political masters and domestic audiences, but whether they have been effective in promoting reform in water institutions and policy in MENA countries is, as yet, unclear. Sida's work has certainly benefited from partnerships with the Swedish Foreign Ministry that grant access to senior levels of government that few development agencies are mandated to reach. Indeed, most bilateral agencies tend to work in partnership with technical line ministries, particularly ministries for water resources and environment, which have limited political power. Even where technical line ministries have an appetite for reform, narrow mandates, junior positions in government, and limited political currency make mobilising broad reform processes from such positions a challenging prospect.

In response to the limited success with promoting reform agendas, some bilateral agencies have broadened out to engage with new partners. Sida's partnership with the Foreign Ministry is one example. Others are supporting a cadre of regional institutions such as the United Nations Economic and Social Commission for Western Asia (ESCWA) and the Arab League to influence broader regional debates about the role of water in development. Others are focused more on non-governmental organisations – despite the tightening of restrictions on activities in some countries – while USAID and others are increasing support available to the private sector.

The emergence of the World Bank as a significant funder of water resources in MENA is notable, in this respect. Mandated to work with ministries of finance rather than line ministries, the World Bank has the potential to access and influence senior levels of government. However, the World Bank will invest only after significant commitment to institutional and policy reform are evident; generating the necessary commitment remains a challenge.

Donors we spoke to identified a need for better evidence on the economic, political and social costs of water insecurity for raising the interest of development partners and national governments. Also needed is a better understanding of how water policy reform in MENA works, where and why. Genuine commitment to reform is more likely when informed by politically aware approaches that connect the logic for reform with politically feasible strategies and effective partnerships for enacting it.

3.3 Role of donors from the region

Unsurprisingly, little information was found in the DAC database on donors from the region. However, the data available showed that over the last decade, the UAE, Kuwait, and AFESD have increased disbursements of development finance for water resources. These same three donors also had significant engagements in conflict-afflicted and fragile states, notably Syria, Yemen, Egypt, and Tunisia.

Interviews with sovereign and private philanthropic donors from the region identified several factors constraining

their engagement on water resources. Two of these reveal similar incentives and concerns to those of donors from outside the region. The first is the shift in priorities precipitated by geopolitical transitions in MENA since 2011, and by the humanitarian crises in Yemen, Syria, Iraq, Libya and elsewhere. As for donors from outside the region, these events tend to push geopolitical agendas to the foreground at the expense of longer-term sustainability issues.

The second factor also mirrors a concern of some donors from outside the region: the governance challenges and obstructed process for reform common in the water sector across MENA. The sector – dominated by complex public bureaucracies, with little demand for donor engagement from national governments, and with limited engagement from the private or civil sectors – offers few incentives for Arab donors to invest.

Third, in contrast to donors from outside the region, donors from the region do not appear particularly motivated by the Sustainable Development Goals (SDGs) agenda, and none of those interviewed identified SDG 6 on water as a key driver for their activities. Many of those interviewed described the SDGs as disconnected from specific needs on the ground in MENA, and saw their value not for meaningfully asserting priorities but rather for engaging with and mobilising resources from other donors.

Fourth, the Arab donor sector has its own internal obstacles. These include a disabling political environment, a lack of accountability and transparency, and limited data on the sector (Farouky, 2016). Coupled with a common view that charitable giving is a private affair, sometimes to the extreme that disbursements from sovereign funds are state secrets, these obstacles have inhibited the sector's development and institutionalisation. None of the donors interviewed for this research, for example, had an agenda or strategy for engaging on water resources.

Arab foundations without private philanthropic backing had some specific constraints. Due to the lack of engagement from regional governments, their work on water was dependent on funding from outside the region. This income dependency means their own priorities and activities are heavily influenced by agendas of their funding organisations. This issue was particularly noted by human rights organisations, who have limited access to funding from the region due to the political sensitivities of their work. The Arab Human Rights Fund, for example, indicated that its appetite to work on rights-based approaches to water is hampered by a lack of support from donors from the region or elsewhere.

With these caveats and constraints, there are new opportunities for engagement on water resources as regional donors become more engaged with the broader development and donor landscape. The uprisings of 2011 and emergence of protracted conflicts and humanitarian crises have encouraged Arab donors to rethink modes and instruments of giving and philanthropy. Domestic water scarcity issues, progress with water policy reforms in some

countries, and the steps taken by regional institutions, such as adoption of the Arab Strategy for Water Security (Arab League, 2012), could potentially influence the regional sovereign and philanthropic donors.

Donors from MENA are influenced by economic, social and political current events, and this is driving a renewed interest in innovation. The region's donor organisations are expanding their work into new geographies, sectors, partnerships, and modalities, including venture philanthropy and impact investing (Farouky, 2016). This creates new opportunities for action on water resources, particularly for partnerships that marry the competitive advantage of regional donors with technical expertise on water resources.

Arab donors certainly have comparative advantage. They not only have considerable spending power, but may offer channels of influence and operational capacity in areas that other donors may find more challenging. The focus of donors such as UAE and AFESD in Syria and Yemen may be one such example, but there are others. Sovereign donors can have considerable political influence in recipient countries such as Egypt. Similarly, the philanthropic organisations of private individuals have connections and influence with business and political elites, long experience of working with local communities, and the ability to identify and build local capacities that can contribute to water security in the long term. Both sovereign and philanthropic donors might help extend engagement on water security beyond the domains of line ministries to other stakeholders in the political economy.

There is therefore a window of opportunity to engage Arab donors in water security agendas as they become more institutionalised and develop linkages with the multilateral system. Events such as the GCC Environmental and Sustainable Development Platform 2017, and platforms such as the Arab Foundations Forum and the World Congress of Muslim Philanthropists, provide entry points for donors from outside the region to engage and develop renewed relationships.

3.4 Further research needs

This paper set out to investigate recent trends in development finance for water resources in MENA, and whether and how support for a long-term strategic issue has changed over a turbulent decade in a politically charged region. By focusing on water resources sub-sectors, this initial analysis of available data extends the scope of previous examinations

of water funding for MENA (World Health Organization, 2014), but leaves many questions unanswered.

There is scope for more detailed analysis at the level of individual countries, donors and projects, tracking changes in institutional recipients of funds and typologies of projects (capital investment, technical assistance, capacity building, etc.), supported by qualitative analysis of donor's theories of change, the political and decision-making processes around development finance for water resource, and evaluations of projects and country programmes.

Similarly, the nature and effectiveness of the projects supported are not reflected in this analysis. The large variation in volumes of finance for infrastructure projects is evident, but less clear are the impacts of relatively small flows from countries such as Canada and the Netherlands for research for development and technical assistance projects.

A key finding of this analysis is the significance of water resources policy and institutional reform in enabling development finance. We have suggested that working with politically smart approaches and new donor partnerships could support the political profile of water resource reform. Donors interviewed for this paper had similar theories of change for supporting reform, including engaging with core ministries such as finance and foreign affairs. But more evidence is needed on the success factors for donors supporting policy reform in MENA countries (e.g. necessary pre-conditions, and who to engage with, and how).

To incentivise broader support for reform, more evidence is also needed on the short-term and long-term impacts of water insecurity in MENA. While different stakeholders will be motivated by different evidence, some broad knowledge gaps are clear. More knowledge is needed about how water insecurity constrains urban growth, job creation and economic diversification and growth; the relationship between local water insecurity and conflict; and options for reducing rural poverty while consuming less water in agriculture.

The scale of current humanitarian interventions in the region also raises questions about how short-term and crisis-driven decisions are exacerbating strategic issues. In the longer term, as – one hopes – the conflict in Syria abates, there will be a need for significant reconstruction, including water infrastructure and services. There is significant potential for this reconstruction to exacerbate pre-existing water insecurities, and there are lessons from the reconstruction of Iraq that still need to be understood.

4. Conclusions and recommendations

Based on this research, we identify four main findings and make four key policy recommendations to improve the effectiveness of development finance for water resources in MENA.

4.1 Research finding 1: Development finance for water resources in MENA is declining

Total development finance for water resources to the region decreased between 2006-2010 and 2010-2014, mostly due to reduced ODA grants from the US for Iraq, Jordan, Palestine, and Egypt. Except for Jordan, the most water-stressed countries – Libya, Palestine, Egypt, and Yemen – all received lower levels of per capita funding than Morocco, Lebanon, and Tunisia. These latter three, with higher institutional capacity and evidence of reform, all increased their financing through concessional and non-concessional loans.

MENA is a complex region where water scarcity is a strategic issue. For decades the engagement of development actors in the region has been shaped by geopolitical issues, most recently the 2003 invasion of Iraq, the 2011 Arab uprisings, and subsequent conflicts and humanitarian crises. This has made triangulating expert assessments of development need, demands from national government partners, and organisational and political mandates particularly challenging.

In recent years, the focus of many donor agencies has shifted away from sectoral issues such as water and agriculture to humanitarian action and a focus on private sector development, job creation and democratisation, three areas regarded as key to reducing migration, political instability and terrorism. Similarly, national governments in MENA face numerous economic, social and political risks with more immediate consequences than long-term issues of water security. These multiple pressures are one reason why MENA governments fall short of the estimated 4.5% of GDP annual investment needed in the water sector (United Nations Development Programme, 2013).

Yet water security is not divorced from these economic, social and political risks in MENA, and will be crucial to the sustainability of progress. While short-term events are likely to continue driving allocations of development finance in MENA, **maintaining support for water**

resources is important for long-term sustainability and the consolidation of development gains.

4.2 Research finding 2: Water resources reform is not given a high political priority

Countries that have made water resources reform a political priority have been better able to access development finance for the sector. Higher country demand for finance is part of the equation, and sources of finance also respond positively to signals of institutional and policy reform. Water resources reform has been a national political priority in Morocco in recent years, and donors agreed that the progress made was a major reason for the country's success in attracting investment.

However, in most MENA countries, water resources reform is not an immediate political priority and is not factored into macroeconomic or sectoral policies governing drivers of water demand. The most significant potential gains with water security in MENA lie in governance and economic reform rather than mobilisation of new water supplies, yet reform is extremely challenging due to water's role in the political economy of the region's agricultural economies. Together, several factors – the political complexity of institutional and policy reform, the problem of short-term costs versus long-term benefits, and evidence gaps on the social, political and economic costs of water insecurity – reduce the incentives for governments and donors to act.

Higher political prioritisation for water resources reform is needed to achieve water security and mobilise finance in MENA.

“The complexity of reform, the problem of short-term costs versus long-term benefits, and evidence gaps on the social, political and economic costs of water insecurity reduce the incentives for governments and donors to act.”

4.3 Research finding 3: Politically aware approaches are not widely used

Traditional national partners for development agencies working in water resources management have been the line ministries with sectoral mandates, usually the ministries of water resources, agriculture and environment. This poses particular challenges in terms of enabling reform. Ministries of water resources and environment rarely have the institutional or political power to direct substantial cross-departmental policy or effect significant reform. Ministries of agriculture are usually more influential; however, while interested in raising agricultural water productivity, they can be obstructive of broader reform efforts. More analysis is needed on success factors for water reform in MENA's different contexts.

The complexity of the reforms needed to improve water resources management and achieve water security require politically aware approaches from development actors. Once constraints, incentives, and opportunities to unblock reforms have been identified, they should become starting points for engagement (e.g. Booth, 2016). Aligning water resources reform with strategic and influential agendas may be more likely to affect strategic results than engaging with line ministries. Many countries in the region are undergoing extensive processes of economic diversification and policy reform, for example; yet only in a few countries such as Morocco and Jordan is water resources management and policy a significant consideration in these processes.

Bilateral development agencies interested in raising the political profile of water security can engage with alternative and senior policy stakeholders by using non-traditional partners as intermediaries. One option is cross-departmental collaboration with ministries of foreign affairs and trade, while partnerships with the World Bank is well positioned to influence finance ministries. Similarly, understanding how development objectives align with the roles and interests of business and social elites in the political economy of each country could identify other avenues for engagement.

Water resources governance is not a sectoral challenge. Reform should be dealt with through politically aware and cross-departmental approaches that engage with key political actors and agendas in MENA countries.

4.4 Research finding 4: Donors from MENA are not focused on water resources

Despite the scale of sovereign and philanthropic donors from MENA region – which is often underappreciated – they are little engaged on issues of water security. Only UAE, Kuwait, and AFESD reported financing for water resources to the DAC databases. While that level of finance was relatively small, it grew significantly over the last decade and was notable for its focus on fragile and conflict-afflicted states. However, no donors from the

region reported having an agenda or strategy for water security in their aid and humanitarian programmes.

This lack of engagement among donors is due to limited demand from national governments, a disabling political environment and lack of data that inhibits the regional donor sector more generally, a disinterest in the SDG agenda – which donors see as largely irrelevant to needs on the ground in the region, and a tendency to follow the lead of Western donors in setting their funding priorities.

However, donors from the region have significant potential to benefit water security and climate resilience agendas. Aside from the finance they can bring to bear, sovereign donors from the region have access to and understanding of political institutions closed to western donors. Similarly, private philanthropic organisations from the region frequently have strong links to stakeholders in business, industry, economic development and finance, and can influence agendas in those domains. These areas of comparative advantage offer opportunities to western donors with technical capacity and interests in the water security agenda, while engagement in this agenda will benefit the humanitarian and development goals of donors from the region.

Donors and development actors from the region and beyond can build innovative partnerships to address mutual goals. Despite their differences in approaches, discourse and practice, these different sets of actors have comparative advantages and a common interest in addressing strategic challenges as well as problems on the ground.

4.5 Policy recommendations

Maintain support for water resources: The recent downward trend of development finance for water resources in MENA should be reversed.

Raise political profile of water reform: Higher political prioritisation of water resources reform is needed to encourage reform and mobilise finance in MENA, and more evidence is needed on the interconnections between water insecurity and constraints on economic growth and diversification, job creation, governance reform, and social stability.

Use politically aware and cross-departmental approaches: Improved water governance is not a sectoral challenge; reform should be dealt with through politically aware approaches that engage with key political actors and agendas in MENA countries in cooperation with other government departments, including ministries for foreign affairs, and trade and industry.

Form innovative donor partnerships in the region: Donors from within and without the region can build innovative partnerships to address mutual goals. Despite differences in approach, discourse and practice, these different communities of donors have comparative advantages and a common interest in solving problems on the ground.

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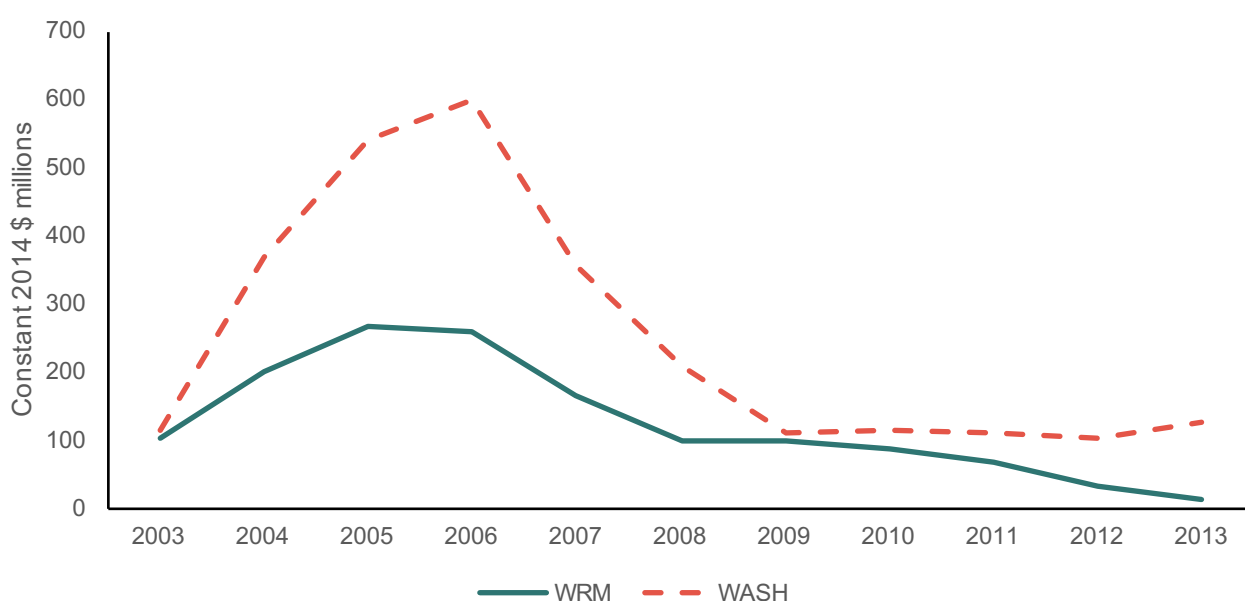
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Annex

A1. Trends in USAID support for water resources, supply and sanitation

Following launch of the Millennium Development Goals in 2000, USAID's water strategy increasingly focused on water supply and sanitation (WASH) (USAID, no date). Reconstruction and rehabilitation of utilities and services in Iraq was also a major focus of funding from 2004 to 2007. Since 2008, USAID WASH disbursements to the region returned to their 2003 level, with a slight upward trend. Water resources management (WRM) disbursements, by contrast, initially returned to 2003 levels and then declined steadily to less than 10% of their 2003 level.

USAID disbursements for water resources to MENA have declined markedly since 2009



Source data: OECD CRS database. Data from 2002 to 2014 smoothed to produce 3-year averages.



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