

# Measuring Aid to the Water Sector

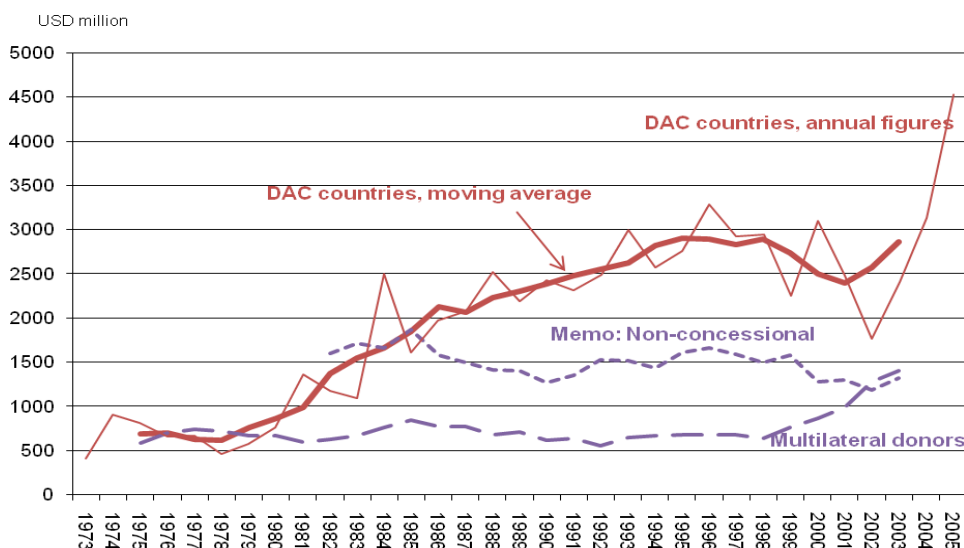


The downward trend in aid to water and sanitation observed since the middle of the 1990s reversed in 2003. Latest statistics from the Development Assistance Committee (DAC) of the OECD confirm the upswing with a new sharp increase in the allocation of Official Development Assistance (ODA) to water supply and sanitation in 2005 (Chart 1).

DAC countries' bilateral ODA commitments to the water sector rose to **USD 4.5 billion** that year, compared with **USD 3 billion** in 2004. Multilateral donors' commitments amounted to **USD 1.4 billion** in 2005. Figures based on 5-year moving averages take into account commitments' volatility, and show that aid to the water sector is now back near the peak reached in the late 1990s.

**Chart 1. Trends in ODA to water supply and sanitation**

1973-2005, 5-year moving averages (except where marked annual), constant 2005 prices



The trend in aid to the water sector is set by the large donors: three-quarters of DAC members' total bilateral aid to water supply and sanitation in 2001-05 was extended by Japan, the United States, the EC, Germany and France (Table 1). More than half of the allocations were directed to Asia. The share of recipients in Sub-Saharan Africa was 28%.

**Table 1. Main recipients and donors of DAC members' bilateral aid to water supply and sanitation**

2001-05, annual average commitments in millions of USD, constant 2005 prices

	Japan	United States	EC	Germany	France	Other DAC members	Total DAC members	% of water aid to all recipients
Iraq	0	326	3	1	0	12	343	10%
China	236	1	6	7	8	29	287	9%
India	136	6	0	3	3	61	210	6%
Malaysia	150	0	0	0	0	1	151	5%
Palestinian adm. areas	0	86	0	26	5	12	129	4%
Viet Nam	57	0	0	13	15	29	114	3%
Jordan	10	48	2	26	0	7	93	3%
Morocco	20	1	38	12	9	10	91	3%
Egypt	13	16	26	17	0	11	84	3%
Tunisia	23	0	2	21	24	0	71	2%
Other recipients	312	57	324	271	114	635	1711	52%
<b>Total amount</b>	<b>958</b>	<b>542</b>	<b>403</b>	<b>397</b>	<b>178</b>	<b>807</b>	<b>3284</b>	
<b>% of water aid from all DAC members</b>	<b>29%</b>	<b>16%</b>	<b>12%</b>	<b>12%</b>	<b>5%</b>	<b>25%</b>		

The increase in aid to water supply and sanitation in 2004-2005 is largely explained by the United States' programme for the reconstruction of Iraq, and Japan's new commitments in 2005 (which more than tripled compared with 2004) especially for projects in Malaysia (very large commitment in Pahang-Selangor), India (water supply and sewerage in Bangalore), and China.

However, overall, there is no increased prioritisation of the water sector since 2000-2001. The share of aid to water supply and sanitation in DAC countries' total ODA allocable by sector was 8% in 2004-2005, the same level as five years previously. Over the period 2000-2005, only Austria, Denmark and the EC increased the share of aid to water in their aid programmes. Countries with the highest share include Japan (16% in 2004-2005), Denmark (13%), Luxembourg (12%), and Germany (9%).

**Table 2 Aid to water supply and sanitation by donor**

2000-05, annual average commitments, shares in total sector-allocable aid, constant 2005 prices

	USD million			% of Donor Total			% All donors		
	2000-2001	2002-2003	2004-2005	2000-2001	2002-2003	2004-2005	2000-2001	2002-2003	2004-2005
Australia	78	30	9	7	3	1	2	1	0
Austria	12	20	19	5	8	8	0	1	0
Belgium	21	43	37	4	5	5	0	1	1
Canada	25	65	64	3	5	4	1	2	1
Denmark	47	54	176	5	8	13	1	2	3
Finland	17	23	25	7	8	6	0	1	0
France	179	227	146	6	7	4	4	7	3
Germany	496	337	414	14	9	9	12	10	8
Greece	1	1	1	1	1	1	0	0	0
Ireland	12	21	18	8	7	6	0	1	0
Italy	53	58	41	11	10	7	1	2	1
Japan	1184	739	1408	14	10	16	28	22	26
Luxembourg	15	13	14	14	10	12	0	0	0
Netherlands	124	150	178	8	8	8	3	5	3
New Zealand	2	2	4	2	2	3	0	0	0
Norway	50	30	37	5	2	3	1	1	1
Portugal	10	0	2	5	0	1	0	0	0
Spain	102	85	52	9	7	5	2	3	1
Sweden	56	57	71	7	5	5	1	2	1
Switzerland	36	31	52	6	5	8	1	1	1
United Kingdom	177	82	67	6	3	2	4	2	1
United States	312	104	1003	5	1	6	7	3	18
<b>Total DAC countries</b>	<b>3008</b>	<b>2172</b>	<b>3838</b>	<b>8</b>	<b>5</b>	<b>8</b>	<b>71</b>	<b>65</b>	<b>70</b>
AfDF	110	129	128	10	11	11	3	4	2
AsDF	162	166	138	11	10	10	4	5	3
EC	346	267	566	5	5	8	8	8	10
IDA	497	562	777	8	9	10	12	17	14
IDB Sp F	60	0	0	12	0	0	1	0	0
UNICEF	38	24	16	9	6	4	1	1	0
<b>Total Multilateral</b>	<b>1213</b>	<b>1146</b>	<b>1625</b>	<b>7</b>	<b>7</b>	<b>9</b>	<b>29</b>	<b>35</b>	<b>30</b>
<b>Total</b>	<b>4221</b>	<b>3318</b>	<b>5463</b>	<b>8</b>	<b>6</b>	<b>8</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Technical note**  
**Monitoring aid flows to the water sector**  
**DAC statistics - CRS Aid Activity database**

**DAC and CRS data are the unique source for official, standard and comparable statistics on ODA**

The OECD Development Assistance Committee (DAC) collects aid flows at activity level through the Creditor Reporting System (CRS), and in the form of aggregates through the annual DAC Questionnaire. The data collection is based on a standard methodology and agreed definitions. Data can be used to analyse trends and compare the efforts of donors.

**The data collection covers both commitments and disbursements on a calendar year basis (see example below)**

For most types of financial flows, the CRS database records the face value of the activity at the date a grant or loan agreement is signed with the recipient ("commitments"). Data on the amounts disbursed each year are available at the activity level also ("disbursements"). Aid flows are measured on a calendar year basis.

**The classification of aid to water distinguishes among 7 sub-sectors**

The full definition of each sub-sector is given next page. Sub-sectors do not distinguish between water and sanitation but project descriptions can help make the distinction. The definition excludes hydropower, agricultural water resources and water transport which can be identified separately in other sectors.

**Sub-sectors of aid to water**

- 14010 Water resources policy and administrative management**
- 14015 Water resources protection**
- 14020 Water supply and sanitation –large systems**
- 14030 Water supply and sanitation – small systems**
- 14040 River development**
- 14050 Waste management/disposal**
- 14081 Education and training in water supply and sanitation**

**Example of DAC/CRS statistics on aid to water:**

A French sanitation project committed in Tunisia in 2000, and subsequent disbursements up to 2005 (thousand €)

*Original commitment*

Year	Donor	Agency	Project number	Recipient	Sector code	Flow	Short description	amount
2000	France	AFD	CTN105001	TUNISIA	14020	ODA LOAN	ASSAINISSEMENT DES QUARTIERS	23 000 €

*Subsequent disbursements*

Year	Annual disbursement	Cumulative disbursement	Still undisbursed
2000	0	0	23000
2001	640	640	22360
2002	3830	4470	18530
2003	2668	7138	15862
2004	4918	12056	10945
2005	4874	16930	6070

### CRS List of sectors for water and sanitation

DAC 5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
<b>140</b>		<b>WATER SUPPLY AND SANITATION</b>	
	<b>14010</b>	Water resources policy and administrative management	Water sector policy, planning and programmes; water legislation and management; institution capacity building and advice; water supply assessments and studies; groundwater, water quality and watershed studies; hydrogeology; excluding agricultural water resources (31140).
	<b>14015</b>	Water resources protection	Inland surface waters (rivers, lakes, etc.); conservation and rehabilitation of ground water; prevention of water contamination from agro-chemicals, industrial effluents.
	<b>14020</b>	Water supply and sanitation - large systems	Water desalination plants; intakes, storage, treatment, pumping stations, conveyance and distribution systems; sewerage; domestic and industrial waste water treatment plants.
	<b>14030</b>	Basic drinking water supply and basic sanitation	Water supply and sanitation through low-cost technologies such as handpumps, spring catchment, gravity-fed systems, rain water collection, storage tanks, small distribution systems; latrines, small-bore sewers, on-site disposal (septic tanks).
	<b>14040</b>	River development	Integrated river basin projects; river flow control; dams and reservoirs [excluding dams primarily for irrigation (31140) and hydropower (23065) and activities related to river transport (21040)].
	<b>14050</b>	Waste management/disposal	Municipal and industrial solid waste management, including hazardous and toxic waste; collection, disposal and treatment; landfill areas; composting and reuse.
	<b>14081</b>	Education and training in water supply and sanitation	

**Note:** To assist in distinguishing between “basic drinking water supply and basic sanitation” on the one hand and “water supply and sanitation – large systems” on the other, consider the number of people to be served and the per capita cost of provision of services.

- Large systems provide water and sanitation to a community through a network to which individual households are connected. Basic systems are generally shared between several households.
- Water supply and sanitation in urban areas usually necessitates a network installation. To classify such projects consider the per capita cost of services. The per capita cost of water supply and sanitation through large systems is several times higher than that of basic services.