

# Has the downward trend in aid for water reversed...?

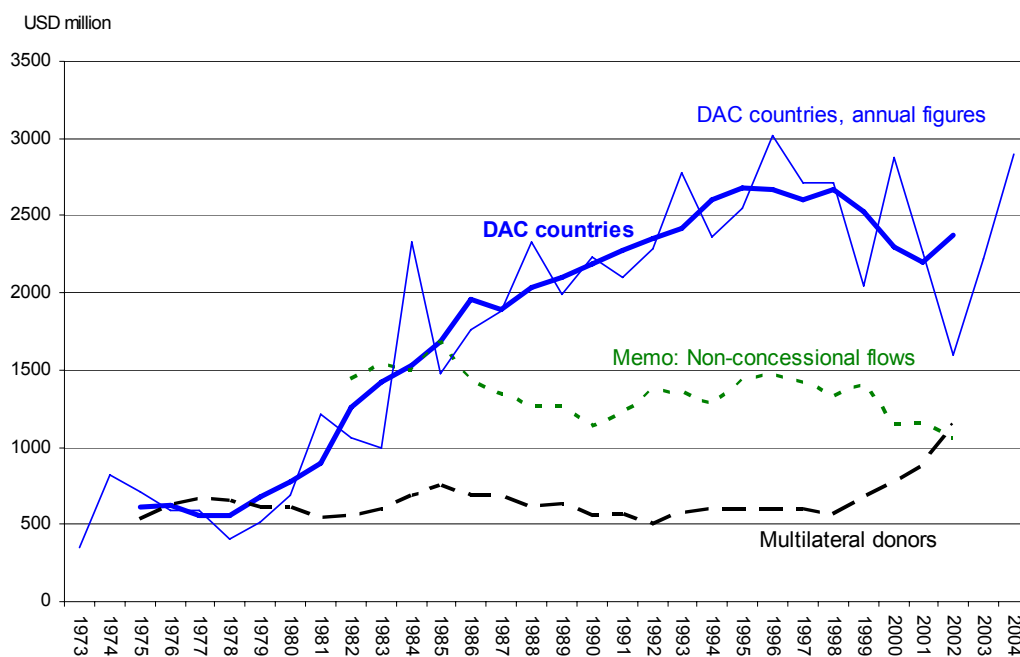
## MEASURING AID FOR WATER

[www.oecd.org/dac/stats/crs/water](http://www.oecd.org/dac/stats/crs/water)

Latest statistics from the Development Assistance Committee (DAC) of the OECD show a sharp increase in the allocation of Official Development Assistance (ODA) to water supply and sanitation in 2004. DAC members' bilateral ODA commitments to the water sector amounted to USD 3 billion that year. Multilateral donors' commitments also increased, with a total of USD 1.8 billion in 2004. The downward trend observed since the middle of the 1990s reversed (Graph 1).

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

1973-2004, 5-year moving averages (except where marked annual), constant 2003 prices



Source: DAC statistics, Creditor Reporting System

The trend in aid to the water sector is set by the large donors and allocations are concentrated in a relatively few recipient countries. Three quarters of total bilateral aid to water supply and sanitation in 2000-04 was extended by Japan, Germany, the United States, France and the Netherlands (Table 1). More than half of the allocations were directed to Asia. The share of recipients in Sub-Saharan Africa was 15%, modestly increasing over the last few years.

**Table 1. Main donors and recipients of bilateral ODA to water supply and sanitation**

2000-04, annual average commitments in millions of USD, constant 2003 prices

	Japan	Germany	United States	France	Netherlands	Other DAC countries	Total DAC countries
China	222	5	1	6	4	37	275
Iraq	0	1	170	-	0	10	181
Viet Nam	52	10	0	17	7	30	117
Palestinian adm.areas	2	23	72	5	1	9	113
India	39	8	2	3	18	32	102
Jordan	6	24	45	-	0	12	87
Malaysia	80	-	-	-	-	1	81
Morocco	24	26	2	16	0	7	75
Peru	55	11	0	-	1	6	74
Tunisia	28	12	-	26	-	1	68
<b>Other recipients</b>	326	254	52	100	93	420	1245
<b>Total</b>	<b>835</b>	<b>375</b>	<b>344</b>	<b>173</b>	<b>124</b>	<b>567</b>	<b>2417</b>

Source: Creditor Reporting System

The increase in aid to water supply and sanitation in 2004 is largely explained by the United States' programme for the reconstruction of Iraq. In 2003 Japan reported large new commitments to China, Viet Nam, FYROM Macedonia and Kazakhstan. However, there is no sign of increased prioritisation of the water sector as such. The share of aid to water supply and sanitation in DAC members' total ODA allocable by sector dropped from 8% in 1999-2000 to 6% in 2001-02 and remained at 6% in 2003-04.

DAC members' bilateral ODA disbursements to water supply and sanitation amounted to USD 1.9 billion in 2003 and USD 2.1 billion in 2004 (Table 2). Over a half of these amounts relate to projects committed before 2000. The main recipients include many of the countries mentioned in Table 1 but also Egypt, Turkey and the Philippines. The large infrastructure projects started in these countries in the second half of the 1990s are still ongoing, whereas they have not received significant new commitments during the last few years.

In the water sector most aid is used to finance investments in infrastructure. Projects are large and on average take at least 8 years to implement - an element to take into consideration when discussing strategies and possible reorientation of aid to water supply and sanitation to reach Target 10 of the Millennium Development Goals.

**Table 2. ODA to water supply and sanitation by donor**

2000-04, annual average commitments, shares in total sector-allocable aid, and disbursements, constant 2003 prices

	COMMITMENTS						DISBURSEMENTS		
	USD million			% of Donor Total		% All donors		USD million	
	1999-2000	2001-2002	2003-2004	1999-2000	2003-2004	1999-2000	2003-2004	2003	2004
Australia	58	21	25	6	3	2	1	21	24
Austria	14	12	19	4	10	0	0	10	10
Belgium	13	37	19	4	3	0	0	11	19
Canada	35	23	80	5	7	1	2	27	33
Denmark	118	31	140	15	17	4	4	39	47
Finland	15	20	9	9	3	0	0	13	..
France	209	176	163	11	6	6	4	117	122
Germany	377	344	366	11	10	12	9	326	284
Greece	1	1	1	1	1	0	0	1	1
Ireland	8	13	18	7	7	0	0	20	16
Italy	45	32	30	11	6	1	1	14	5
Japan	1159	512	858	13	11	36	22	856	862
Luxembourg	10	12	11	13	12	0	0	..	12
Netherlands	70	155	122	5	8	2	3	79	73
New Zealand	2	2	1	2	2	0	0	1	1
Norway	33	44	18	4	2	1	0	21	29
Portugal	9	1	1	5	1	0	0	0	2
Spain	90	59	63	10	7	3	2	87	74
Sweden	31	51	47	5	5	1	1	36	37
Switzerland	33	29	32	6	5	1	1	38	31
United Kingdom	151	101	52	5	2	5	1	66	54
United States	165	275	521	2	4	5	13	118	325
<b>Total DAC countries</b>	<b>2645</b>	<b>1950</b>	<b>2598</b>	<b>8</b>	<b>6</b>	<b>82</b>	<b>66</b>	<b>1903</b>	<b>2061</b>
AfDF	37	124	148	6	12	1	4	..	..
AsDF	50	177	137	4	9	2	3	..	..
EC	188	193	351	5	6	6	9	..	..
IDA	229	675	684	4	9	7	17	..	..
IDB Sp F	54	0	0	13	0	2	0	..	..
UNICEF	34	28	16	11	4	1	0	..	..
<b>Total Multilateral</b>	<b>593</b>	<b>1197</b>	<b>1335</b>	<b>6</b>	<b>8</b>	<b>18</b>	<b>34</b>	<b>..</b>	<b>..</b>
<b>Total</b>	<b>3238</b>	<b>3147</b>	<b>3934</b>	<b>8</b>	<b>7</b>	<b>100</b>	<b>100</b>	<b>..</b>	<b>..</b>

Source: DAC statistics, Creditor Reporting System

## Data sources:

The statistics of the Development Assistance Committee (DAC) of the OECD are available in the International Development Statistics online database [www.oecd.org/dac/idsonline](http://www.oecd.org/dac/idsonline).

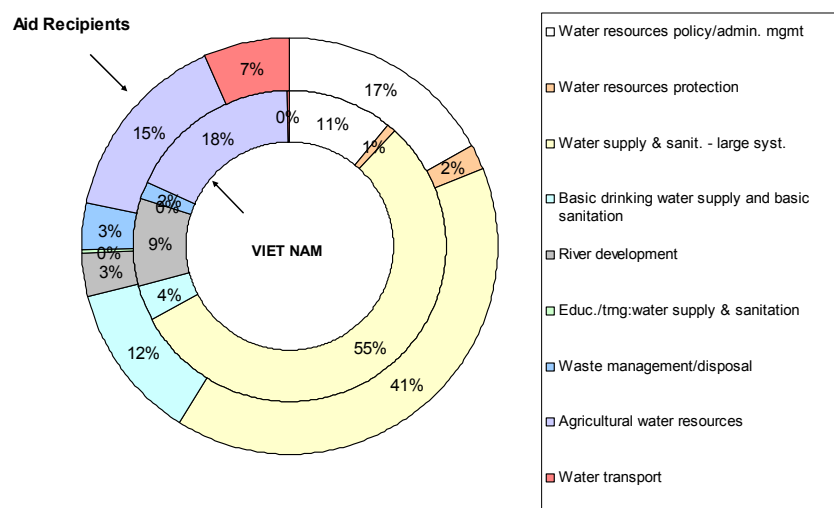
- The annual aggregate DAC statistics contain data on total aid for water supply and sanitation by donor.
- The CRS Aid Activity database provides for detailed analyses by recipient and by sub-sector, both at the level of individual projects and in table form.
- Advice on statistical methods and terminology and practical guidance for data search can be found in the User's Guide: [www.oecd.org/dac/stats/crs/guide](http://www.oecd.org/dac/stats/crs/guide).
- Aid at a glance by recipient with a water focus (water supply and sanitation, agricultural water resources, water transport) provides interactive charts and tables by recipient, as illustrated below: [www.oecd.org/dac/stats/crs/water](http://www.oecd.org/dac/stats/crs/water).

## Interactive tables and charts available on-line: example of Vietnam

- **Water focus charts:** [www.oecd.org/dac/stats/crs/water](http://www.oecd.org/dac/stats/crs/water)

	Aid to water: top ten donors				
	Water (\$ million)	% All Donors	All Sectors (\$ million)	% All Sectors	
All donors	381.8	100.0	2393.9	15.9	
IDA	164.3	43.0	640.1	25.7	
Asian Dev. Fund	76.2	20.0	290.5	26.2	
Japan	66.2	17.3	771.8	8.6	
France	31.1	8.1	126.8	24.5	
Germany	16.6	4.4	68.2	24.4	
Netherlands	11.1	2.9	34.3	32.4	
Denmark	3.5	0.9	63.5	5.5	
Switzerland	3.1	0.8	19.8	15.8	
Australia	2.8	0.7	41.7	6.8	

## Aid to water: breakdown by sub-sectors



- See also overview of total aid by recipient: [www.oecd.org/dac/stats/recipientcharts](http://www.oecd.org/dac/stats/recipientcharts)