

The Asian Development Bank's Official Development Assistance for water, sanitation and hygiene in the SDG era: 2015-2021

Key findings

The Asian Development Bank (ADB) has allocated a considerably higher share of its total Official Development Assistance (ODA) to the water supply and sanitation (WSS) sector, compared with other donors, principally through the Asian Development Fund. However, the sector, which includes water, sanitation and hygiene (WASH) as well as other aspects of water and waste, has seen its share decline over the period. ADB also disbursed substantial other official flows to the sector, but these do not qualify as ODA and are not primarily concessional or developmental. There appears to be scope for some reprioritisation of WSS ODA towards countries most off-track on water and sanitation access as well as more emphasis on strengthening WASH sector systems, and to better integrate WASH and health. Based on these findings, ADB has opportunities to:

- Continue the restoration of WSS's share of total ODA, consistent with recent highs (>12%).
- Ensure support for WASH is prioritised towards developing member countries that are most off-track, in support of focal area two of the Water Sector Directional Guide (universal water and sanitation services).
- Operationalise integrated and multisectoral health and WASH investments, within both these sectors (as foreseen by the Health Sector Directional Guide).

Trend in support

- Seventh largest provider of ODA to WSS.
- Provided a considerably higher share of total ODA to the WSS sector than the average from other donors, though this share has generally declined from (high of 12.5% in 2018; Figure 1).
- Average WSS ODA p.a. in COVID-19 emergency fell 7%, relative to preceding years (2020-21 vs. 2015-19), whereas it increased in all other social sectors except education.
- Substantial support for basic WASH systems (63% of total over period) but lower for strengthening sector systems (6% to WSS education/ policy, vs. 16% on average across other donors).

Figure 1: WSS ODA 2015-2021, in total and as a share of total ODA



Source: OECD DAC CRS

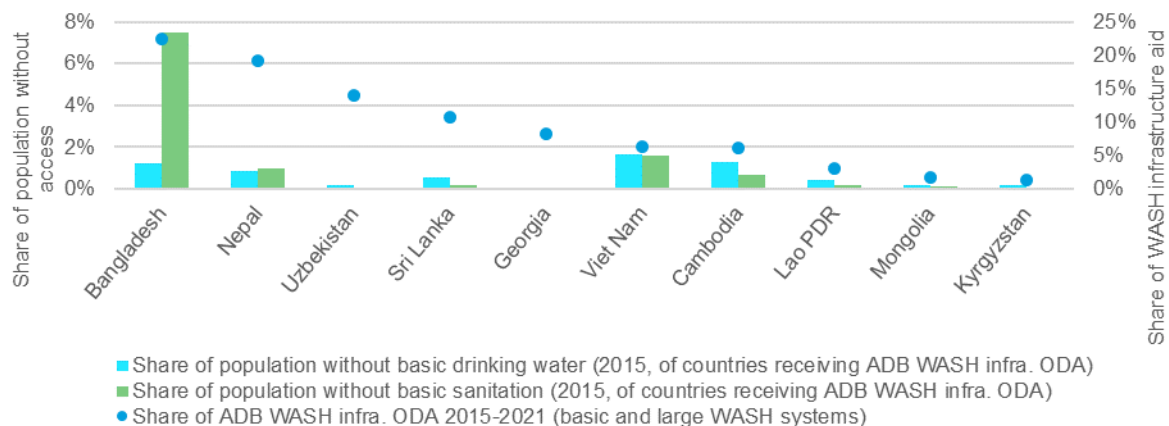
Donor profile: Asian Development Bank

- WSS ODA much lower than other official flows to the sector (less concessional/ not qualifying as ODA): US \$308m p.a. vs \$767m p.a. over the period.
- Substantial support to irrigation and hydropower, important to SDG6 but not included in WSS sector: 64% again on top of WSS ODA.

Type of support/ countries supported

- Primarily targeted lower-middle income countries (92%) reflecting income status of developing member countries (Afghanistan the only recipient of WSS ODA in low income group).
- Grants comprise only 16% of total finance, vs. 86% ODA loans.
- Project-type interventions dominate how WSS ODA delivered (97%), potentially increasing transaction costs for recipients (vs. 31% of ODA in other sectors delivered as budget support).
- Potential to better prioritise countries most off-track on WASH access: with a few exceptions, top 10 recipients of ODA for WASH infrastructure held relatively few unserved people at the start of the SDG period (Figure 2: relevant countries received 93% of WASH infrastructure ODA; but held 7% of population without basic drinking water/ 11% of those without basic sanitation, across all countries receiving ADB WASH infrastructure ODA). Looking forward, nearly a quarter of ADB WASH infrastructure ODA has gone to six countries currently on-track to provide universal access to at least basic drinking water and sanitation,¹ whereas the rest are off-track in one- or both subsectors, or in some cases making negative progress.

Figure 2: WASH infrastructure ODA 2015-2021 vs population without basic drinking water/ sanitation in 2015.

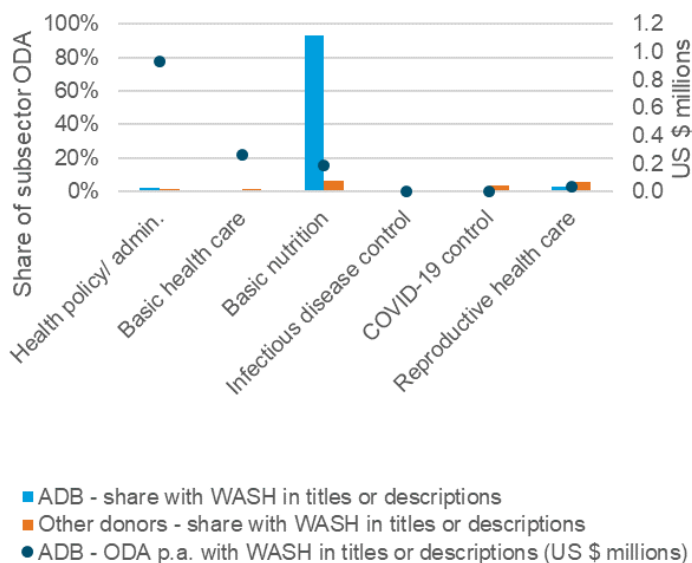


Source: OECD DAC CRS; WHO and UNICEF Joint Monitoring Programme

WASH as an enabler: health and gender equality

- **Health:** Potential for greater integration of WASH within health ODA – Based on a keyword search just 1% of relevant health subsectors feature WASH in project titles or descriptions (equivalent to \$1.4m p.a., Figure 3). A conspicuously high share of basic nutrition interventions feature WASH in this way but ADB support to this subsector is low overall.

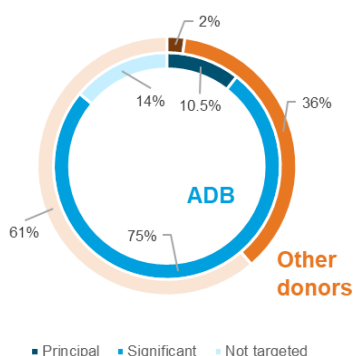
Figure 3: Health ODA with WASH focus, 2015-2021



- **Gender equality:** Greater share of WSS ODA deemed to have a principal or significant focus on gender equality compared with other donors (Figure 4).
- **Climate adaptation:** Increase in share of WSS ODA commitments from 2017, peaking at 23%, but dropping back in 2020 (Figure 5).

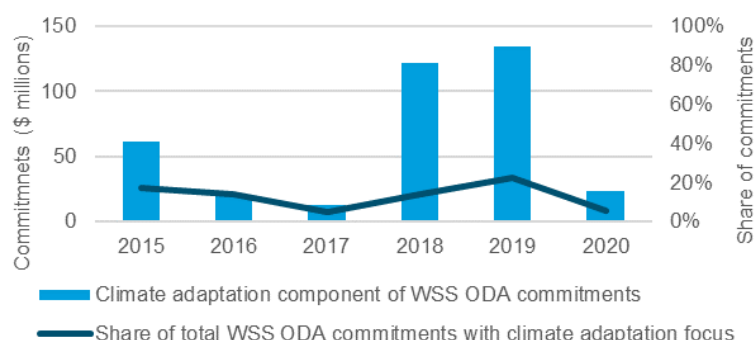
Source: OECD DAC CRS; authors' analysis

Figure 4: WSS ODA with gender equality objective, 2015-2021 (screened activities only)



Source: OECD DAC CRS

Figure 5: Climate adaptation component of WSS ODA commitments 2015-2020



Source: OECD DAC CRS; OECD Climate Related Development Finance (recipient perspective)

Outlook

- The 2022 Water Sector Directional Guide has universal water and sanitation services as focal area two of four. The Directional Guide emphasises greater cross-sector collaboration, promotion of private sector participation, provision of knowledge services, and partnerships with centres of excellence and civil society.²
- The 2022 Health Sector Directional Guide includes a principle two (of six) to increase multisectoral and integrated projects, including integration of health in water and sanitation.³
- Official estimates of budgets for WSS or WASH specifically were not identified. Extrapolating WSS ODA disbursements for 2022 and 2023 using both commitment and disbursement data implies a continued decline, towards

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\$200m in 2022 and below this in 2023. However, this is not a prediction and official figures need to be awaited.

About this donor profile: Part of a series covering key donors' support to WSS in the SDG era. Produced by Manatee Insight for WaterAid. Unless otherwise stated, all data from Organisation for Economic Co-operation and Development's Development Assistant Committee (OECD DAC) creditor reporting system (CRS) database for sector 140: Water supply and sanitation (includes some water resources and waste management along with WASH). Financial values are gross bilateral disbursements in US dollars. Core contributions to multilaterals excluded. Trends and averages over multiple years use constant US dollar values normalised to 2020 prices. 'Other donors' include OECD DAC, non-DAC and multilateral donors providing ODA. 'Other sectors' includes 'sector allocable' sectors 100-400. Country income group/ fragility status as categorised respectively by the World Bank/ OECD in 2021. Extrapolated 2022 disbursements are based on the average of 3 sources: historical CRS and International Aid Transparency Initiative (IATI) commitments, and IATI disbursements for 2022. Extrapolated 2023 disbursements use just IATI commitments. Adjustments were made to stay within historical levels of volatility, and work around donor specific IATI data issues. Figure 2: WASH coverage data from WHO and UNICEF Joint Monitoring Programme (JMP) for 2020. WASH infrastructure includes basic and large water supply and sanitation (purpose codes 14020-14032). Where data missing, on/ off-track status for drinking water applied to sanitation and vice-versa. Figure 3: See accompanying all-donor briefing for WASH keyword search methodology within health ODA. Figure 5: Values on adaptation-related 'climate components' of WSS ODA available from the OECD's climate-related development finance dataset for commitments only, to 2020. Values are for developmental and concessional projects only, to compare with total ODA.

Notes:

¹ Countries: CHN, IDN, LAO, PLW, UZB, VNM

² <https://www.adb.org/documents/strategy-2030-water-sector-directional-guide>

³ <https://www.adb.org/documents/strategy-2030-health-sector-directional-guide>