

# Donor profile: Australia

## Funding for water, sanitation and hygiene (WASH) in the SDG era

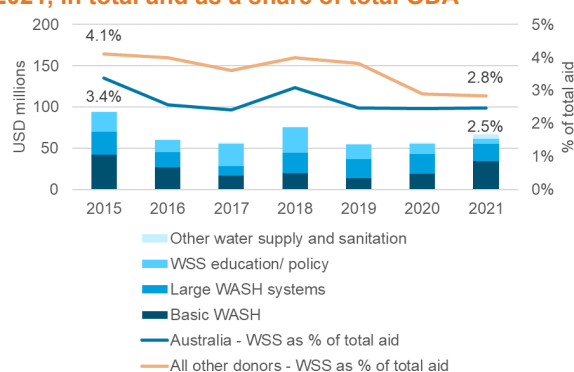
### Key findings

Australia has consistently provided a lower share of ODA to water supply and sanitation (WSS) as compared to other donors. WASH benefits from Australia’s commitment to giving ODA as grants, but its country focus means that least developed countries and those most off-track on WASH SDG targets are not prioritised. While Australia has consistently focused on gender equality within WSS ODA over the period, only a small proportion of spend has had gender equality as a principal objective in recent years. Going forward it is expected that nearly 100% of Australia’s spend in the sector will contribute to climate change adaptation. However, improving WASH access will need increased ODA funding to fulfil its vital enabling role in Australia’s revised development policy framework – for gender equality, climate resilience, health outcomes, and poverty reduction and economic development.

### Trend in support (2015-2021)<sup>1</sup>

- Australia was the eighteenth largest provider of ODA to the WSS sector,<sup>2</sup> 2015-2021, at around USD \$480 million over the seven-year period.<sup>3</sup>
- Australia provided a lower share of total ODA to the WSS sector than other donors throughout the period (average 2.7% vs 3.6%). If Australia provided the same share of ODA to WSS as other donors, it

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



<sup>1</sup> All data from OECD DAC creditor reporting system (CRS) database unless otherwise stated. The focus is on ODA; Australia recorded no OOF (other official flows) for WSS except in 2019 (\$16m).

<sup>2</sup> The term ‘water supply and sanitation’ in this briefing generally refers to the Organisation for Co-operation and Development’s Development Assistant Committee (OECD DAC) sector 140: Water supply and sanitation. This includes some water resource management activities which enable WASH services, as well as solid waste management. Within WASH, ODA to drinking water and sanitation are partly reported in overlapping subsectors and there is no separate subsector for hygiene.

<sup>3</sup> All financial values reported use data on gross bilateral disbursements in US dollars unless otherwise stated. Trends and averages over multiple years use constant US dollar values normalised to 2020 prices to aid interpretation over time. AUD to USD: 2015:1.33; 2016:1.35; 2017:1.3; 2018:1.34; 2019:1.44; 2020:1.45; 2021:1.33.

## Donor profile: Australia

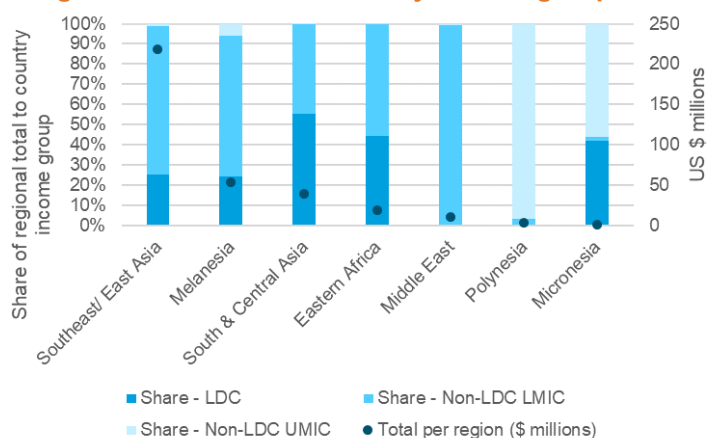
would be approx. an additional \$150m over the period.<sup>4</sup>

- Australia gave greater priority to WASH (especially basic WASH) and WSS sector policy and education/ capacity development – key to systems strengthening – when compared with other donors.<sup>5</sup>

## Type of support and countries supported

- Australia provides 100% of its WSS ODA as grants, however most of this valuable grant finance does not reach the poorest and least-developed countries. A fifth of Australia's WSS ODA, 2015-2021, went to least-developed countries (LDCs), with over half going to non-LDC middle-income countries and the remainder mainly reported on a regional (multi-country) basis. By region, most country-specific WSS ODA went to Southeast and East Asia, where a quarter went to LDCs (Cambodia, Lao PDR and Timor-Leste). Only in South and Central Asia, East Africa and Micronesia did a higher share go to LDCs, but these regions received comparatively little of Australia's WSS ODA, in any form (Figure 2). Overall Australia's WSS ODA is primarily targeted to lower-middle income countries in South Asia, South East Asia and the Pacific.<sup>7</sup> There may therefore be room for enhanced targeting of its WSS ODA towards LDCs and/ or low-income countries.

**Figure 2 Australia - WSS ODA disbursements 2015-2021 per region and LDC status/ country income group<sup>6</sup>**



Source: OECD DAC CRS; UN & World Bank country groups

- Australia's country-specific WSS ODA is also less targeted to fragile contexts<sup>8</sup> than that for other sectors (42% vs. 59%). The WSS share to fragile contexts is, however, in line with that for other donors (45%). Importantly, Australia also makes less use of project-type interventions for WSS (73%, similar in fragile and non-fragile contexts vs. 91% for other donors).<sup>9</sup> Greater reliance on

<sup>4</sup> 'Other donors' includes OECD DAC, non-DAC and multilateral donors providing ODA. Core contributions to multilaterals, over which donors do not have discretion to choose between WASH and other priorities, are excluded (for Australia this was between 13% and 30% of total ODA p.a. 2015-2021).

<sup>5</sup> OECD DAC purpose codes/ subsectors categorised as follows – Basic WASH: 14030-14032; Large WASH systems: 14020-14022; WSS education/ policy: 14010, 14081; Other (water resources/ waste): 14015, 14040, 14050.

<sup>6</sup> LMICs = lower-middle income countries. UMICs = upper-middle income countries. Chart excludes non-LDC low-income countries (LICs) and high-income countries (HICs), countries not categorised by income (all <0.5% of total) and regional allocations (multi-country, 27% of total). Only includes regions receiving 0.5% or more of total Australia WSS ODA.

<sup>7</sup> Countries categorised as least-developed by the UN and by income group by the World Bank in 2021. Analysis does not account for changes in category for some countries over the period.

<sup>8</sup> Countries classified as fragile by OECD in 2021.

<sup>9</sup> Omits regional/ multi-country activities and in-donor costs including scholarships.

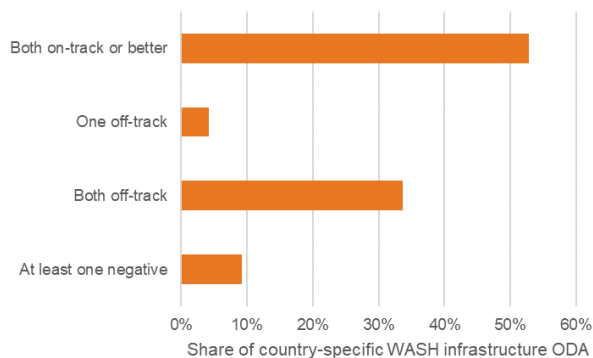
## Donor profile: Australia

alternative modalities including core contributions and pooled programmes may be more effective, reducing transaction costs and fragmentation for partner countries.

### Support to off-track countries<sup>10</sup>

- Australia has given less ODA to countries now most off-track on drinking water and sanitation access. Over the period over half of Australia's country-specific ODA for WASH infrastructure has gone to sixteen countries that are now on-track to provide universal access to at least basic drinking water and sanitation, or that have largely achieved this (>99% coverage).<sup>11</sup> This is mainly due to 42% of the total going to Indonesia, which as a large country does have numerous people still unserved but is making steady progress on basic access. Under 10% went to countries where coverage of basic drinking water and/ or sanitation services is now heading in a negative direction, including Fiji, Niue, Solomon Islands and Vanuatu in the Pacific.<sup>12</sup>

**Figure 3: Australia - WSS ODA disbursements 2015-2021 by partner countries' progress towards universal access to basic drinking water and basic sanitation**



Source: OECD DAC CRS; WHO and UNICEF JMP

## WASH as an enabler: gender equality, climate resilience

### Health

- A WASH keyword search across health subsectors indicates some attempts to integrate WASH within Australia's health ODA, but that this could go much further. WASH terms feature in project titles and descriptions in nine of fourteen relevant health subsectors, equivalent to between 13% of subsector

<sup>10</sup> Section uses data from WHO and UNICEF Joint Monitoring Programme (JMP) for coverage (basic drinking water and basic sanitation; insufficient data are available across countries for basic hygiene/ safely managed drinking water and sanitation; where no data available for one subsector, trajectory for other subsector assumed to apply); and from OECD DAC CRS for ODA (WASH infrastructure includes basic and large system water supply and sanitation subsectors, purpose codes 14020-14032).

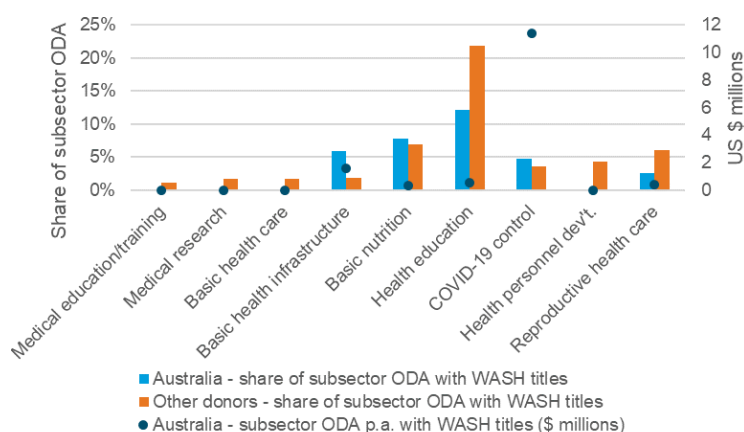
<sup>11</sup> CHL, CHN, COK, EGY, IDN, IRQ, LAO, MDV, MEX, NRU, PSE, THA, TUN, TUV, VNM

<sup>12</sup> BIH, CIV, COD, SLV, FJI, JOR, NIU, LCA, SLB, VUT, ZWE

## Donor profile: Australia

disbursements (health education) and just 0.01% (medical research).<sup>13</sup> The share of subsector ODA featuring WASH in this way was higher than the average for other donors in basic health infrastructure (often reflecting interventions to improve WASH in healthcare facilities), basic nutrition and COVID-19 control, but was lower in all others (Figure 4). Across all nine subsectors, relevant projects totalled \$14m p.a. on average. Importantly, only a fraction of this is likely to go to WASH activities. When looking only at project titles, as a proxy for greater focus on WASH, a negligible share of ODA in all health-related subsectors went to projects featuring WASH terms, across only four subsectors: medical education (<0.2%), medical research (<0.01%), basic health infrastructure (<0.01%) and health personnel (<0.03%). These shares were well below the average for other donors and equivalent to just \$4,000 p.a.<sup>14</sup>

**Figure 4: Australia – Health subsectors with WASH terms in project titles or descriptions: share of ODA (vs. other donors) and average ODA p.a.**

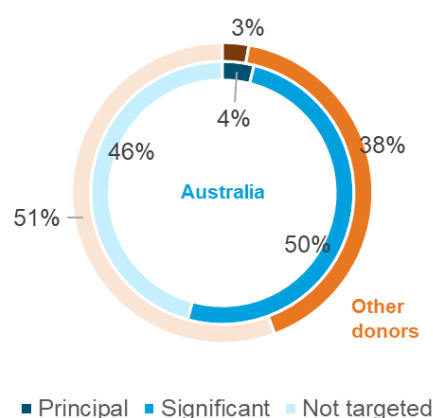


Source: OECD DAC CRS

## Gender equality

- Australia screened 100% of its WSS ODA for gender equality. Compared with other donors there was a higher than average focus on gender equality within Australia's WSS ODA, but little with gender equality as the main focus. 54% of Australia's screened WSS ODA spend has gender equality as the principal objective or a significant objective (vs. 41% for all

**Figure 5 Australia - WSS ODA disbursements 2015-2021, gender equality as principle or significant objective**



Source: OECD DAC CRS

<sup>13</sup> Excluding health subsectors related to non-communicable diseases; including reproductive health care subsector from the population sector

<sup>14</sup> This is a proxy for projects' attention to WASH. The keyword search for a range of WASH terms in English, French and Spanish was tested and refined and performed on project titles and descriptions in the OECD DAC CRS database. See accompanying briefing for WASH keyword search methodology and subsector codes.

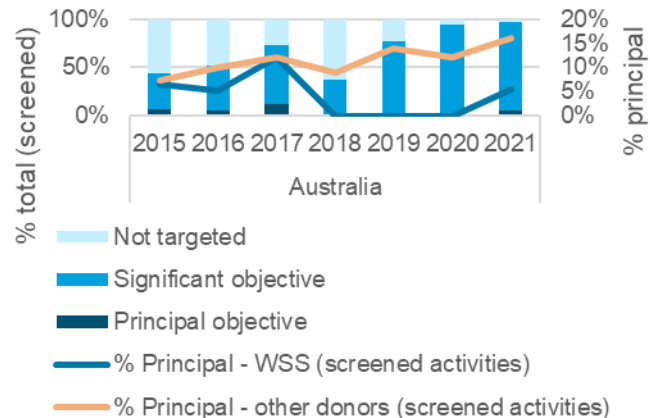
## Donor profile: Australia

other donors),<sup>15</sup> though fluctuating over time. Negligible WSS disbursements in recent years have had gender equality as the principal objective (fundamental to design and expected results: max 1.4%, 2018-2021).

## Climate adaptation

- Australia likewise screened all WSS ODA for its contribution to climate change adaptation. By 2021, nearly 100% of WSS disbursements had climate adaptation as a significant or principal objective. However, the increase in the share of projects deemed to have a climate adaptation objective in most years has not been matched by increases in ODA to WSS. Without increased WASH ODA funding, there is a real risk that access to WASH will remain off track at a time when it should be prioritised for climate resilience.

**Figure 6 Australia - WSS ODA disbursements 2015-2021, climate change adaptation as principle or significant objective**



## Outlook

- Australia's published budget estimates suggest water-related development cooperation has continued to decline in 2021/2022 and 2022/2023. The recent 2023/2024 budget is unlikely to reverse this trend, given the modest overall increase in ODA spend by the Australian government.<sup>16</sup>
- As the Australian Government seeks to implement its new development policy framework it will need to reprioritise WASH as central to gender equality, health systems, and climate resilience. In reversing the decline in WSS funding, Australia should invest in Indo-Pacific countries that are off track on achieving universal access to basic drinking water and sanitation services. This should include consideration of a new Pacific sanitation initiative, given how off track the Pacific is when it comes to access to sanitation.
- The proposed new Resilient Communities investment is potentially an important opportunity, with the intention to integrate WASH with agriculture/ food security and small-scale energy, as contributors to climate resilience.

<sup>15</sup> Only screened activities/ donors screening activities for gender equality objectives.

<sup>16</sup> <https://www.dfat.gov.au/about-us/publications/development-cooperation-fact-sheets-for-country-regional-and-sector-thematic-programs/water>

## Donor profile: Australia

Done well, such integration can be hugely positive. Done badly, however, and Australia's long-term commitment to basic WASH access could go into reverse. It will be important for Resilient Communities to have WASH access and system strengthening outcomes at the core of supporting individual and community resilience to climate change. To achieve this, the investment should guarantee a minimum percentage of funding towards climate resilient WASH outcomes.

### About this donor profile

This profile is part of a series covering key donors' support to WSS in the SDG era to date, highlighting their achievements and how they can do more. A briefing looking at all donors is also available [here](#). It was produced by Manatee Insight Ltd. for WaterAid. Authors: Nathaniel Mason, Matt Geddes and Nabaraj Mahanta. We gratefully acknowledge advice from Marcus Manuel, Charlene Watson and colleagues at WaterAid and the WHO GLAAS team, who are not responsible for any errors or omissions.