

Donor profile: Germany

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

Key findings

Germany has been a consistent leader in providing official development assistance (ODA) to water supply and sanitation (WSS) in the SDG period, as the second largest donor. However, since 2018 the share of Germany's bilateral ODA going to WSS has fallen year on year. During COVID-19 WSS ODA fell more than any other social sector. The poorest countries, and those that are fragile and most off-track on SDG6 are losing out. More can also be done to integrate health, WASH and nutrition, including in preparation for future pandemics, and to use WASH as a cornerstone of feminist development. Germany therefore has opportunities to:

- Bring the share of bilateral ODA to WSS back to 5%+
- Drive substantial integration of WASH in global health and climate adaptation and mitigation in line with BMZ core areas
- Ensure more WASH investments have a transformative effect on gender equality

Trend in support (2015-2021)¹

- Germany was the third highest provider of ODA to the WSS sector at over US \$6 billion (bn), 2015-2021, and the second highest bilateral donor after Japan.²
- Germany generally provided a slightly higher share of ODA to WSS than other donors: 3.9% vs. 3.5% over period; Figure 1).³
- Funding for WSS has, however, fallen as a share of ODA in recent years, and the latest confirmed data from OECD DAC shows that 2021 was some way from the high in real terms in 2018 (nearly \$1 billion), or as a share of ODA at the start of the SDG period in 2015 (>5%).⁴

¹ All data from Organisation for Economic Co-operation Development Assistance Committee (OECD DAC) Creditor Reporting System (CRS) database unless otherwise stated.

² The term 'water supply and sanitation' in this briefing generally refers to OECD DAC CRS 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. All financial values reported use data on gross bilateral disbursements in current US dollars unless otherwise stated. Values covering multiple years use constant US dollar values normalised to 2020 prices and therefore do not represent what was actually disbursed, but adjusted values to permit interpretation of falls, gains and averages over time. EUR to USD: 2015:0.9; 2016:0.9; 2017:0.89; 2018:0.85; 2019:0.89; 2020:0.88; 2021:0.85.

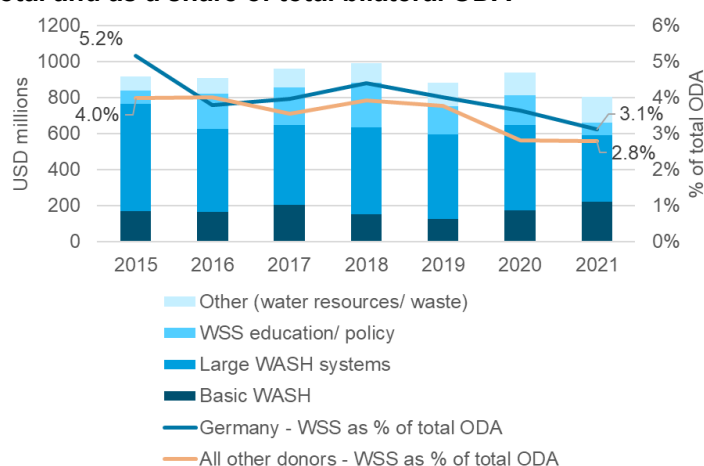
³ 'Other donors' includes OECD DAC, non-DAC and multilateral donors providing ODA. Bilateral donors' core contributions to multilaterals, over which they do not generally have discretion to choose between WASH and other priorities, are excluded from the calculation (for Germany this increased from 19% to 23% of the total, 2015-2021).

⁴ 'Real terms' = constant values normalised to 2020 prices.

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- In the main COVID-19 response period for which data are available (2020-2021), average disbursements p.a. fell 6% relative to the preceding years (2015-2019), despite the importance of safe WASH to infection prevention and control, while there were increases in all other social sectors.⁵

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



Source: OECD DAC CRS

- Among subsectors Germany's WSS ODA follows a similar pattern to the average for other donors, with over half going to large WASH infrastructure subsectors, less than a fifth to basic WASH and sector policy and education, and the remainder to water resources and waste.
- A further 10% on top of WSS ODA was provided to other major water-related subsectors important to SDG6.⁶
- In addition to ODA, Germany recorded US \$21m p.a. in other official flows to WSS.⁷

Type of support and countries supported

- Most of Germany's WSS ODA was targeted to specific countries with around 10% regional in focus (multi-country).
- Germany provided the majority of its WSS ODA as loans (56%), but on increasingly generous terms: the composition of finance type and the concessionality of loans mean that 'grant equivalent' ODA as a share of face value ODA increased from 63% in 2018 to 73% in 2021.⁸ This is lower than other social sectors combined, but higher than energy.

⁵ There was a larger fall in energy, of 14%. This analysis compares WSS with other social sectors and energy – reflecting the social service and infrastructure elements of WASH. Among other social sectors, increased ODA from Germany to the health sector is associated with allocations to the new COVID-19 control subsector (purpose code 12664) introduced within OECD DAC CRS in 2020.

⁶ Agricultural water and hydropower, not shown on chart, which are included in monitoring of SDG target 6.a, expand international cooperation. Germany's support to these subsectors was \$96m p.a. on average.

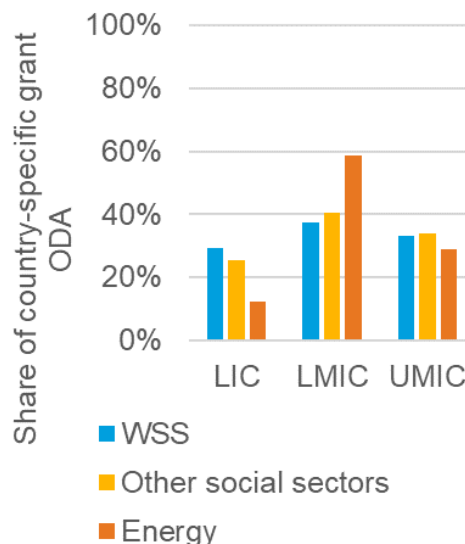
⁷ Official sector transactions that do not meet ODA eligibility requirements. Export credits not included in data and reporting is voluntary. https://www.oecd-ilibrary.org/development/other-official-flows-of/indicator/english_6afef3df-en

⁸ Grant equivalent has been adopted by OECD DAC CRS as a fairer way to reflect donor effort and includes the 'grant element' within concessional loans i.e. the money effectively given away compared with loans at market terms. Grant equivalent for 2018 onwards used due to the methodology for estimating grant element changing in 2018.

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- Country-specific (i.e. non regional) grant equivalent ODA was targeted to the poorest countries⁹ to a greater extent than ODA to other social sectors and energy (Figure 2), and than other donors' WSS ODA (29% vs. 23%).
- However, even more of Germany's grant equivalent WSS ODA was targeted to richer partner countries (Figure 2).¹⁰
- Compared with the average across all other sectors, a greater share of country-specific WSS ODA was provided in the form of projects (82% vs 66%), as opposed to forms that may help to reduce fragmentation and transaction costs for partner countries.¹¹ However, this proportion is lower than other donors in their support to WSS (92% 'projectised').
- Also in-line with other donors, and contrary to what might be expected, projectised support was used slightly less in fragile contexts (77% vs. 83% in non-fragile contexts). However, overall considerably less of Germany's country-specific WSS ODA was provided to fragile countries than other donors' WSS ODA (25% vs. 48%).¹²

Figure 2: Germany – country-specific grant equivalent bilateral ODA per country income group, for WSS, other social sectors and energy, 2018-2021



Source: OECD DAC CRS

Support to off-track countries¹³

- Looking back to the start of the SDG period, much of Germany's ODA for WASH infrastructure went to countries with relatively few unserved people in 2015. Within the top-10 partner countries, India and China had and still have a significant number of people lacking access to at least basic drinking water and sanitation, and together received around a third of Germany's country-specific WASH infrastructure ODA. Other partner countries in the top-ten received 44% of the total, but in 2015 held 8% of the total population without

⁹ Countries categorised as low income by the World Bank in 2021.

¹⁰ Countries categorised as upper-middle income in 2021. Not shown on chart: 0.1% of these sectors' ODA provided to high-income countries and countries not classified by income.

¹¹ E.g. budget support, core/ pooled contributions, or technical assistance. Calculation omits regional/ multi-country activities and in-donor costs including scholarships.

¹² Countries classified as fragile by OECD in 2021.

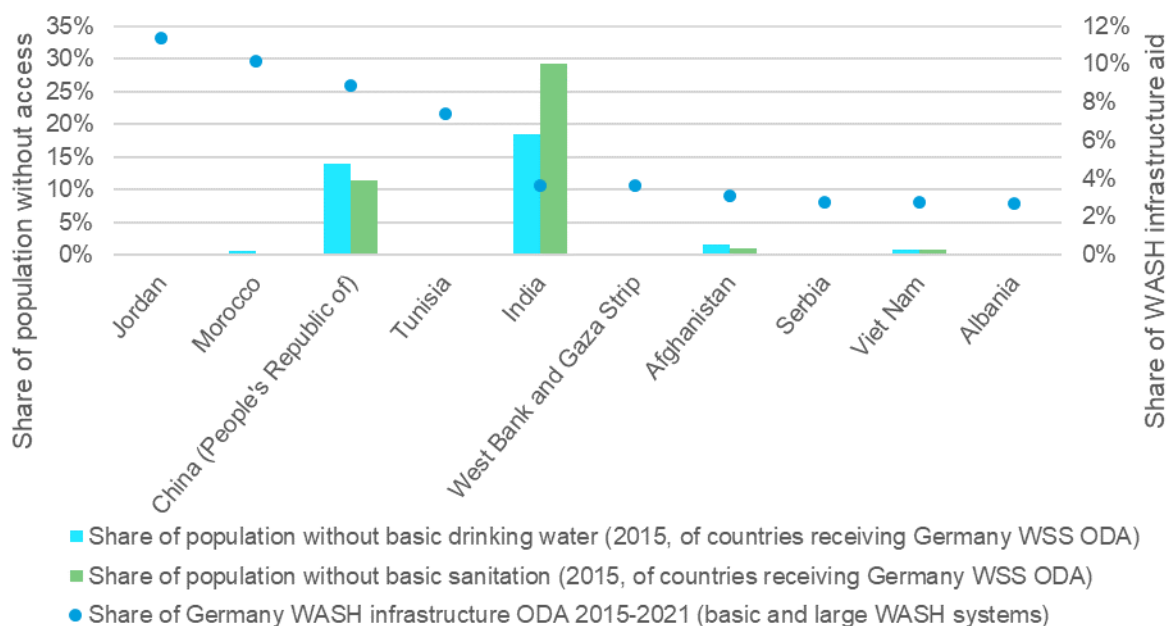
¹³ Section uses data from WHO and UNICEF Joint Monitoring Programme (JMP) for coverage (basic drinking water and basic sanitation; insufficient data are available across countries for basic hygiene/ safely managed drinking water and sanitation; where no data available for one subsector, trajectory for 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)

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access to basic drinking water and 6% of the population without access to basic sanitation (across countries Germany supported on WASH infrastructure; Figure 3).

- Additionally, over the period, a nearly a third of Germany's country-specific WASH infrastructure ODA went to 16 countries that are now on-track to achieve universal access to at least basic to drinking water and sanitation, or that have reached over 99% coverage.¹⁴ Together, these suggest potential for reprioritisation to focus on leaving no-one behind in the remaining years to 2030.

Figure 3 Germany - Top 10 recipients of WASH infrastructure ODA 2015-2021 vs. proportion of people without basic drinking water/ sanitation in 2015



Source: OECD DAC CRS; WHO and UNICEF JMP

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

Health

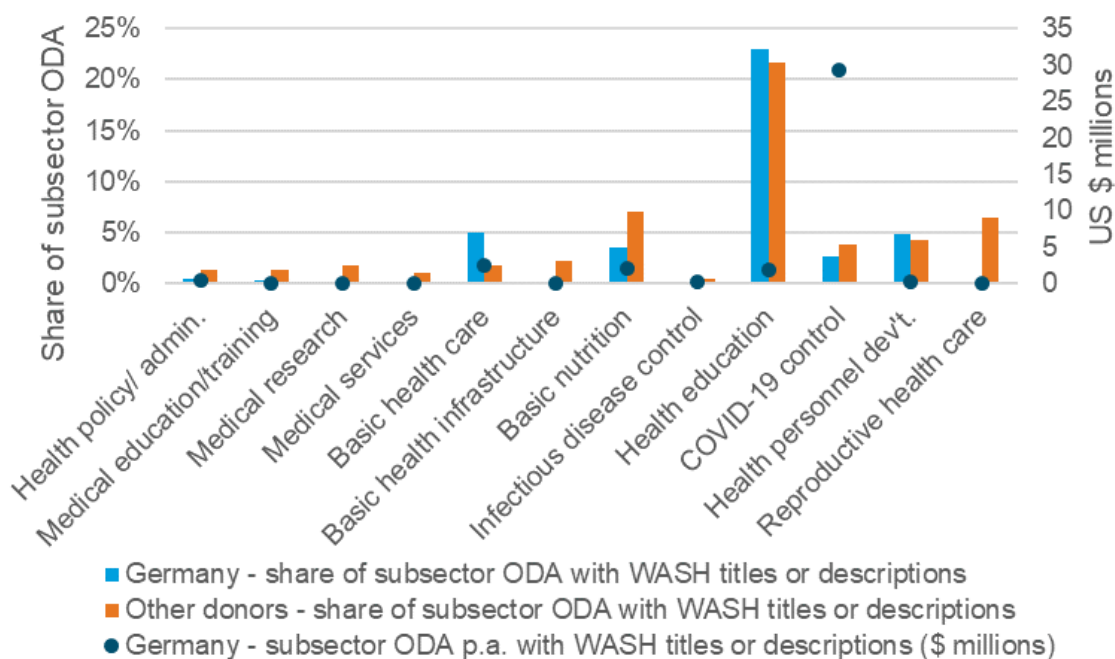
- A WASH keyword search across health subsectors indicates some attempts to integrate WASH and health, but that this could go much further. Across relevant Germany-supported health subsectors, WASH-related terms feature most prominently in project titles and descriptions in health education (23% of subsector disbursements but equivalent to a modest \$2m p.a.). In most subsectors the share of ODA featuring WASH in this way is below the average for other donors (Figure 4). Overall, health subsector ODA featuring WASH terms in this way averages \$37m p.a., with \$29m p.a. in COVID-19

¹⁴ Countries: AZE, CHN, COL, CRI, ECU, EGY, IDN, IRQ, LAO, MEX, PRY, PSE, THA, TUN, UZB, VNM.

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control (3% of disbursements, 2020 and 2021 only). However, only a limited proportion of this spend is likely to go to WASH. When looking only at project titles, as a proxy for greater focus on WASH, a considerably lower proportion of disbursements in health-related subsectors feature WASH terms. Some subsectors that might be expected to feature WASH, from this keyword search, appear to barely integrate WASH at all – including medical services/basic health infrastructure (typically associated with WASH in healthcare facilities), infectious disease control, and reproductive healthcare (Figure 4).¹⁵

Figure 4: Germany – 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

- Conversely, WSS activities can also receive health-related policy markers within the OECD DAC CRS. On this basis, a third of Germany's WSS activities in the period were deemed to have relevance to reproductive, maternal, newborn and child health (RMNCH), but 0.1% received a higher marker score that would indicate a strong RMNCH focus.¹⁶

Gender equality

- Germany screens almost all its WSS activities for their contribution to gender equality. A negligible share is deemed to make a principal contribution to gender equality (main objective and fundamental to design and results).

¹⁵ 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. Excludes health subsectors related to non-communicable diseases; includes reproductive health care subsector from the population sector.

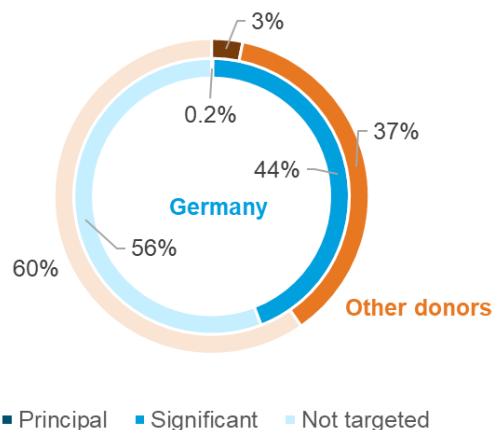
¹⁶ Screened activities only, marker score > 2 (0-4) for RMNCH.

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However, 44% of WSS ODA is deemed to have a significant gender equality objective, a higher share than WSS ODA from other donors (Figure 5).¹⁷ Over the

period, the share of WSS ODA with a significant gender equality objective has risen in most years, to around 50% in 2020 and 2021. The lack of projects with a principal gender equality objective could be attributed to relatively stringent conditions in applying the policy marker or, more problematically, a lack of projects with the necessary focus.

Figure 5: Germany - WSS ODA disbursements 2015-2021, gender equality as principle or significant objective (screened activities only)



Source: OECD DAC CRS

Climate adaptation

- There has been a generally rising trend in the share of Germany's WSS ODA with climate change adaptation as a principal objective, from 3% to 10% over the period, though this remains below the level of other donors (17% in 2021).¹⁸ The share with a significant climate adaptation objective has also increased overall (Figure 6).

Figure 6 Germany - WSS ODA disbursements 2015-2021, climate change adaptation as principle or significant objective (screened activities only)



Source: OECD DAC CRS

- This could indicate increasing climate mainstreaming in Germany's WSS ODA. However, without matching increases in overall ODA to the sector it does not represent meaningful additional water- or WASH-related climate finance (on top of 'normal' levels of ODA). Nonetheless, a proportion of ODA

¹⁷ Only screened activities/ donors screening activities for gender equality objectives.

¹⁸ Only screened activities/ donors screening activities for climate adaptation objectives using the Rio Markers (mainly DAC bilateral donors; some institutions including several multilateral development banks use a different system).

marked in this way is reported by Germany to the UNFCCC as climate finance, giving rise to potential for double counting.¹⁹

Outlook

- The budget for BMZ, which provides the majority of ODA, has fallen 1% in 2022 vs. 2023, with a 13% reduction in bilateral financial cooperation. A fall of 13% by 2024 and of 15% by 2026, vs. 2022 levels, is foreseen in mid-term financial planning.²⁰
- Russia's war of aggression in Ukraine has significantly influenced priorities for development cooperation in 2022 and 2023. However, looking to the future, priorities set out by BMZ in August 2022 imply a strong role for WASH as a foundational element, including preparing for future pandemics (primary health care, one-health, sexual and reproductive health and rights), eradicating poverty and hunger (including sustainable nutrition); just transition (including adaptation to climate change and climate-friendly cities); and a feminist development policy. WASH and water are not specifically mentioned, however.²¹ WASH also sits well within four of six BMZ core areas ("Protecting our livelihoods - environment and natural resources, "Sustainable Agri-Food Systems – a world without hunger", "Responsibility for our planet - climate and energy" and "Health, social protection and population policy") identified in the BMZ2030 reform and amended by the current administration, which set out the longer-term priorities.
- In view of the evidence above, Germany should:
 - Reverse the declining share of bilateral ODA going to WSS in recent years and return this at least to 2015 levels (5%+).
 - Implement and finance priorities and objectives defined in BMZ core area strategy six on health, social protection and population policy for greater integration of health and WASH, including as a basis for pandemic preparedness, infection prevention and control, maternal and newborn health, menstrual hygiene and health and through a one-health and a system strengthening approach.
 - Recognise gender unequal access to WASH and the gendered effects of this as part of the societal challenge for addressing the climate crisis, and for feminist development.²² Diagnose and address any barriers that have prevented WASH and water projects having a principal and transformative focus on gender equality, to date.

¹⁹ Germany applies coefficients of 100% (principal objective) and 50% (significant objective) when reporting climate finance to the UNFCCC. OECD (2023) [Results of the survey on the coefficients applied to Rio marker data when reporting to the UN Environmental Conventions](#). Organisation for Economic Co-operation and Development: Paris.

²⁰ https://donortracker.org/donor_profiles/germany

²¹ <https://www.bmz.de/resource/blob/121222/caae4af8b9417b71c27e3b38b4e69252/our-development-policy-priorities-en-data.pdf>

²² BMZ (2022) [A feminist approach to climate policy](#), BMZ Fact Sheet. BMZ: Bonn.

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- Integrate a pro-poor focus in WASH ODA in line with their goal to channel 0.2% of the country's GNI to LDCs.

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 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, but all errors and omissions are our own.