

# Donor profile: Netherlands

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

### Key findings

The Netherlands has prioritised WASH and Sustainable Development Goal (SDG) 6, maintaining the sector's share of total Official Development Assistance (ODA), including during the acute COVID-19 emergency. However, projections for 2022 and 2023 from available data suggest potential falls, despite the overall ODA budget increasing. Within ODA for the water supply and sanitation (WSS) sector, WASH for low-income communities and sector strengthening are prioritised, as are fragile contexts and countries with a large number of people without access to services. WASH and health can be better integrated, and prioritisation of gender equality and climate change adaptation strengthened, but this requires WSS ODA levels to be maintained and increased. In this context, the Netherlands should:

- Ensure that levels of WSS ODA increase in line with total ODA.
- Integrate and fund WASH as part of health, nutrition and food security, especially for women and girls.

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

- The Netherlands was the tenth highest provider of ODA to the WSS sector,<sup>2</sup> 2015-2021, at around US \$ 1.4 billion over the period.<sup>3</sup>
- The Netherlands provided a higher share of total bilateral ODA<sup>4</sup> to WSS than other donors (5.2% vs. 3.5% over period; Figure 1). This share has stayed fairly steady since increasing notably in 2016, including in 2020 when for other donors the share fell, partly due to reallocations to COVID-19 response.
- However, in real terms funding for WSS has not regained a high of US \$ 222 million in 2018.<sup>5</sup>
- WSS ODA is weighted towards policy strengthening and capacity building for the sector,

<sup>1</sup> All data from OECD DAC Creditor Reporting System (CRS) database unless otherwise stated.

<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.

<sup>3</sup> Including multilateral donors. The Netherlands also provides core contributions to multilaterals, over which it does not have discretion to, for example, choose between WASH and other priorities (between 27% and 35% of its total ODA, 2015-2021).

<sup>4</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. EUR to USD: 2015:0.9; 2016:0.9; 2017:0.89; 2018:0.85; 2019:0.89; 2020:0.88; 2021:0.85.

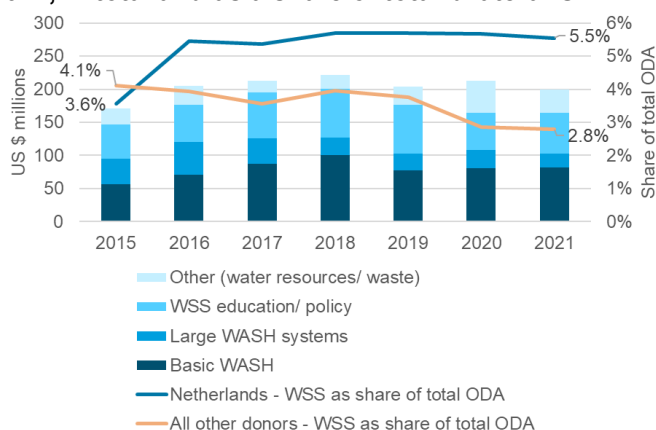
<sup>5</sup> 'Real terms' = constant values normalised to 2020 prices. Current values were stable 2020-2021, whereas the real terms constant value fell due to inflation.

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more than other donors (31% vs 15%), and, similarly, towards basic WASH (39% vs. 21%), signalling a concentration on system strengthening and serving the poorest communities.

- A further 3% on top of WSS ODA was provided to other major water-related subsectors important to SDG6.<sup>6</sup>
- The Netherlands did not record any other official flows (OOF) to WSS in the period.

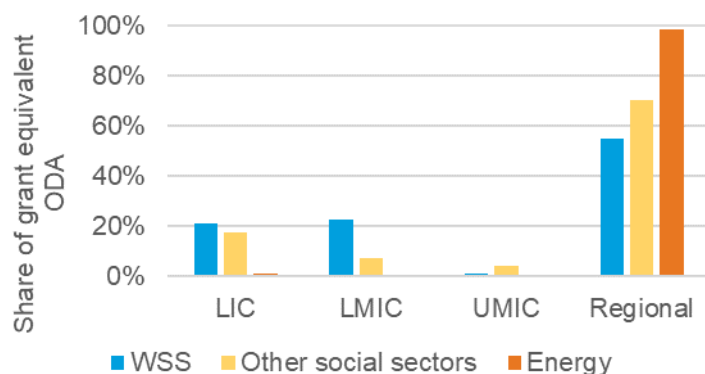
**Figure 1: Netherlands - WSS ODA disbursements 2015-2021, in total and as a share of total bilateral ODA**



Source: OECD DAC CRS

## Type of support and countries supported

**Figure 2: Netherlands – grant equivalent bilateral ODA as % total bilateral ODA by country income groups, for WSS, other social sectors and energy, 2018-2021**



Source: OECD DAC CRS

targeted slightly more to the poorest countries<sup>9</sup> than grant equivalent ODA to other social sectors and to energy (Figure 2),<sup>10</sup> and to a similar extent to

- The Netherlands provided 100% of its WSS ODA as grants over the period.<sup>7</sup>
- The Netherlands' WSS ODA therefore had a 100% grant element. ODA can be compared with other sectors and donors where non-grant finance was used, using 'grant equivalent', from 2018 to 2021.<sup>8</sup> On this basis the Netherlands' grant equivalent WSS ODA was

<sup>6</sup> Agricultural water and hydropower, not shown on chart, which are included in monitoring of SDG target 6.a, expand international cooperation. The Netherlands support to these subsectors was US \$ 7m p.a. on average, almost entirely to agricultural water.

<sup>7</sup> Note that this is ODA only. While no ODA loans, equity, guarantee or mezzanine finance ODA instruments were recorded in OECD DAC CRS the Netherlands does have several mechanisms to stimulate private investment and lending in water internationally through blended finance.

<sup>8</sup> Grant equivalent has been adopted by OECD DAC CRS as a fairer way to reflect donor effort. Grant equivalent measure from 2018 onwards used due to the methodology for estimating grant element changing.

<sup>9</sup> Countries categorised as low income by the World Bank in 2021.

<sup>10</sup> This analysis compares WSS with other social sectors and energy – reflecting the social service and infrastructure elements of WASH.

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other donors. Both facts should, however, be seen in the context of high regional (multi-country) allocations across the Netherlands' social and energy sector ODA, where targeting to specific country-income groups cannot be readily determined.

- Compared with other sectors a higher share of country-specific WSS ODA was provided in the form of projects (81% vs 74%), as opposed to budget support, core/ pooled contributions, or technical assistance that can impose lower transaction costs and coordination challenges for participant countries. However, this share was lower than for other donors (91%).<sup>11</sup>
- Project-type support was used to a similar extent irrespective of whether the partner country was 'fragile' or not, and overall more than three-quarters of The Netherlands country-specific WSS ODA was provided to fragile countries (78% vs. 45% for other donors).<sup>12</sup>

### Support to off-track countries

- Looking backwards, the Netherlands' ODA for WASH infrastructure was concentrated in relatively few countries and most went to countries with considerable need in terms of the number of unserved people in 2015. The top ten partner countries received 96% of WASH infrastructure ODA over the period, and in 2015 they contained 41% of the total population without access to basic drinking water, across countries the Netherlands supported on WASH infrastructure, and 53% of the population without access to basic sanitation (excluding India).<sup>13</sup> This suggests the Netherlands' WSS ODA was better targeted, at the country level, towards high concentrations unserved people than many other donors. (Figure 3).
- Looking ahead, 12% of the Netherlands' country-specific WSS ODA over the period went to six countries that are now on track to provide everyone with access to at least basic access to drinking water and sanitation, or that have reached over 99% coverage (Figure 3).<sup>14</sup>

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

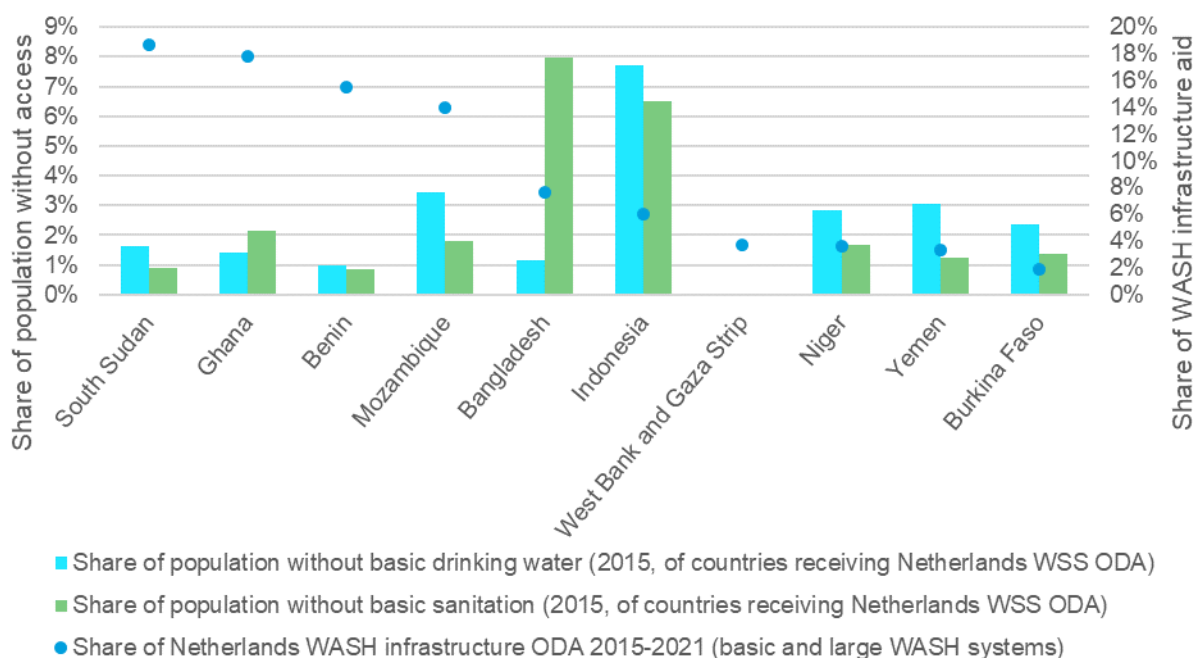
<sup>11</sup> Omits regional/ multi-country activities and in-donor costs including scholarships.

<sup>12</sup> Countries classified as fragile by OECD in 2021.

<sup>13</sup> India was a modest recipient of WSS ODA from The Netherlands but holds a huge number of unserved people

<sup>14</sup> Using data from WHO and UNICEF Joint Monitoring Programme (JMP). Countries: COL, EGY, IDN, IRQ, PSE, PRY. These countries may still contain a large number of unserved people by virtue of their size and current coverage levels.

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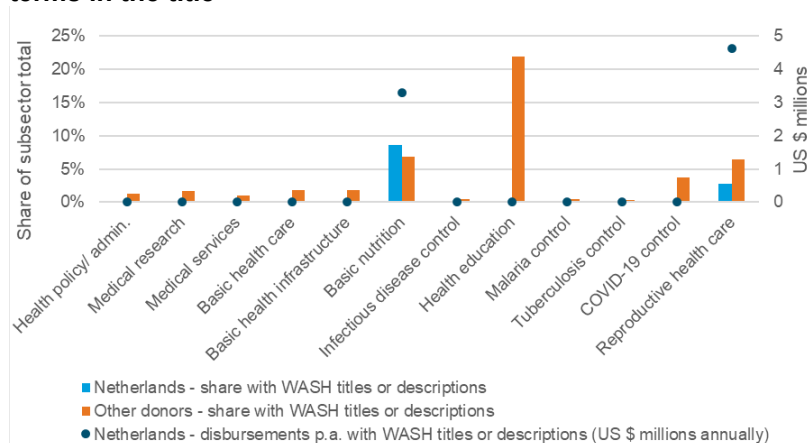
Source: OECD DAC CRS; WHO and UNICEF JMP

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

### Health

- A WASH keyword search across health subsectors indicates that WASH is rarely integrated into The Netherlands' health interventions. Across Netherlands-supported health subsectors likely to include WASH-related activities, WASH terms

**Figure 4: Netherlands – WASH related health subsectors, % of disbursements and average disbursements p.a. with WASH terms in the title**



Source: OECD DAC CRS

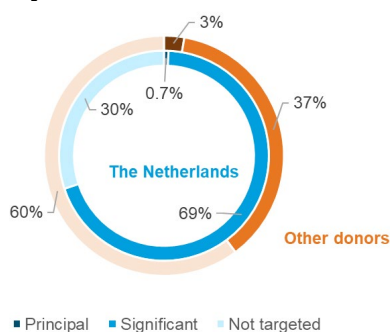
health subsectors likely to include WASH-related activities, WASH terms feature only in the basic nutrition subsector (projects amounting to 9% of subsector disbursements, equivalent to \$3 m p.a.) and in reproductive health care (projects = 3% of disbursements/ \$5m p.a.). Across other donors, WASH was featured, at least to a small degree, within activities in many other health subsectors, including COVID-19 control as well as health education (Figure 4). Moreover WASH is likely to be a small component in many of the

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Netherlands' basic nutrition and reproductive health care projects. When looking only at project titles, as a proxy for greater focus on WASH, the shares featuring WASH terms are just 0.8% and 0.2% in these subsectors, respectively.<sup>15</sup>

## Gender equality

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



Source: OECD DAC CRS

The Netherlands screens all WSS ODA for its contribution to gender equality. On one hand, across the period less than 1% was deemed to have a principal focus on gender equality (main objective and fundamental to design and results). This is lower than the average for other donors' WSS ODA at 3% (Figure 5).<sup>16</sup>

On the other hand, over the period, the share of WSS ODA with a significant gender equality objective (i.e. a focus, but not the principal focus) has risen steadily, from 58% to 82%, consistently well above the average for other donors (37%). While it is difficult to compare donors directly because classification of projects on their gender equality objectives is somewhat subjective, this suggests that there is scope for the Netherlands to sharpen focus on gender equality in the most relevant projects (i.e., increasing the share with a principal objective), while continuing to mainstream gender equality across all projects (share with significant objective).

## Climate adaptation

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



<sup>15</sup> Where WASH terms feature in project titles or descriptions in the OECD DAC CRS database. See accompanying briefing for WASH keyword search methodology and subsector codes.

<sup>16</sup> Only screened activities/ donors screening activities for gender equality objectives.



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- The share of the Netherlands' WSS projects with climate change adaptation as a principal or significant objective is higher than most donors, and has risen overall through the period, from 71% to 91% of screened activities. The share with adaptation as a principal objective remains slightly below that of other donors (Figure 6).<sup>17</sup>
- However, due to fluctuating levels of total ODA to WSS, the real-terms amount with a climate adaptation focus has not increased substantially since 2017. Increasing recognition that WASH and water are central to climate adaptation – long championed by the Netherlands – does not appear on this measure to have translated into additional ODA allocations.<sup>18</sup>

Source: OECD DAC CRS

## Outlook

- The 2023 ODA budget published in September 2022 indicates that the Netherlands aims to increase spending for development cooperation by over US \$ 300 million annually, 2022-2024 (EUR 300m) and an additional US \$ 500 million+ per year from 2025 (EUR 500m).<sup>19</sup> While the Ministry of Foreign Affairs publishes budget information, 2022 and 2023 water sector budgets were not identified at the time of this research.<sup>20</sup>
- A new development strategy, *Doing what the Netherlands is good at*, published June 2022 indicates that water-related priorities include access to sanitation and drinking water, river basin and delta management, agricultural water use and prevention of water-conflicts (with an emphasis on digital/ data for the last two). The summary indicates water as a prime example of what the Netherlands 'is good at', in terms of development cooperation, alongside agriculture and sexual and reproductive health and rights.
- *Extrapolated 2022 and 2023 disbursements using CRS and IATI data are provided below, implying further declines to below 2015 levels. Please note these are not predictions, but a speculative attempt to provide more recent estimates to stimulate debate with donors. If WA are fully comfortable with the estimates and methodology (footnote to table) these can be included and/ or incorporated to Figure 1 for 2022 and 2023. Equally, if WA know of better WSS estimates from official sources for these years please provide.*

**Table 1: 2015-2021 disbursements (OECD DAC CRS) and estimates for 2022 and 2023<sup>21</sup>**

<sup>17</sup> Only screened activities/ donors screening activities for climate adaptation objectives using the Rio Markers (mainly bilateral donors; some institutions including several multilateral development banks use a different system).

<sup>18</sup> The Netherlands reports 100% of ODA disbursements with a principal climate objective, and 40% of ODA with a significant climate objective, as 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.

<sup>19</sup> [https://donortracker.org/donor\\_profiles/netherlands#budget](https://donortracker.org/donor_profiles/netherlands#budget)

<sup>20</sup> <https://www.nlontwikkelingssamenwerking.nl/#/>, as of early March 2023.

<sup>21</sup> Projection for disbursements for 2022 is based on average of projections from three sources: OECD DAC CRS and IATI commitments for the two previous years, and IATI disbursements for 2022. The 2023 disbursements estimate uses just one source, the IATI commitments data for 2021 and 2022. Taking the previous two years of commitments to estimate disbursements is a very rough tool and that relationship changed significantly for 2020 and 2021. Deflators to convert current values into

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\$ millions	2015	2016	2017	2018	2019	2020	2021	2022	2023
Disbursements (constant)	171	205	213	222	204	212	199	165	130
Disbursements (current)	152	182	195	218	196	212	212	179	144

- In view of the above evidence, the Netherlands has opportunities to:
  - Ensure the share of ODA for WASH is maintained, so that overall levels increase in line with total ODA.
  - Integrate WASH more strongly into other interventions – with funding – including other key development priorities such as sexual and reproductive health and rights, and agriculture, food security and nutrition.

### 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, but all errors and omissions are our own.

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constant (2020) values aligning with 2015-2021 figures presented elsewhere in the donor profiles have been estimated for 2022 (1.09) and 2023 (1.11) and applied to all countries.

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