

Donor profile: Japan

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

Key findings

While Japan was the second largest provider of official development assistance (ODA) to water supply and sanitation (WSS), the sector's share of total ODA had more than halved by 2021, compared with 2015, resulting in significant real-term falls overall. Within Japan's WSS ODA, there is scope for reprioritisation to target grant equivalent ODA to the poorest countries, and support the most off-track countries in the limited time remaining to 2030. There is some evidence of integration between WASH and other priorities including health and climate change adaptation. However unlocking WASH's contribution in these areas will require greater policy emphasis and financial resources. In this context, Japan should:

- Reverse the huge fall in the share of ODA to the sector.
- Review the WSS ODA portfolio to support poor and off-track countries.
- Prioritise WASH as central to global health and climate change adaptation.

Trend in support (2015-2021)¹

- Japan was the second largest provider of gross bilateral ODA to the WSS sector over the 2015-2021 period, providing around US \$ 7 billion over the period.²³
- Japan has historically provided a much higher share of total ODA to WSS than other donors, averaging at 6.8% vs. 3.3% over period. However, the share has fallen steeply in almost every year, from nearly 10% in 2015 to 4% in 2021 (Figure 1).
- The real terms value of WSS ODA from Japan also fell in every year, until a slight uptick in 2021.⁴

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

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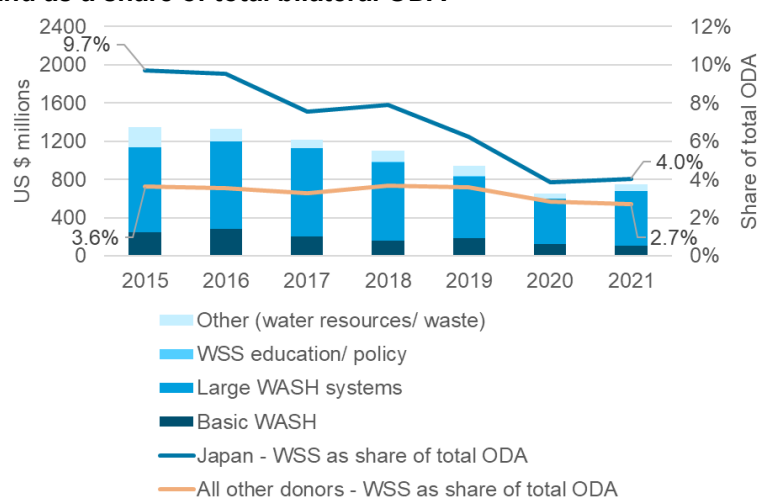
³ The term Water supply and sanitation in this briefing generally refers to the Organisation for Co-operation and Development's Development Assistant Committee (OECD DAC) sector 140: Water supply and sanitation. This includes some water resource management activities which enable WASH services, as well as solid waste management. All financial values reported use data on gross bilateral disbursements in US dollars unless otherwise stated. The International Development Association (IDA, World Bank) was the top provider. Japan also provides core contributions to multilaterals, including IDA, over which it does not have discretion to, for example, choose between WASH and other priorities (between 17% and 23% of total ODA, 2015-2021). Trends and averages over multiple years use constant US dollar values normalised to 2020 prices to aid interpretation over time. JPY to USD: 2015:121.04; 2016:108.79; 2017:112.17; 2018:110.42; 2019:109.01; 2020:106.77; 2021:109.75.

⁴ 'Real terms' = constant values normalised to 2020 prices. Current values rose in 2016 as well as 2021 but fell in other years.

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- In the main COVID-19 response period for which data are available (2020-2021), average disbursements p.a. fell 41% relative to the preceding years (2015-2019), more than all other social sectors – even allowing for significant increases in ODA for health associated with COVID-19 control – and than energy.⁵

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



Source: OECD DAC CRS

- Japan's WSS ODA is heavily weighted towards large WASH infrastructure (71%) – typically water and sewerage networks – compared with other donors (48% towards large WASH infrastructure). Cluster 2 of JICA's Global Agenda for the sector is 'Supporting the growth of water utilities – Urban water supply' – which implies capacity development and support to policy reform as much as infrastructure.⁶ Shares going to basic WASH infrastructure and water resources/ waste are similar to other donors, at 18% and 11%, respectively.
- A further 27% on top of WSS ODA was also provided to other major water-related subsectors important to SDG6.⁷
- Japan did not record any other official flows (OOF) to WSS in the period.

Type of support and countries supported

- Japan provided just a fifth of its WSS ODA as grants. However, allowing for the concessionality of loans, 'grant equivalent' ODA as a share of face value ODA averaged 75% 2018-2021. This is lower than other social sectors combined (93%) and similar to energy, likely reflecting an expectation that cost recovery from infrastructure services would allow loan payback.⁸

⁵ This analysis compares WSS with other social sectors and energy – reflecting the social service and infrastructure elements of WASH.

⁶ JICA (2020) [Global Agenda for Sustainable Water Resources Management and Water Supply](#) (No.19). Japan International Cooperation Agency: Tokyo.

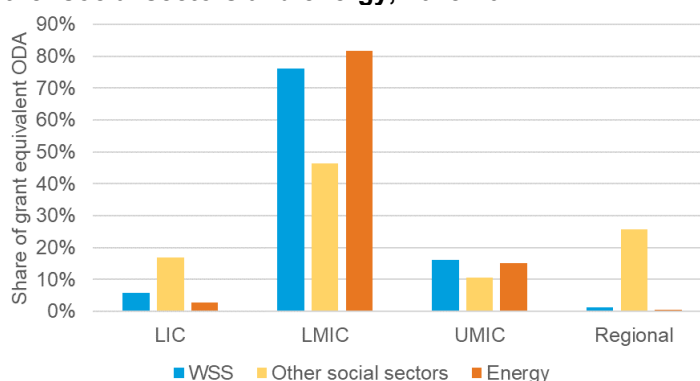
⁷ Agricultural water and hydropower, not shown on chart, which are included in monitoring of SDG target 6.a, expand international cooperation. Japan's support to these subsectors was \$284m p.a. on average.

⁸ 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.

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- Grant equivalent ODA was targeted to the poorest countries⁹ less than Japan's ODA to other social sectors, but in line with energy (Figure 2). Other donors targeted a considerably higher share of their grant equivalent WSS ODA to the poorest countries (25% vs. 6%).
- Japan's country-specific WSS ODA was provided almost exclusively via projects (99%), as opposed to budget support, core/ pooled contributions, or technical assistance that can help to reduce transaction costs for partner countries. This is higher both than other sectors supported by Japan (92%) and other donors in their support to WSS (89%).¹⁰
- Also in-line with other donors, and contrary to what might be expected, project-type aid was used slightly less in fragile contexts (97%, vs. 100% in non-fragile contexts). Overall less of Japan's country-specific WSS ODA was provided to fragile countries than other donors' WSS ODA (30% vs. 48%).¹¹

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



Support to off-track countries

Source: OECD DAC CRS

- With the exception of India, much of Japan's ODA for WASH infrastructure went to countries with relatively few unserved people. After top recipient India, the top 9 partner countries received over half of total Japan's WASH infrastructure ODA over the period (52%). However, they held just 5% of the total population without access to basic drinking water, across countries Japan supported on WASH infrastructure, and 8% of the population without access to basic sanitation in 2015 (with Bangladesh alone accounting for half of this; Figure 3).
- Over the period, a third of Japan's country-specific WSS ODA went to 24 countries where universal access to at least basic access to drinking water and sanitation is within reach (on-track/ over 99% coverage).¹² Together, this suggests there may be some scope for reprioritisation if Japan's WSS ODA is to focus on leaving no-one behind.

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

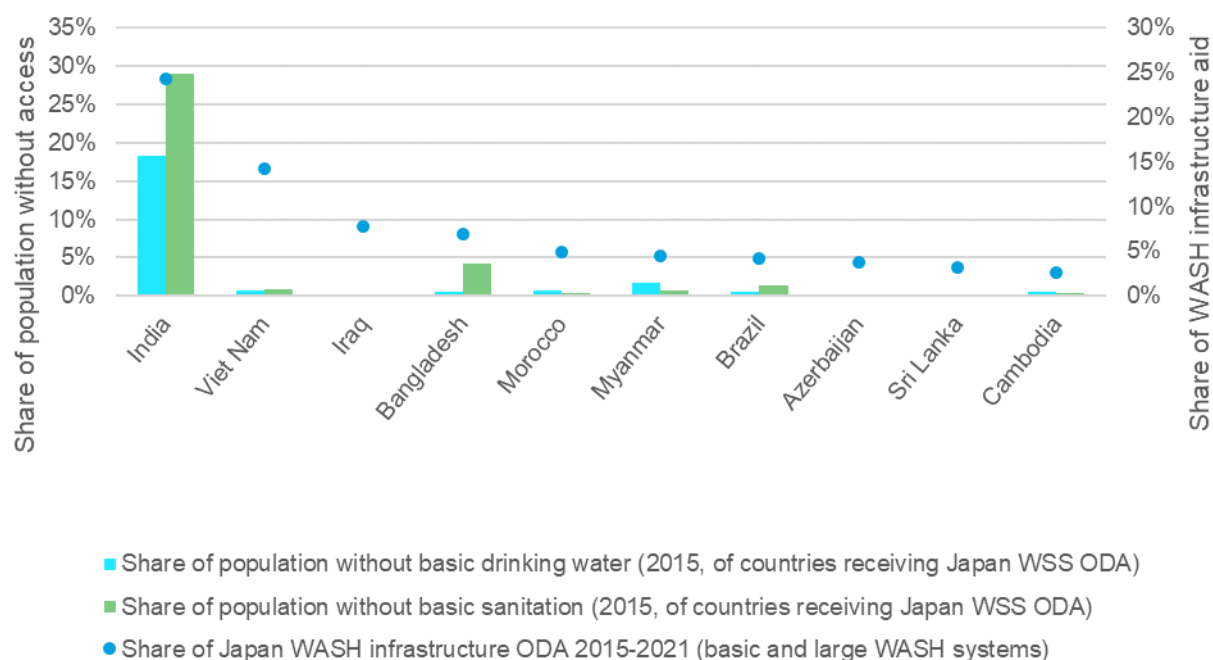
⁹ Countries categorised as low income by the World Bank in 2021.

¹⁰ Omits regional/ multi-country activities and in-donor costs including scholarships.

¹¹ Countries classified as fragile by OECD in 2021.

¹² Using data from WHO and UNICEF Joint Monitoring Programme (JMP). Countries: AZE, CHL, CHN, COK, COL, CRI, ECU, EGY, IDN, IRQ, LAO, MDV, MEX, MUS, NRU, PLW, PSE, PRY, THA, TUN, TUV, URY, UZB, VNM.

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Source: OECD DAC CRS; WHO and UNICEF JMP

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

Health

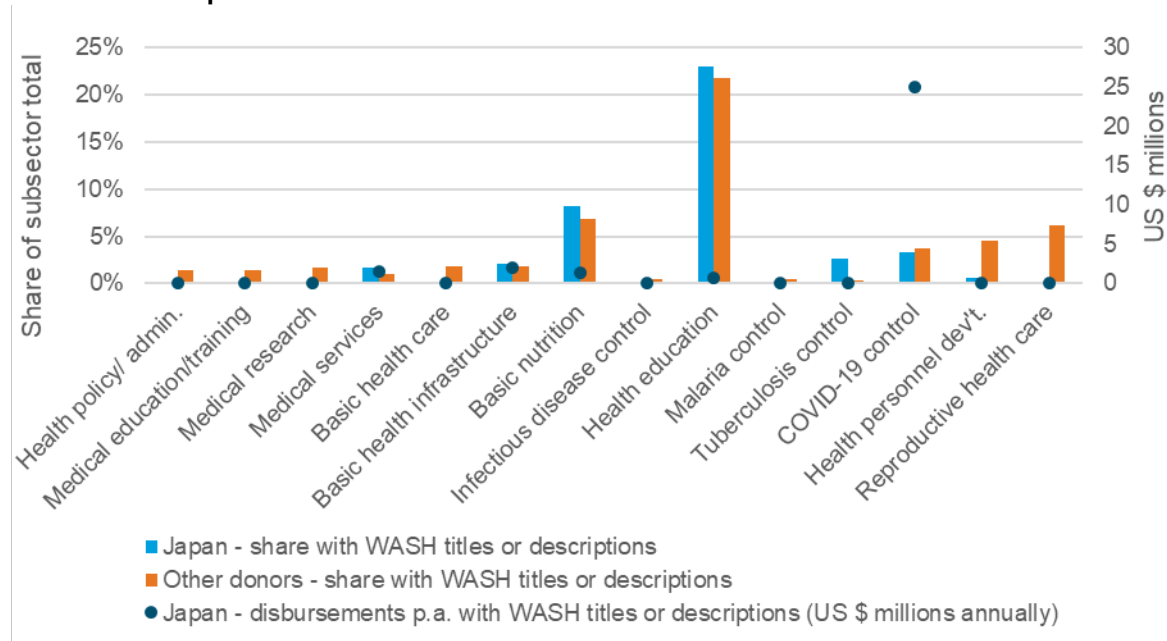
- A WASH keyword search across health subsectors indicates some attempts to integrate WASH and health, but that this could go further. Across Japan-supported health subsectors likely to include WASH-related activities, WASH terms feature most prominently in project titles and descriptions in health education (23% of subsector disbursements) and basic nutrition (8%). However, given to the limited ODA disbursed to these subsectors overall, this is equivalent to a modest US \$1m p.a. focused on WASH in each. Based on this keyword search, Japan allocated around US \$50m in ODA to COVID-19 control activities featuring WASH in some way (Figure 4).
- WASH is a small component in many of these projects. When looking only at project titles, as a proxy for greater focus on WASH, a considerably lower proportion of disbursements in most of these health-related subsectors feature WASH terms – 2% of disbursements for basic nutrition, for example. Some subsectors that might be expected to feature WASH, from this keyword search, appear to barely integrate WASH at all, including infectious disease control, health personnel development and reproductive health care.¹³ The first is especially notable, given that the infectious disease control subsector typically includes activities targeting diarrhoea and other water-related

¹³ 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.

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diseases, and infectious diseases are a priority for JICA's Global Agenda for Health.¹⁴

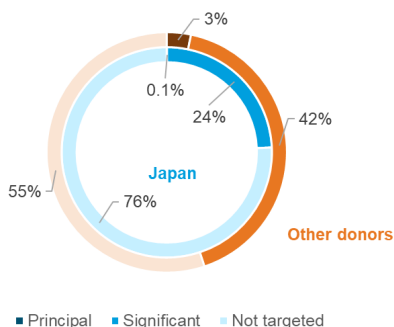
Figure 4: Japan – WASH related health subsectors, % of disbursements and average disbursements p.a. with WASH terms in the title



Source: OECD DAC CRS

Gender equality

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



Source: OECD DAC CRS

Japan screened 90% of its WSS ODA for its contribution to gender equality. Just 0.1% was deemed to have a principal contribution to gender equality (main objective and fundamental to design and results). The average for other donors' WSS ODA was 3%, and a lower share of Japan's ODA also had a lesser contribution to gender equality (significant objective) compared with other donors (Figure 5).¹⁵ This

may reflect greater stringency in how Japan categorises projects on their contribution to gender equality, or the dominance of large WASH infrastructure systems where gender disaggregated targeting is more challenging. Nevertheless, there is potential to enhance gender equality and empower women and girls within large networked WASH systems – including as service users and via roles in service provision.

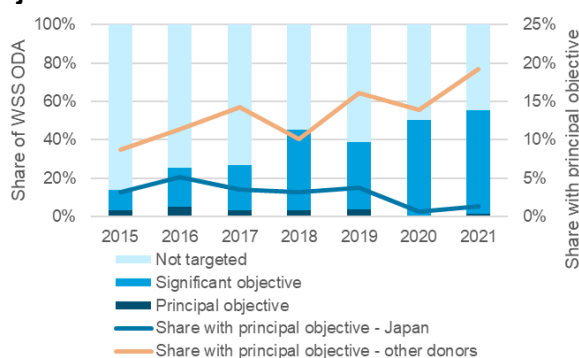
¹⁴ JICA (2020) [Global Agenda for Health](#) (No.6). Japan International Cooperation Agency: Tokyo.

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

Climate adaptation

- Among other donors¹⁶ there has been a generally rising trend in the share of WSS projects with climate change adaptation as a principal objective, from 9% to 19% of screened activities over the period. For Japan's WSS ODA this share has more recently dipped to around 1%, down from a high of 5% in 2016 (Figure 6). This indicates potential for greater climate mainstreaming in Japan's WSS ODA.

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



Source: OECD DAC CRS

- The share with climate change adaptation as a significant objective has, however, steadily increased from 9% in 2015 to 53% in 2021. This does not represent additional climate finance over and above ODA (given the context of falling sector ODA overall). Japan, like many donors, nonetheless counts a share of ODA provided with climate change objectives, when reporting its climate finance to the UNFCCC.¹⁷

Outlook

- A revision to the Development Cooperation Charter, which has guided Japan's ODA since 2015 and sets the framework for sector-specific strategies such as JICA's Global Agendas, is in development. Candidate focal areas include responding to economic and social vulnerability caused by COVID-19, and advancing human security by leading efforts on global issues including poverty reduction, health and climate change.¹⁸
- Japan's 2022 financial year ODA is expected to decrease 10% compared to FY 2021, but the revised Development Cooperation Charter may signal longer-term increases. All projections have added uncertainty because of the Russian invasion of Ukraine and other global crises.¹⁹ No WSS-specific ODA estimates for 2022 and 2023 were identified.
- *Extrapolated 2022 WSS disbursements using only CRS commitment data are provided below, implying a continued significant decline. For other countries 2023 extrapolations were possible but depend on IATI data (Japan has IATI*

¹⁶ 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).

¹⁷ 100% of commitments with principal climate objectives are reported by Japan; 50% of those with a significant climate objective. 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.

¹⁸ https://www.mofa.go.jp/press/release/press1e_000323.html

¹⁹ https://donortracker.org/donor_profiles/japan#oda-spending

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commitments to 2020 only). If WA are fully comfortable with the 2022 estimate 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 2023²⁰

\$ millions	2015	2016	2017	2018	2019	2020	2021	2022	2023
Disbursements (constant)	1,345	1,326	1,213	1,103	944	652	745	1,075	1,345
Disbursements (current)	1,165	1,283	1,137	1,051	916	652	720	1,172	1,165

- In this context, Japan has opportunities to:
 - Reverse the huge fall in the share of ODA to the sector, restoring towards 2015 levels (~10%)
 - Review the WSS ODA portfolio to support the poorest and most off-track countries.
 - Prioritise WASH as central to global health and climate change adaptation, and integrate it across all relevant objectives of the revised global development cooperation charter.

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.

²⁰ Extrapolated 2022 disbursements are based on the average of 3 sources: historical CRS and 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.