Donor profile: United Kingdom

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

Key findings

The UK is at risk of losing its status as a leader on WASH. Amid successive cuts in official development assistance (ODA) overall, the share going to water supply and sanitation (WSS) has also decreased, to barely 1% in 2021. UK WSS ODA has been targeted to poor, fragile, and off-track countries, to a greater extent than other donors, and it increasingly seeks to support gender equality and climate resilience. There have been some notable examples of integration of WASH and health, including in the COVID-19 response. However, without an urgent reverse in cuts in ODA, the UK risks losing out on the crucial support that WASH can offer to strategic goals, including for women and girls' freedom to succeed and helping people to cope with climate change. In this context the UK should:

- Reverse the decline in share of UK ODA to WSS.
- Adequately fund and advocate for WASH in healthcare facilities as part of the global antibiotic resistance prevention agenda.
- Increase funding for climate-resilient WASH across both ODA and climate finance.

Trend in support to WASH (2015-2021)²

- The UK was the eighth largest provider of ODA to the WSS sector, 2015-2021.
- Despite this, the UK provided a notably lower share of bilateral ODA³ to WSS than other donors (1.8% vs. 3.7% over period; Figure 1). If the UK provided the same share of ODA to WSS as other donors, it would equate to an additional \$1.6 billion over the period.
- Funding for WSS has fallen sharply year on year in real terms since 2018.
 This partly reflects overall cuts to UK ODA in 2020 and 2021, but since 2018 the share of (diminishing) UK ODA has also fallen every year.

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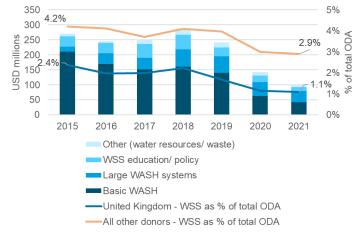
¹ The term Water supply and sanitation in this briefing generally refers to the Organisation for Cooperation and Development's Development Assistant Committee (OECD DAC) sector 140: Water supply and sanitation. This includes some water resource management activities which enable WASH services, as well as solid waste management.

² All data from OECD DAC CRS database unless otherwise stated.

³ All financial values reported use data on gross bilateral disbursements in US dollars unless otherwise stated. The UK also provides core contributions to multilaterals, over which it does not have discretion to, for example, choose between WASH and other priorities (between 31% and 39% of the total, 2015-2021). 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. GBP to USD: 2015:0.65; 2016:0.74; 2017:0.78; 2018:0.75; 2019:0.78; 2020:0.78; 2021:0.73.

UK WSS ODA is weighted towards basic WASH infrastructure considerably more than other donors (61% vs. 21%), which may be indicative of a focus on poorer and more vulnerable communities, which tend not to be served by large WASH systems in many countries.

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



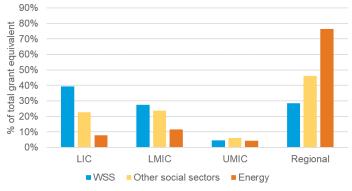
Source: OECD DAC CRS

The share going to sector policy and education (which may support systems strengthening) was similar to other donors, at 15%, and has not notably increased in the period (max. 19% in 2017).

 The UK also provided a modest further 1% on top of WSS ODA to other major water-related subsectors important to SDG6.⁴

Type of support and countries supported

Figure 2: UK – 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

- The UK provided the significant majority of its WSS ODA as grants (98%; with a 99% grant element across all WSS ODA, 2018-2021).⁵
- Grant equivalent finance was also targeted to the poorest countries⁶ to a greater extent than UK ODA to other social sectors, and than energy, though this partly reflects greater targeting of ODA for these

other sectors to multiple countries (see 'regional', Figure 2). UK WSS grants were also more targeted to the poorest countries than other donors' (39% vs. 20% when comparing on grant-equivalent basis).

Compared with other donors a much greater share of country-specific WSS
 ODA was also provided in the form budget support, core/ pooled

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⁴ Agricultural water and hydropower, not shown on chart, which are included in monitoring of SDG targe 6.a, expand international cooperation. UK support to these subsectors was \$2m p.a. on average.

⁵ Grant equivalent for 2018 onwards used due to the methodology for estimating grant element changing.

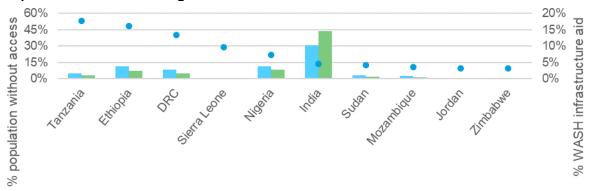
⁶ Countries categorised as low income by the World Bank in 2021.

- contributions, or technical assistance, rather than projects (40%, vs. 9% for other donors).⁷
- Considerably more country-specific UK WSS ODA was also provided to fragile countries than other donors' WSS ODA (86% vs. 44%), though projecttype support was also used slightly more in fragile contexts.⁸

Support to off-track countries

- UK WSS ODA for WASH infrastructure was generally targeted to countries
 with high numbers of unserved people. The top 10 partner countries received
 83% of total UK WASH infrastructure ODA over the period, and together in
 2015 held 74% of the total population without access to basic drinking water,
 across countries the UK supported on WASH infrastructure, and 71% of the
 population without access to basic sanitation (Figure 3).
- UK priority partner countries for WSS over the past period generally still face challenges to achieve SDG 6.1 and 6.2 today. Just 1% of UK country-specific WSS ODA over the period went to countries that are on-track to achieve universal access to at least basic access to drinking water and sanitation, or that have reached over 99% coverage. 93% went to countries off-track in both subsectors or where coverage is falling in one or both subsectors, per the latest data.⁹

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



- % of population without basic drinking water across all countries receiving United Kingdom WSS ODA (2015)
- % of population without basic sanitation across all countries receiving United Kingdom WSS ODA (2015)
- % of United Kingdom WASH infrastructure ODA 2015-2021 (basic and large WASH systems)

Source: OECD DAC CRS; WHO and UNICEF JMP

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

Health

⁷ Omits regional/ multi-country activities and in-donor costs including scholarships.

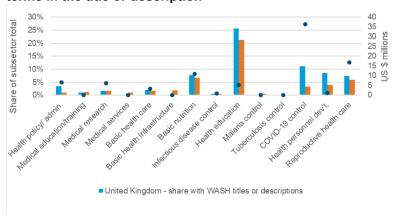
⁹ Using data from WHO and UNICEF Joint Monitoring Programme (JMP). washmatters.wateraid.org



⁸ Countries classified as fragile by OECD in 2021.

search in project titles and descriptions across health subsectors indicates some attempts to integrate WASH and health, generally to a slightly higher degree than other donors, but that this could go

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



Source: OECD DAC CRS

further. ¹⁰ Crucially, some UK-supported health subsectors do not, from this keyword search, appear to integrate WASH in any meaningful way. This includes basic health infrastructure where, across other donors, WASH is typically mentioned in connection with provision of WASH in healthcare facilities. WASH terms feature most prominently in OECD DAC CRS project titles and descriptions in health education. A notably higher share of UK ODA to health policy and administrative management, health personnel development and also COVID-19 control feature WASH in this way, compared with other donors (Figure 4). However, WASH is likely to be a small component in many of these projects. When looking only at project titles, as a proxy for greater focus on WASH, only health education and COVID-19 control substantially feature WASH terms: 23% and 10% of subsector disbursements, respectively. The UK has been a leader in funding WASH and especially hand hygiene as part of COVID-19 control with these 10% of disbursements equating to \$64m across 2020 and 2021.

Gender equality

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

¹⁰ See accompanying briefing for WASH keyword search methodology and subsector codes. washmatters.wateraid.org

Donor profile: United Kingdom



Source: OECD DAC CRS

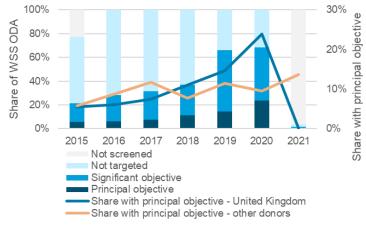
- Since 2016 the UK screens all WSS ODA for its contribution to gender equality. Over the period 12% was deemed to make a principal contribution to gender equality (main objective and fundamental to design and results). This is higher than the average for other donors' WSS ODA at 2%.¹¹
- Over the period, the shares both with a principal

gender equality objective, and with a significant objective, have fluctuated, and neither shares have recovered to their historical highs (Figure 5). It must also be noted that the gender equality policy marker only indicates that the relevant projects have potential to improve gender equality, and may be applied with different stringency by different donors.

Climate adaptation

The share of UK WSS ODA with both a principal and a significant climate adaptation objective has, in general, been steadily rising, ahead of other donors (Figure 6). 12 A sharp fall in 2021 appears to relate to a lack of screening on this marker, rather than a major change in policy focus.

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



Source: OECD DAC CRS

 This could indicate successful climate mainstreaming in UK WSS ODA. However, alongside significant decreases in overall WSS ODA to the sector, it cannot be said to represent 'additional' water- or WASH-related climate finance.¹³

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¹¹ Only donors screening activities for gender equality objectives.

¹² Only donors screening activities for climate adaptation objectives using the Rio Markers (mainly bilateral donors; multilateral development banks generally use a different system).

Nonetheless, the UK does report a proportion of ODA as climate finance to the UNFCCC, applying case-by-case coefficients to ODA with a principal or significant climate adaptation 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.

Outlook

- As of 1 March 2023 the UK had allocated just \$55m (£45.6m) to water supply and sanitation in the 22/23 financial year, from a total of \$8.7 billion (0.6%, or 1.2% excluding unallocated).¹⁴ FCDO, which provided 72% of ODA in 2021, is expecting a similar total budget for 2023-24 as for 2022-2023.¹⁵
- Extrapolated 2022 and 2023 disbursements using CRS commitment and IATI disbursement data are provided below, implying a continued significant decline. 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. They tally somewhat with the \$55m mentioned above, from devtracker, but this is for financial year 22/23 not calendar years 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 2023¹⁶

\$ millions	2015	2016	2017	2018	2019	2020	2021	2022	2023
Disbursements (constant)	271	245	250	288	241	142	101	43	15
Disbursements (current)	282	230	228	278	227	142	109	46	17

- WASH and water are not prioritised in the 2022 Strategy for International Development, though they are foundational to the strategy's success, particularly priority 2 – Provide women and girls with the freedom they need to succeed; and priority 4 – Take forward our work on climate change, nature and global health.¹⁷
- In view of the above evidence and the UK's strategic priorities, the UK should:
 - Reverse the decline in share of UK ODA to the WSS, especially in view of real-term decreases in overall ODA levels.
 - Adequately fund WASH in healthcare facilities as part of the global antibiotic resistance prevention agenda, building on UK leadership on hand hygiene for COVID-19 control, and advocate for additional financing for WASH in HCFs by all countries including at G7 meetings in May 2023.
 - Increase finance for climate-resilient WASH and avoid any increases in climate finance being offset by greater declines in ODA.

¹⁷ FCDO (2022) <u>The UK Government's Strategy for International Development</u>. Foreign, Commonwealth & Development Office, UK Government: London.



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¹⁴ https://devtracker.fcdo.gov.uk/sector

¹⁵ https://donortracker.org/donor profiles/united-kingdom

¹⁶ 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.

Donor profile: United Kingdom

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.

