

Canada's official development assistance for water, sanitation and hygiene in the SDG era

Key findings

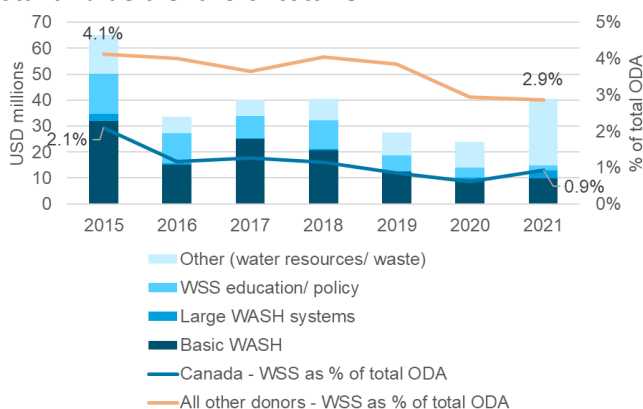
Canada provided a relatively lower share of its official development assistance (ODA) to the water supply and sanitation sector (WSS) when compared with other donors. Spend in the sector declined from 2015 to 2020, both as a share of total ODA and in real terms. While this trend may have started to reverse, WSS disbursements are still a long way from 2015 levels. Information on markers applied by Canada to its WSS ODA suggest an increasing share of spending is contributing to health, gender equality and climate change adaptation, but further evaluation is needed to verify these claims. In light of these findings, Canada has opportunities to:

- Increase ODA to the sector, and specifically water, sanitation and hygiene (WASH), bringing the sector's share of total ODA into line with other donors.
- Ensure WASH and water security are included as a foundation in nutrition and food security interventions in addition to climate change adaptation priorities.
- Further embed WASH as a basis for gender-responsive health systems, including in the recent call on resilient health systems for all.

Trend in support (2015-2021)¹

- Canada was the 23rd largest provider of ODA to the WSS sector,² the 6th largest in the G7 (excluding EU) and 10th largest in the G20, 2015-2021. Canada provided a notably lower share of bilateral ODA to the sector than other donors (1.1% vs. 4.0% over the period; Figure 1).³
- Canada's WSS ODA is weighted more towards basic WASH infrastructure and water resources/ waste (46% and 30%) compared with other donors (22% and 11%).⁵
- A further 45% on top of WSS ODA was provided to other major water-related subsectors important to SDG6 – irrigation and hydropower.⁶

Figure 1: Canada - WSS ODA disbursements 2015-2021, in total and as a share of total ODA⁴



Source: OECD DAC CRS

Support to off-track countries⁷

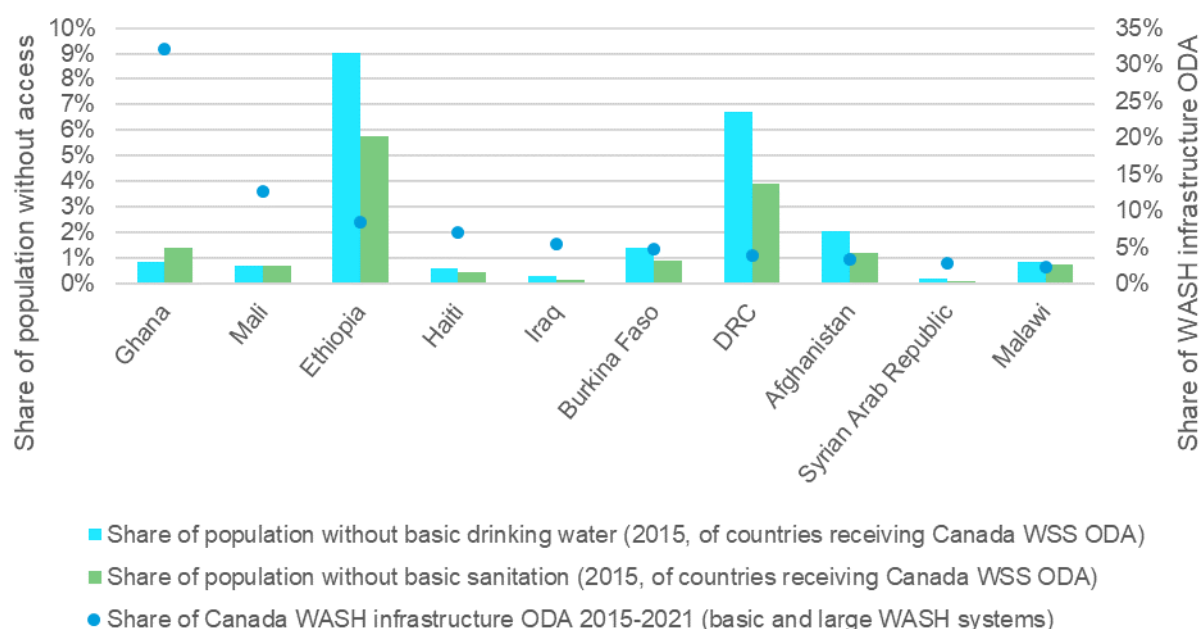
- Looking back to the start of the SDGs, much of Canada's ODA for WASH infrastructure went to countries with relatively few unserved people in 2015. The top two recipient countries, Ghana and Mali, received nearly half of Canada's total ODA for WASH infrastructure over the period (45%). However,

Donor profile: Canada

in 2015 they held just 2% of the total population without access to basic drinking water, and without access to basic sanitation (share of unserved people across all countries that Canada supported on WASH infrastructure). Among the top 10 countries supported with ODA for WASH infrastructure, Ethiopia and DRC held a higher share of the unserved population (Figure 2).

- While this may present a case for some reprioritisation, considering humanitarian and development contexts, almost all the top-ten partner countries for Canada's WASH infrastructure ODA are still off-track to achieve universal access to at least basic drinking water and/ or sanitation, or are going in a negative direction. Just 6% of Canada's country-specific WASH infrastructure ODA went to twelve countries that are now on-track to achieve universal access to at least basic access to drinking water and sanitation, or that have reached over 99% coverage.⁸

Figure 2 Canada - 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

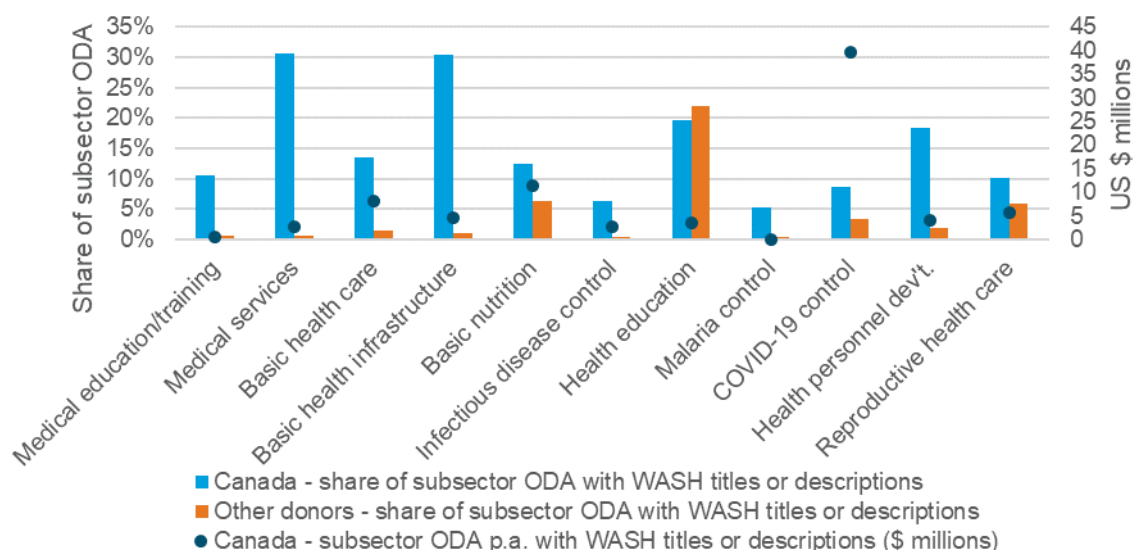
Health

- A WASH keyword search across health subsectors indicates some attempts to integrate WASH within Canada's health ODA, but that this could go further. Across health subsectors likely to include WASH-related activities, WASH terms appear quite frequently in project descriptions or titles, including in around 30% of the medical services and basic health infrastructure categories (linked to provision of WASH in healthcare facilities, for example).⁹ In most health subsectors, including nutrition, the share featuring WASH is

considerably higher than other donors. The total value of this health ODA featuring WASH is nearly \$90m (USD) p.a., including around \$40m (USD) p.a. within COVID-19 control (2019-202 only; Figure 3). However, when looking just at project titles – a proxy for more substantial prioritisation of WASH within health – WASH features negligibly or not at all in most subsectors, equivalent to a total value of under \$2m (USD) p.a..

- Conversely, it is possible to assess integration of health within WSS ODA, using policy markers for reproductive, maternal, newborn, and child health (RMNCH) and nutrition, within OECD DAC CRS. On this basis, Canada itself deems around a third of its WSS ODA to be making a strong contribution to RMNCH – comparable with both the health sector and the population & reproductive health sector. However, only 10% of WASH disbursements were deemed to contribute strongly to nutrition.¹⁰

Figure 3: Canada – Health subsectors with WASH terms in project titles or descriptions: share of ODA (vs. other donors) and average ODA p.a.



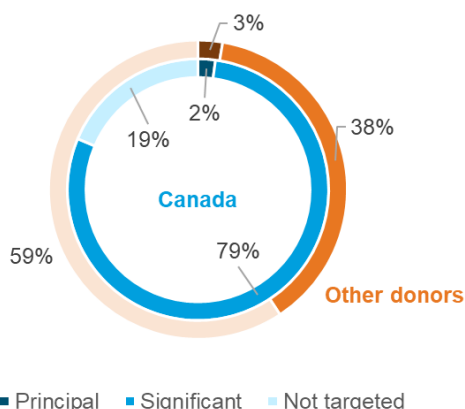
Source: OECD DAC CRS

Gender equality

- Canada screens all development activities including WSS activities for their contribution to gender equality. Only 2% of WSS ODA disbursements were deemed to have a principal contribution to gender equality (main objective and fundamental to design and results). This is similar to the average for other donors' WSS projects.¹¹
- The share of projects with gender equality as a significant objective is considerably higher for Canada's WSS ODA compared with other donors, at 79% vs 28% (Figure 4).

Donor profile: Canada

Figure 4: Canada - WSS ODA disbursements 2015-2021, gender equality as principle or significant objective

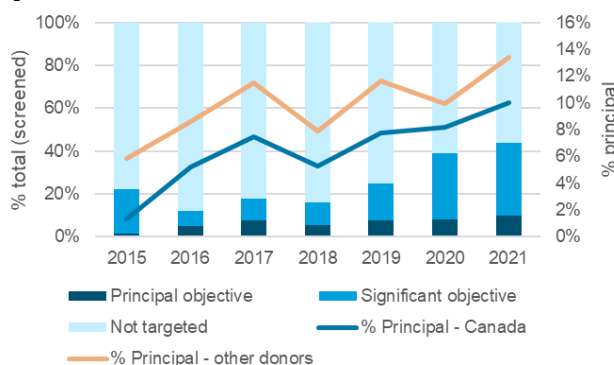


- Over the period, the share of WSS ODA with a principal or significant gender equality objective rose to nearly 100% in 2020 and 2021, with the share having a principal objective peaking at 11% in 2020. This may represent efforts to implement Canada's Feminist International Assistance Policy, though the influence on outcomes cannot yet be assessed from the data.

Climate adaptation

- For Canada and for other donors there has been a similar rising trend in the share of WSS ODA with climate change adaptation as a principal objective, though in Canada's case it has been lower – averaging at 6% of disbursements vs. 10% for other donors over the period (Figure 5).¹² The share of WSS ODA with a significant climate change adaptation objective has also been lower than for other donors (19% vs. 27% over the period) though this has been converging recently, at over 40%.

Figure 5 Canada - WSS ODA disbursements 2015-2021, climate change adaptation as principle or significant objective



- This could indicate that there is still potential for greater climate mainstreaming in Canada's WSS ODA. It should also be noted that, in the context of generally falling real-term WSS disbursements, the increasing share of WSS ODA marked as having a climate adaptation objective does not represent meaningful additional climate finance to the sector. Nonetheless, Canada does count much of these funds as climate finance when reporting to the UNFCCC.¹³

Outlook

- Canada's overall ODA spend is facing a reduction with the recent federal budget announcement. Ongoing advocacy will continue to call for sustaining Canada's ODA but the share for WSS remains unclear.** Canada's international assistance spend in 2020/21 stood at an all-time high of USD5.7 billion (CAD7.6 billion), USD5.5 billion of which was ODA.

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Estimates suggest FY2022/23 international assistance budget will total USD6 billion (CA\$8 billion).¹⁴

- Extrapolating Canada's WSS ODA disbursements to 2022 and 2023 using data on both commitments and disbursements from two sources implies a continued and accelerating decline, to around \$34m in 2022 and just \$23m in 2023.¹⁵ While this is not a prediction and official figures need to be awaited, it would mean the 2021 uptick is an anomaly and WSS ODA is at its lowest since the SDGs were agreed.
- Canada had moved away from infrastructure investment with limited eligible costs for construction in recent calls for sexual and reproductive health and rights (SRHR) proposals, however, calls for investment in climate resilient infrastructure in the global south may provide an entry point to strengthen infrastructure capacity and narrative, including through Canada's recently launched Indo-Pacific Strategy and continued emphasis on Sub Saharan Africa noted in GAC's dialogues.
- **Way forward:** The evidence above shows the need to:
 - Accelerate the uplift in ODA to the water supply and sanitation sector, and specifically WASH, returning at least to 2015 levels in real terms and ultimately bringing the sector's share of total ODA into line with other donors.
 - Strengthen the narrative of climate-resilient WASH infrastructure and services as a foundation for health security, empowerment of women and girls and inclusive economic development.
 - Ensure WASH and water security are included as a foundation for nutrition-sensitive approaches to address key drivers of food insecurity in a changing climate (also in light of Canada's relatively strong support for water resources management in climate smart agriculture and halting biodiversity loss).
 - Further embed WASH as a basis for pandemic preparedness and resilient, gender-responsive health systems, ensuring it is central to Global Affairs' Canada's call on resilient health systems for all.
 - Continue to build capacity, partnerships and rationale for bridging Canada's ODA for WSS and its national priorities for fulfilling political commitments to address the water and sanitation crisis experienced by many First Nations, Inuit and Métis communities in Canada and more broadly through initiatives such as GAC's Indigenous Partnering for Climate, nature-based solutions and ecosystems services.

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. It was prepared for WaterAid by Manatee Insight.

Notes

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

² The term 'water supply and sanitation' in this briefing 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.

³ All financial values reported use data on gross bilateral disbursements in current US dollars unless otherwise stated, and are for ODA only (Canada did not report other official flows to WSS in the period). Trends and averages over multiple years use constant US dollar values normalised to 2020 prices to aid interpretation over time. CAD to USD: 2015:1.28; 2016:1.33; 2017:1.3; 2018:1.3; 2019:1.33; 2020:1.34; 2021:1.25. '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 Canada this was between 22% and 32% of total ODA annually, 2015-2021).

⁴ 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.

⁵ Water resources/ waste includes 7% of total WSS ODA to water resources conservation, 1% to river basins development, and 21% to waste management/ disposal.

⁶ Agricultural water and hydropower, not shown on chart, which are included in monitoring of SDG target 6.a, expand international cooperation. Canada's support to these subsectors was USD18m p.a. on average.

⁷ 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)

⁸ Countries: CHL, CHN, COL, CRI, ECU, EGY, IDN, IRQ, LAO, MEX, PSE, THA.

⁹ 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.

¹⁰ Disbursements receiving a score of 4 on the OECD DAC policy marker for RMNCH/ score of 2 for the marker on nutrition. Share of screened activities only.

¹¹ Other donors: only screened activities/ donors screening activities for gender equality objectives.

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

¹³ With a 100% coefficient for principal objective and 30% for significant. See 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.

¹⁴ See https://donortracker.org/donor_profiles/canada

¹⁵ Extrapolated 2022 disbursements are based on the average of 3 sources: historical CRS and International Aid Transparency Initiative (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.