

Essential element: why international aid for water, sanitation and hygiene is still a critical source of finance for many countries.



Catarina and her granddaughters collect unsafe water, Cuvir Rainha, Niassa, Mozambique.

Findings and recommendations ¹

- A Sustainable Development Goal (SDG), which aims to reach everyone with safe water, sanitation and hygiene by 2030, will only be achievable if Official Development Assistance (ODA) retains a key role in international development policy.
- A credible SDG will also require increased ODA volumes to the 45 most vulnerable and under-resourced countries identified in this report, with a strong focus on equity, sustainability and strengthening systems.
- Alternative sources of finance— growth in domestic resources, remittances, foreign direct investment and other official flows— will not be sufficient to bridge the outstanding financing gaps in the medium-term.
- ODA to water, sanitation and hygiene should at least double from current levels by 2020, with an emphasis on grant financing, effective targeting, and closure of

the gap between commitments and disbursements. A reassessment of progress and financing gaps should take place in 2020.

- The Third International Financing for Development Conference in Addis Ababa in July 2015 should reaffirm the vital contribution of ODA in financing the human right to water and sanitation and other essential services.
- The Conference should commit to ensure that **no country with a credible national plan for achieving the SDGs, including universal access to water, sanitation and hygiene, should fail for lack of finance.**
- National governments and donors should act decisively to improve aid effectiveness and strengthen country systems: through increased transparency, pooling of resources, more technical assistance, and aligning and harmonising all stakeholder inputs behind national processes.

2015 is a landmark year for the water, sanitation and hygiene sector. It brings to a close the Millennium Development Goal period, marked by its many successes but also its failures. It also signals the start of the new SDG era with all countries committing to end water and sanitation poverty for good, achieving universal provision of these essential services by 2030 at the latest. Effective financing is critical to this new agenda and many developing countries face an increased number of options for financing their national plans—from domestic, international, public and private sources—than they did at the turn of the millennium. Related to this, the increased availability of private finance and some real progress made in lifting economic growth rates has led to an assumption that international aid is declining in importance, even becoming redundant.

The evidence suggests otherwise, however. This new WaterAid report, based on analysis by Development Initiatives, shows that for many low-income, Least Developed Countries and fragile states, international aid or ODA remains a vital resource for financing development. For more than a quarter of countries the ambitions for a bold new poverty eradication agenda will fail, and the aim of a world where everyone enjoys the fundamental human right to water and sanitation will go unrealised, unless a significantly renewed impetus is given to international aid.

45 priority countries for aid investments

The report identifies 45 countries which – by virtue of the proportion of their people without access to the bare minima of water, sanitation and hygiene services, their low national resource availability and overall levels of poverty – are counted as high priority countries for aid investments in water, sanitation and hygiene. To identify this group, all developing countries were measured against five key indicators: three that relate to basic water and sanitation need, one to overall vulnerability and deprivation, and one to financial capacity.²

Sub-Saharan Africa is the region with the largest grouping of countries among the 45 (36 countries) followed by South and Central Asia (5 countries), South East Asia (1 country, Cambodia), Oceania (1 country, Papua New Guinea), North and Central America (1 country, Haiti), and the Middle East (1 country, Yemen).³ Table 1 below lists the countries and selected indicators.

Table 1: 45 priority countries for aid investments in water, sanitation and hygiene

| Country | Share of population in extreme poverty | Share of population without access to sanitation | Annual government revenue per person (excluding grants and loans) US\$ | Least Developed Country status | Annual aid per person, US\$, 2013 ⁴ |
|---------------------------------|--|--|--|--------------------------------|--|
| Afghanistan | 24% | 71% | 203 | Yes | 2.7 |
| Angola | 43% | 40% | 3,275 | Yes | 1.1 |
| Bangladesh | 40% | 43% | 330 | Yes | 0.9 |
| Benin | 52% | 86% | 322 | Yes | 5.5 |
| Burkina Faso | 41% | 81% | 309 | Yes | 5.4 |
| Burundi | 80% | 53% | 290 | Yes | 2.0 |
| Cambodia | 10% | 63% | 481 | Yes | 3.8 |
| Cameroon | 25% | 55% | 510 | No | 0.8 |
| Central African Republic | 57% | 78% | 51 | Yes | 1.5 |
| Chad | 37% | 88% | 458 | Yes | 1.5 |
| Comoros | 48% | n/a | 304 | Yes | 4.7 |
| Congo, DR | 84% | 69% | 85 | Yes | 2.2 |
| Congo Republic | 33% | 85% | 2,899 | No | 2.1 |
| Cote d'Ivoire | 37% | 78% | 501 | No | 0.9 |
| Ethiopia | 37% | 76% | 225 | Yes | 1.9 |
| Ghana | 18% | 86% | 648 | No | 2.3 |
| Guinea | 41% | 81% | 246 | Yes | 0.7 |
| Guinea-Bissau | 49% | 80% | 122 | Yes | 2.3 |
| Haiti | 52% | 76% | 211 | Yes | 2.2 |
| India | 25% | 64% | 1,022 | No | 0.4 |
| Kenya | 38% | 70% | 590 | No | 4.0 |
| Lesotho | 46% | 70% | 1,509 | Yes | 47.5 |
| Liberia | 70% | 83% | 125 | Yes | 4.8 |
| Madagascar | 88% | 86% | 133 | Yes | 1.1 |
| Malawi | 72% | 90% | 180 | Yes | 5.9 |
| Mali | 51% | 78% | 264 | Yes | 3.2 |
| Mauritania | 24% | 73% | 1,047 | Yes | 5.3 |
| Mozambique | 55% | 79% | 287 | Yes | 6.7 |
| Nepal | 25% | 63% | 405 | Yes | 2.5 |
| Niger | 41% | 91% | 153 | Yes | 2.2 |
| Nigeria | 60% | 72% | 634 | No | 0.8 |
| Pakistan | 13% | 52% | 706 | No | 0.3 |
| Papua New Guinea | 7% | 81% | 587 | No | 0.3 |
| Rwanda | 63% | 36% | 185 | Yes | 3.3 |

| | | | | | |
|---------------------|-----|-----|-----|-----|-----|
| Senegal | 34% | 48% | 452 | Yes | 4.3 |
| Sierra Leone | 57% | 87% | 205 | Yes | 7.1 |
| Somalia | 47% | n/a | n/a | Yes | 0.7 |
| South Sudan | 47% | 91% | 613 | No | 2.7 |
| Sudan | 17% | 76% | 408 | Yes | 1.0 |
| Tanzania | 43% | 88% | 340 | Yes | 3.5 |
| Togo | 52% | 89% | 244 | Yes | 1.5 |
| Uganda | 37% | 66% | 222 | Yes | 2.2 |
| Yemen | 5% | 47% | 881 | Yes | 2.4 |
| Zambia | 73% | 57% | 651 | Yes | 6.8 |
| Zimbabwe | 47% | 60% | 285 | No | 3.9 |

Source: IMF, OECD Creditor Reporting System (CRS), UNCTAD, World Bank

A steep path to universal access in 2030

A survey of some of the indicators provides a stark assessment of the challenges facing the group. None of the countries met the Millennium Development Goal sanitation target, and less than half reached the water target. Furthermore, those people counted as having access to 'improved water' may not be drinking water that is safe: a 2013 study of water quality found that the current definition of 'improved' does not reliably predict microbial safety.⁵ In 15 of the countries, more than 80% of the population is without basic sanitation. Average deaths from diarrhoea for the 45 countries are over twice as high as the developing country average; in six countries, the rate is over four times higher.⁶

More than half of the countries in the group register very low government revenue per capita, at less than \$400 annually.⁷ With such low levels of feasible revenue available to government, the scope for domestic public spending on basic services is inevitably severely constrained and therefore unable to meet the huge needs. High levels of poverty similarly point to limited scope for adequate household spending and investment.

Taken together, these indicators suggest that the 45 countries face a very steep path towards universal access in 2030. It is unlikely that they will be able to climb this path successfully solely on the basis of domestic resources available, now or in the medium term.

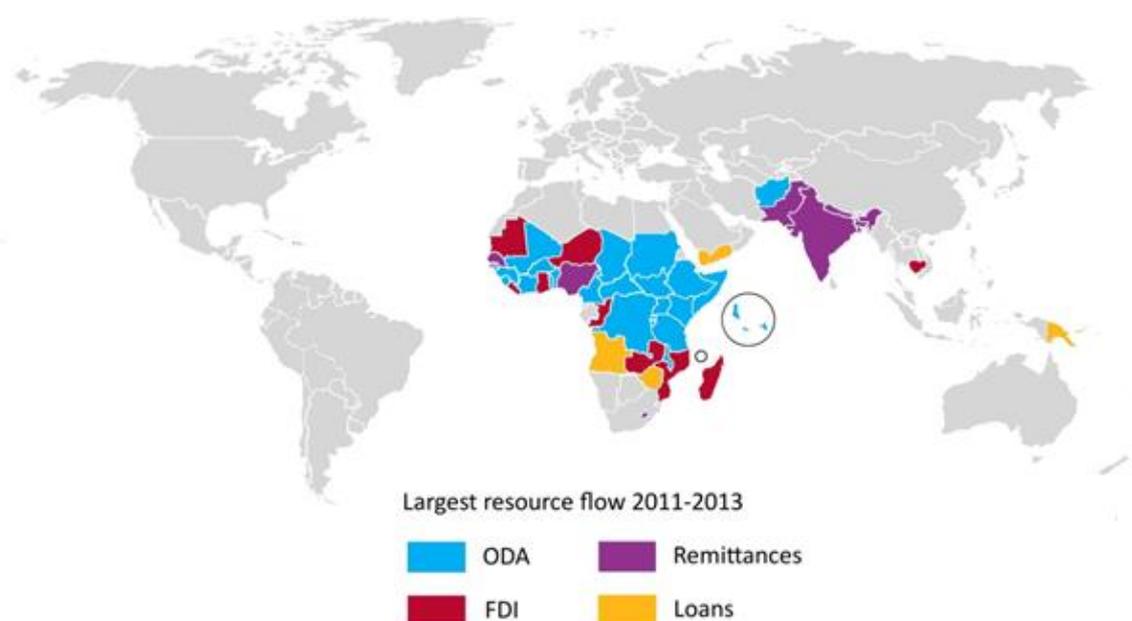
The profile of available international financing

International financial flows will be an important part of funding the post-2015 development framework, and for many developing countries a broader range of external finance is available than 15 years ago at the beginning of the Millennium Development Goal period. This diversity of flows includes private and public long- and short-term loans, foreign direct investment, remittances, ODA, private philanthropy, development finance institutions, portfolio equity and South–South development co-operation. The new report compares four of the main international resource flows to priority countries relative to ODA: foreign direct investment, remittances, long-term loans and other official flows.⁸

The total resource mix to the 45 priority countries in 2013 reached US\$352 billion, including aid. At US\$140 billion, remittances were the largest international resource flow, but as a source of finance for achieving an SDG on water and sanitation its reach is limited. The majority of the money benefitted just four out of the 45 countries (India, Nigeria, Pakistan and Bangladesh accounting for US\$120 billion).

Loans were the next greatest source of capital flow at US\$91 billion. Again, more than two-thirds of the money was taken up by just four out of the 45 priority countries (India, Papua New Guinea, Angola and Yemen accounting for US\$65 billion). Aid is the third largest resource at US\$64 billion across all sectors (Afghanistan, Democratic Republic of Congo, Ethiopia, Pakistan and Kenya accounting for US\$20.4 billion), followed by foreign direct investment at US\$54 billion (India, Nigeria, Mozambique, Ghana, Democratic Republic of Congo and Congo Republic accounting for \$49 billion). Other official flows provided less than US\$4 billion in capital. Map 1 below shows the largest international resource flow for each priority country.

Map 1: Largest international resource flow for each priority country, based on 2011–2013 average volumes



Source: OECD CRS, UNCTAD, World Bank and IMF

Although in aggregate it is not the largest flow, for 24 out of the 45 priority countries ODA is the single largest flow. For nine countries, FDI is the largest resource flow, remittances the largest flow for eight countries, and loans are the largest flow for four countries. ODA is the most evenly spread of these sources of finance, so even for targeting efficiency it is arguable that ODA is the best form of development finance.

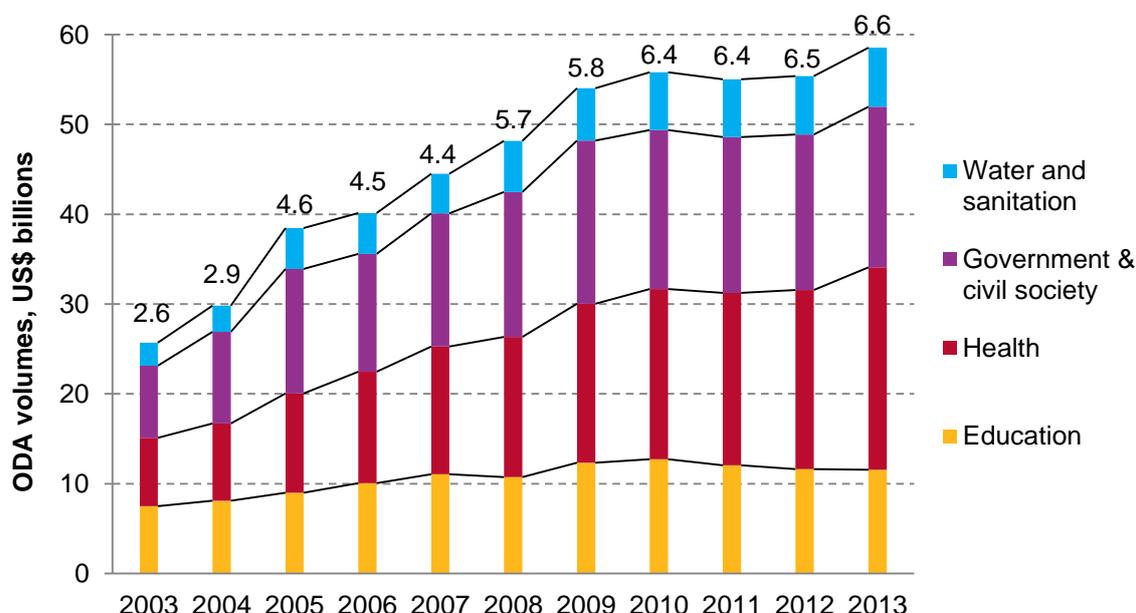
The share of aid grants in government revenue provides another indicator of the importance of ODA for priority countries. For 20 countries in the group, the share of ODA grants in total government revenue is 10% or more, and for ten of these

countries (Burundi, Rwanda, Afghanistan, Malawi, Haiti, Comoros, Guinea Bissau, Niger, Guinea, Democratic Republic of Congo) ODA grants form 25% or more of government revenue.⁹

The profile of aid to water and sanitation

Aid is the most important source of international support directed to reducing poverty and enhancing access to basic services in developing countries. In 2013, global aid flows to water and sanitation reached US\$6.6 billion—a ten-year high. However, while volumes have increased, water and sanitation ODA has fallen to a smaller share of global aid, representing 3.9% of all aid. Figure 1 below shows flows of ODA between 2003 and 2013, comparing ODA volumes in the water and sanitation sector with volumes in other key sectors (education, health and government and civil society).

Figure 1: ODA gross disbursement volumes to social sectors, 2003-2013, US\$ billions¹⁰



Source: OECD CRS

The largest recipient of water and sanitation aid in 2011–13 (three-year annual average) was India (\$437 million), followed by Vietnam (\$387 million), China (\$240 million), Tanzania (\$183 million), Morocco (\$178 million), Indonesia (\$177 million) and Ethiopia (\$170 million). Of the 45 priority countries, 22 are among the top 45 aid recipients for the sector. However, over half of the priority countries are outside the top 45 aid recipients, suggesting that while aid is currently the most effective form of finance in terms of targeting need, there is still significant scope for the international community to improve the targeting of its ODA. A number of priority countries currently or recently affected by conflict and political instability, such as South

Sudan, Madagascar, Liberia, Somalia and the Central African Republic, received some of the smallest volumes of aid.

Bilateral aid to the sector still the most significant

Country-to-country or bilateral aid continues to make up the bulk of aid to the sector, although the proportion delivered multilaterally is increasing. The largest bilateral donor to the sector is Japan, providing US\$1.6 billion in aid over 2011-13 (three-year annual average), with Germany second largest (US\$614 million) and USA and France each providing around US\$400 million. South Korea's bilateral aid to the sector has shown the fastest growth over the past decade with a 20-fold increase. Among bilateral donors, Denmark and the United Kingdom have the highest percentages of their aid delivered to the 45 priority countries, with 82% and 77% respectively. However, only five others have 50% or more of their aid going to the priority countries: Finland (55%), USA (54%), Canada (52%), Luxembourg (51%) and Belgium (50%). Historical or strategic interests continue to influence, and in some cases dominate donor decisions on destinations for their aid. The politicisation of targeting priorities is not, in the context of reaching everyone everywhere by 2030, a rational approach, nor is it coherent with internationally agreed development goals.

Increasing levels of multilateral aid to the sector

Aid to water and sanitation is increasingly delivered multilaterally, with total multilateral ODA to the sector reaching US\$2,062 million in 2011–13 (three-year annual average). The International Development Association was the largest multilateral donor with an annual average of US\$785 million, followed by European Union institutions (US\$599 million), the African Development Fund (US\$205 million), the Asian Development Bank Special Funds (\$201 million) and the Inter-American Development Bank Special Fund (US\$91 million).

On average, 40.7% of multilateral aid to the sector goes to priority countries. Among multilateral donors, three agencies do particularly well at targeting the countries with the greatest need and lowest resource availability—the African Development Fund, the Arab Bank for Economic Development in Africa and Unicef—target more than 90% of their aid to the sector to priority countries. The largest donors to the sector, the International Development Association and the European Union, provided 69% and 41% respectively of their aid to priority countries.

Small but increasing levels of foundation grants

Funds approved by foundations have increased in recent years, reaching US\$181 million in 2012,¹¹ delivered through 340 projects. The largest donor by far was the Bill & Melinda Gates Foundation (US\$119 million), followed by the Coca Cola Foundation, the Stone Family Foundation and the PepsiCo Foundation. The highest amount of grants from foundations all went to priority countries—India (\$16.5 million), Nigeria (\$12.3 million), Senegal (\$5.7 million), Burkina Faso (\$4.2 million), Cambodia (\$4.2 million) and Zambia (\$3.7 million). While the objectives of funds are to be lauded, the volume of their financial contribution matched against the scale of the

challenge of reaching everyone suggests the need for a greater selectivity, with choices based on maximising impact beyond those immediately reached.

Making aid more effective

The severe challenges facing priority countries places even greater importance on ensuring finances are used as effectively as possible. For ODA, this means maximising the catalytic impact of aid by ensuring it is used to build the capacity of governments to deliver and sustain services for all, in accordance with internationally agreed principles of aid and development effectiveness.¹² Current evidence of aid effectiveness in the water and sanitation sector is lacking, leading to crucial data gaps; however, the information available suggests the effectiveness of sector aid may be lagging behind other sectors, particularly in priority countries.



Aid can be made more effective by increasing the focus given to sustainability of services, Tika Gharti, Bardhya District, Nepal.

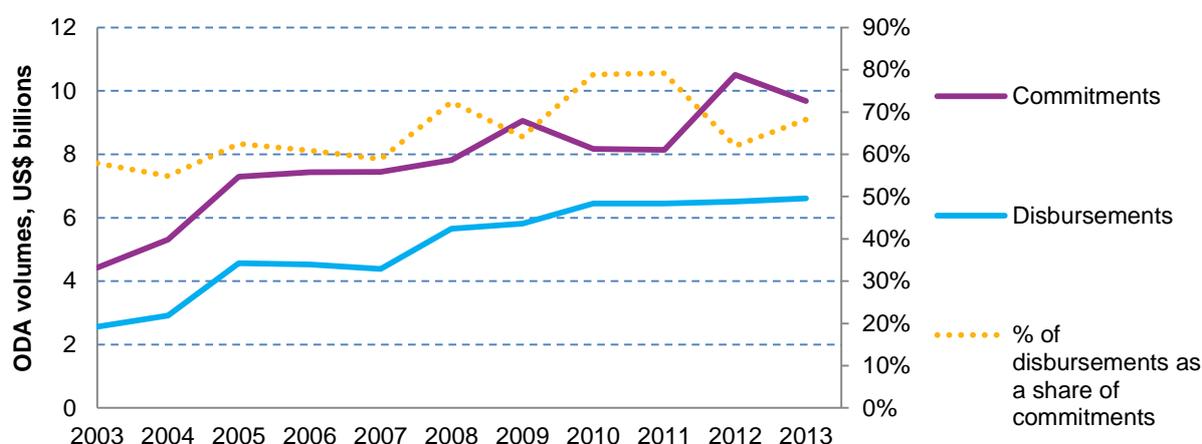
In addition to the issue of improving country-targeting of aid, the report highlights several areas where aid could be made more effective. These include: (i) addressing the significant gap between commitments made and actual funds released, (ii) providing more aid in the form of grants rather than loans, (iii) increasing the proportion of aid going to sanitation, (iv) reducing the strong reliance on project-based aid, and (v) improving the timeliness and level of aggregation of reporting.

Closing the gap between committed and disbursed funds

Multi-year commitments can explain why disbursements are below commitments for any given year; however, a substantial gap persists between commitments and disbursements even when aggregated over a longer period as shown in Figure 2.

Assuming that aid projects run for an average of three years, over time, disbursement levels should match commitment levels; during 2011–2013, however, only 69% of committed funds were released, suggesting that for many countries and donors there would be significant benefits from addressing financial absorption constraints. In some cases this could mean simplifying donor administrative procedures, pooling resources more effectively, addressing human resource gaps, increasing the predictability of external financing and reducing the very high reliance on project-based aid.

Figure 2: Commitments and disbursements to water and sanitation, all recipients, US\$ billions, all donors



Source: OECD CRS

Raising the percentage of grants relative to loans

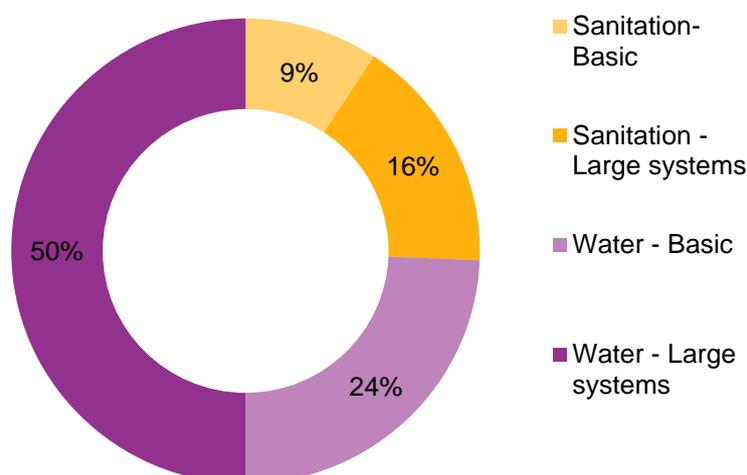
The report also highlights how the proportion of loans in water and sanitation ODA has increased. In 2013, only half of total aid to water and sanitation was formed of grants, which marks the third year in a row where loans are half of aid to the sector. Loans increased by 205% over 2003–2013, mainly going to large-system projects, compared with a 123% increase for grants over the same period. As loans must be repaid and potentially undermine financial sustainability of services, grants can be seen as more appropriate for resource-constrained countries such as priority countries. However, the share of grants in the aid provided to priority countries has decreased in recent years, standing at only 56% in 2013.

Strengthening the emphasis on sanitation and hygiene

For the 45 priority countries, half of aid in 2013 that can be disaggregated went to large water systems (50%), followed by water basic systems (24%). Figure 3 shows that only a quarter of aid going to these countries for water and sanitation was spent on sanitation, and was mainly delivered as large systems (16%). Only 9% went to basic sanitation. The Millennium Development Goal sanitation target has been missed by a substantial margin, and the weakness of the national and international

response to this growing crisis with millions of preventable child deaths must count as one of the greatest development and moral failures of the last 15 years. This urgently needs to be addressed in the early years of the SDG period.

Figure 3: Aid to 45 priority countries by water and sanitation sub-sector, 2013, share of total aid that can be disaggregated

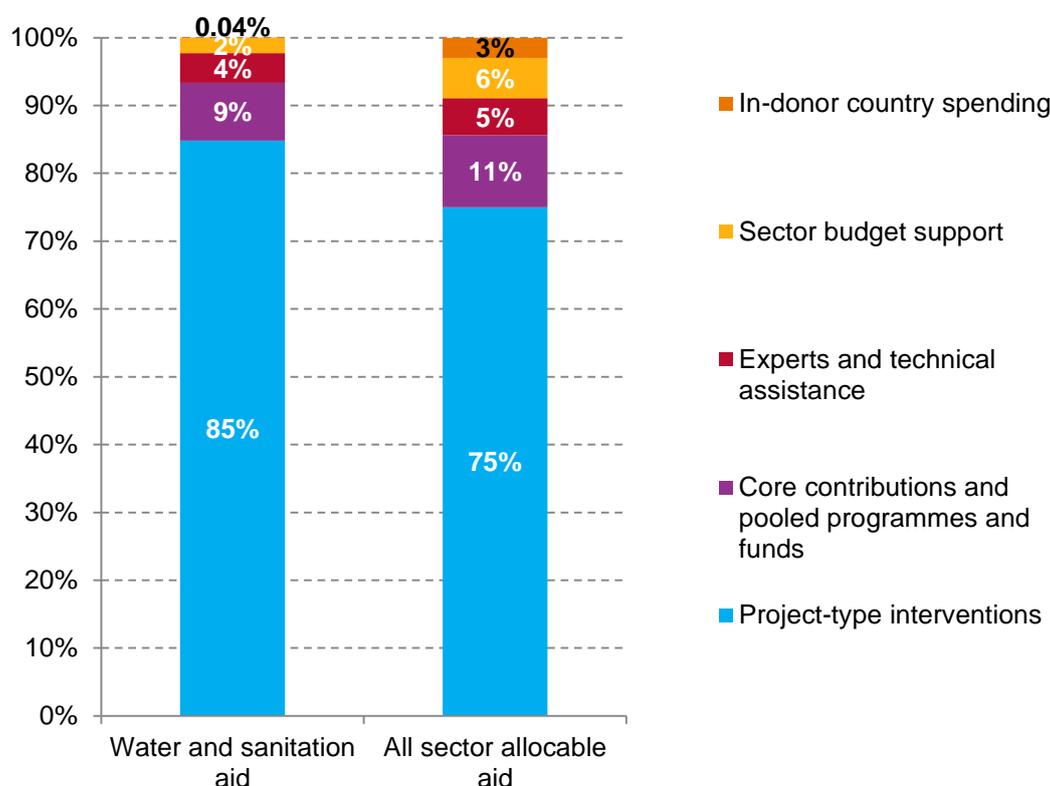


Source: OECD CRS

Increasing pooled programmes and budget support

The way water and sanitation aid is delivered is a key determinant of its effectiveness, as it relates to the principles of ownership, use of country systems and capacity-building. For example, project-type interventions are criticised for enabling donors to remain fully in control of funds, having high transaction costs and undermining the political and administrative systems of recipient countries, whereas budget support makes full use of countries’ systems but carries higher risk. Figure 4 shows that in 2013 85% of water and sanitation aid was delivered as project-type interventions—10% more than the average for overall aid. In contrast, only 2.4% of water and sanitation aid was delivered as sector budget support, a relatively low share compared with other sectors (overall, 6% of all aid is spent as budget support). Priority countries received an even greater share of their water and sanitation aid as project-type interventions than the sector overall (88% of aid to the sector in 2013).

Figure 4: Aid to water and sanitation and sector allocable aid by modality, 2013



Source: OECD CRS

Improving transparency through more timely and disaggregated reporting

The water and sanitation sector faces challenges in transparency on several levels. There are numerous organisations involved in delivery of water and sanitation services, including line ministries and private sector stakeholders, and the quality and comprehensiveness of reporting varies considerably. The report focuses on aid flows from the Organisation for Economic Co-operation and Development’s Development Assistance Committee (DAC), reported through the Creditor Reporting System, and although this represents the majority of aid to the sector, ODA flows from non-DAC donors—particularly from China, India, Brazil and the Gulf States—are significant and rising fast. Data on non-DAC donors is often more difficult to obtain.

For DAC data, there is still almost a year’s delay before aid to specific sectors is reported. Effective delivery of aid relies on predictable resource flows, and providing information about donors’ forward spending plans is particularly important for preparing a national budget. Among external support agencies, 15 out of the 23 surveyed reported having a clear aid budget that is subject to parliamentary scrutiny.¹ This highlights the need for greater transparency and accountability among donors, which would enable national governments to plan how to allocate resources using aid information.

There is also a lack of transparency over the grant element in ODA loans: loans with low concessionality (for example, just over 25%) are valued the same as highly concessional loans. In December 2014, the DAC proposed that only the grant element of loans be counted as ODA. This will lead to a significant improvement.

Disaggregation between sub-sectors is limited, making it difficult to assess accurately allocations between water and sanitation. For example, it is not possible to obtain data on ODA directed at improving hygiene, and there is no systematic disaggregation of ODA to rural areas from ODA to urban areas.

Financing gaps

The low levels of financing and the poor targeting of finance from non-official sources point to the indispensability of aid if the world has any chance of fulfilling the vision set out in its post-2015 SDG agenda. The finance gap to meet Millennium Development Goal targets is significant for a majority of priority countries. Forty of the priority countries responded on the finance gap to the Global Analysis and Assessment of Sanitation and Drinking Water 2014; of these, 19 countries reported having less than 50% of the finance needed across all four areas of rural and urban water and sanitation.¹³ To meet the SDG target of universal access to water and sanitation, priority countries that lack finance to meet Millennium Development Goal targets will experience an even greater finance gap. The selection of priority countries highlights those characterised by a lack of government revenue. This points to a vital role for international finance in these countries to finance universal access.

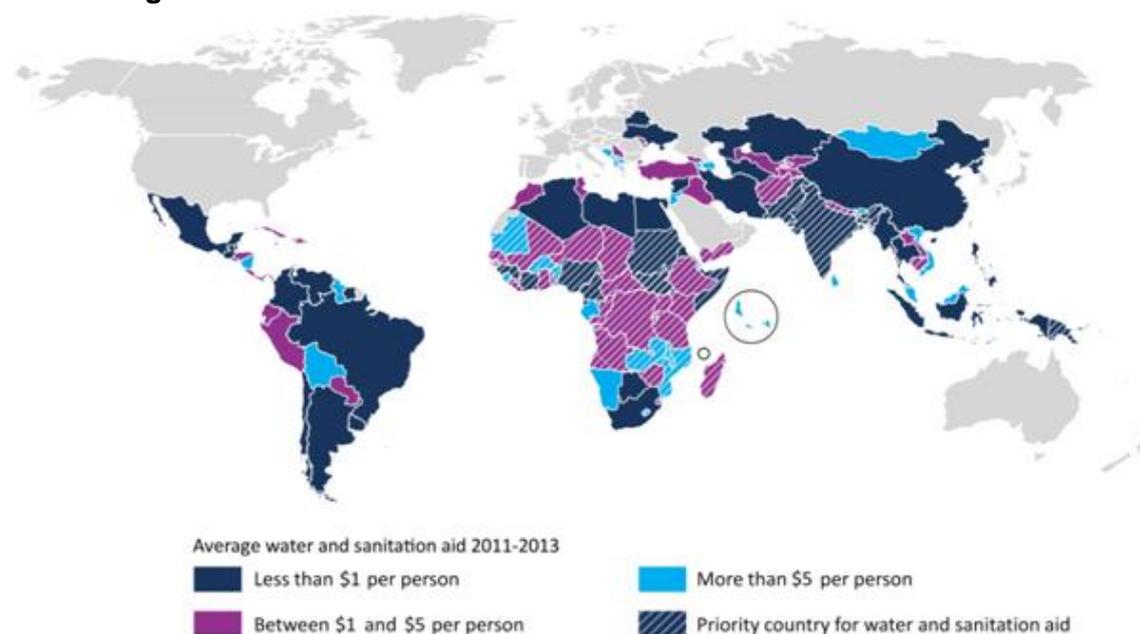
The new report draws on 2012 World Health Organization data to make a rough estimate of developing country financing gaps in the sector. It identifies a gap of US\$39 billion annually, comprising US\$14.8 billion annually for water and US\$24.2 billion for sanitation.¹⁴ This compares with US\$6.6 billion in annual aid to water and sanitation, based on an annual average over 2011–2013. The finance gap therefore represents almost six times the annual water and sanitation aid budget. For example, Sub-Saharan Africa would need US\$9.1 billion annually for the sector, compared with the US\$2.4 billion aid it currently receives.¹⁵

Water and sanitation aid per person

The report also maps water and sanitation aid per person. Over half of the priority countries receive less than US\$2.5 per person per year, some less than \$1 per person (see Map 2 below). At these levels of aid, water and sanitation interventions can have only marginal impact when considered against the overall global picture.

Finance gaps can be met through a mix of resources, public, private, domestic and international, but given the constraints of lack of feasible domestic revenue available in countries facing widespread poverty and economic fragility, substantial increases in ODA will need to be part of the equation. This is ultimately a matter of political choice rather than affordability, as the comparison with two major global industries in the report illustrates.¹⁶

Map 2: Map of water and sanitation aid to countries per person, based on 2011–2013 annual average



Source: OECD CRS and World Bank

Conclusion and recommendations

On the eve of the new post-2015 sustainable development framework, it is important to learn from the successes and failures of the Millennium Development Goal period—success in achieving the water target early, but widespread neglect of sanitation and hygiene and the related failure to meet the sanitation target. It is also important to look ahead at the challenges that will have a major impact on delivering universal access to water, sanitation and hygiene—including inequality between and within countries, growing populations, urbanisation, climate change and stress on water resources—and factor these realistically into policy choices and financing options.

Aid remains the main source of financing for many developing countries needing to increase their water, sanitation and hygiene spending, and although the medium- to long-term aim for all of them is to graduate from dependence on aid, ending aid flows prematurely would have very serious consequences, particularly for the poor, vulnerable and marginalised, and would heighten the risk for outbreaks of disease pandemics.

The report shows that for many countries aid will be a vital international resource to support the achievement of universal access to water, sanitation and hygiene. However, levels at US\$6.6 billion a year are too low to make the necessary impact needed for the poorest countries to get on track for universal access in the early years after 2015. We repeat similar calls, made in an earlier report *Addressing the shortfall* in 2012, for the international community to double the volumes of aid to the sector by 2020, closing the gap between commitments and disbursements, and with

a strong focus on targeting the countries identified as priorities for investment. This should be part of a broader drive on ODA: high-income countries should allocate 0.7% of gross national income to ODA, including 0.15–0.2% to Least Developed Countries, with short-term binding timetables for donors falling short. A re-evaluation of progress towards universal access to water, sanitation and hygiene, and financing gaps should take place in 2020.



Ending aid flows prematurely would have serious consequences for the poor and vulnerable, Margaret Among, Amuria, Uganda.

This increase in aid volumes to the sector should go hand in hand with renewed efforts to improve the transparency and effectiveness of aid. At the Addis Ababa Conference, all partners should renew the commitments made in Paris, Accra and Busan. These include efforts to build local ownership, harmonise and align external support behind country objectives and local systems, improve joint monitoring and reporting of results, and establishing mutual accountability and transparency in implementation. The Sanitation and Water for All Partnership, with 36 of the priority countries and the seven largest donors to the sector as partners, offers a strong platform for delivering on this agenda.

This synthesis report was written by WaterAid's Post-2015 Advocacy Working Group, with key contributions from Clare Battle, John Garrett, Henry Northover and Apollos Nwafor.
June 2015.

¹ These findings and recommendations come from the full report, Essential element, WaterAid / Development Initiatives, 2015, which can be found at www.wateraid.org.

² Least Developed Country status is further used to identify a clear group of countries emerging from the data.

³ The 36 countries in Sub-Saharan Africa are Angola, Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Congo Republic, Cote d'Ivoire, Ethiopia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Somalia, South Sudan, Sudan, Tanzania, Togo, Uganda, Zambia and Zimbabwe. The 5 countries in South and Central Asia are Afghanistan, Bangladesh, India, Nepal, and Pakistan.

⁴ Includes grants and concessional loans within the ODA definition.

⁵ See Global Analysis and Assessment of Sanitation and Drinking Water (GLAAS) report 2014.

⁶ The six countries are Angola (1.8 diarrhoeal deaths per 1000 live births), Democratic Republic of Congo (1.67), Central African Republic (1.62), Somalia (1.53), Chad (1.38) and Sierra Leone (1.35). The average across all developing countries is 0.28.

⁷ Government revenue per capita, excluding grants, at Purchasing Power Parity (Source: International Monetary Fund). Government revenue excluding grants assesses availability of domestic resources (revenue) and the scale of demand for resources per capita.

⁸ FDI is investment from overseas into a developing country enterprise. Other official flows are typically loans made by donors to the private and public sector in developing countries. Remittances are funds transferred by migrant workers to their home country from the country they are working in.

⁹ Government revenue – includes government tax, non-tax revenue (property income, administration fees, fines) and capital revenue (sales of assets or stocks). It does not include Government borrowing.

¹⁰ The 'Health' sector is defined as Creditor Reporting System codes 120 'Health' and 130 'Population policies/programmes and reproductive health'.

¹¹ Data on private spending in the water and sanitation sector is collected and provided through WASHfund, an initiative of the Foundation Center to provide data on philanthropic and other funding to the sector. 2012 is the latest available data.

¹² The Paris Declaration, Accra Agenda for Action and Busan Partnership Agreement agreed a series of commitments built around core principles of country ownership, alignment, harmonisation, results and mutual accountability.

¹³ The 19 countries are the Democratic Republic of Congo, the Central African Republic, Sierra Leone, Madagascar, Ethiopia, Burundi, Tanzania, South Sudan, Liberia, Haiti, Guinea, Benin, Mauritania, Bangladesh, Nigeria, Côte d'Ivoire, Zimbabwe, Pakistan and Yemen.

¹⁴ Potentially these financing gaps could be filled from all sources, public and private or household.

¹⁵ There are a number of limitations to this analysis of the finance gap, described in more detail in the report, yet the analysis serves to highlight aid volumes in the context of the finance gap. A more up-to-date costing of the sustainable development goals, including Goal 6, is expected to be developed as part of the United Nations-led financing for development discussions.

¹⁶ We spend around \$867 billion each year as individual consumers on soft drinks, for which clean and safe freshwater is the key ingredient (Euromonitor, 2014). This is one hundred and thirty times more than the total amount of ODA disbursed by Organisation for Economic Co-operation and Development countries to support the supply of safe water and sanitation (US\$6.6 billion). The global arms industry has been estimated at US\$1.7 trillion a year: for

this industry the equivalent amount of aid to water and sanitation in one year is spent in less than one day and a half. <http://www.globalissues.org/article/75/world-military-spending>, 2012.