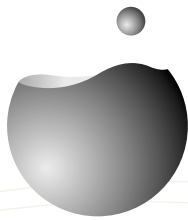




Official Development Assistance for Water from 1990 to 2004

FIGURES AND TRENDS



World Water Council
World Water Forum

Official Development Assistance for Water
from 1990 to 2004

Florence CLERMONT - March 2006

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► Abbreviations and acronyms

ADB:	Asian Development Bank
AFD:	French Development Agency (Agence Française de Développement)
CRS:	Creditor Reporting System
DAC:	Development Assistance Committee
EC:	European Community
GNI:	Gross National Income
GNP:	Gross National Product
IDA:	International Development Association
LDCs:	Least Developed Countries
LMICs:	Lower Middle Income Countries
MDGs:	Millennium Development Goals
ODA:	Official Development Assistance
OECD:	Organisation for Economic Co-operation and Development
OLICs:	Other Low Income Countries
UK:	United Kingdom
UMICs:	Upper Middle Income Countries
US or USA:	United States of America
Zones pal. auth.:	Zones under Palestinian Authority



SYNTHESIS

Increasing investment in the water sector is a precondition for achieving the Millennium Development Goals (MDGs). Among the various sources of available funding, official development assistance (ODA) plays an important role, in particular in leveraging other financial flows. Its importance is recognised clearly by donor countries, which have made a commitment in the last few years to increase the amount of ODA they give and improve its effectiveness. ODA in the water sector should benefit from this increase, as many reports have recommended ¹.



This study presents the evolution of ODA commitments in the water sector over the period 1990-2004, using data from the OECD Development Assistance Committee (DAC) databases ².



Large variations exist in ODA commitments for water ³ from one year to the next. They increased slightly, from 2.6 to 3.4 billion dollars ⁴, between 1990 and 2002. This rise does not necessarily mean that there was an increase in the proportion of people being helped, taking into account the large population increase in the recipient countries. Furthermore, since 1998, ODA for water has increased at a slower rate than has total ODA.



Approximately 70% of ODA for water is allocated on water supply and sanitation. The share allocated to resource management represents approximately one quarter of ODA for water. The share allocated to education and training remains very small. Yet this type of investment enables the absorption capacity and effectiveness of the aid to be improved.



«ODA for large water infrastructures», which the DAC does not include in «ODA for water», halved between 1990 and 2002, from 3 billion to 1.5 billion dollars. Since 1993, it has been lower than «ODA for water».



Seventy percent of ODA for water comes from only 5 donors (Japan, IDA, Germany, the United States and France). Bilateral ODA accounts for around 75% of ODA for water, but since 1998, there has been a sharp drop in bilateral loans, partially compensated for by an increase in multilateral aid. The majority of ODA for water is distributed in the form of loans, but the share given in the form of grants is increasing. In 1993, grants accounted for 40% of ODA for water, whereas since 2000 they have accounted for nearly 50%.



1- In particular, see "Health, Dignity, and Development: What will it take?" Stockholm International Water Institute, and United Nations Millennium Project, 2005, and also "Financing Water Infrastructure" (Camdessus Report), 2003.

2- See: www.oecd.org/dac/stats/idsonline

3- The term 'ODA for water' refers to water supply and sanitation, resource management and a few other headings (training in water supply, etc.), but does not include the large infrastructures associated with water, such as dams and irrigation.

4- Five-year average, in 2003 constant dollars.

The 20 countries receiving most ODA for water are mainly in the Middle East and North Africa, in addition to some heavily populated countries and countries experiencing strong economic growth, including India and China.



When compared with the population of the recipient countries, the situation is different. ODA commitments for water amounted on average to 0.62 US dollars per capita per year over the period 1990-2004, with a range extending from a few cents to several tens of dollars per capita per year. Countries receiving the most ODA per capita often have small populations. Many countries in Sub-Saharan Africa, North Africa and the Middle East feature among the 20 countries with more than a million inhabitants receiving the most aid per capita. Conversely, large countries like India and China only receive small amounts.



The income of recipient countries does not determine the amount of ODA for water allocated to them. But it does influence the split between aid given in the form of grants and in the form of loans, with the poorest countries receiving on average a higher proportion of grants (from 13% among the Upper Middle Income Countries to 64% among the Least Developed Countries).



The amount of ODA for water received per capita seems to be determined by three principal factors:

- The demographic weight of the country: ODA is essentially a relationship between donor and recipient, so the number of projects is not proportional to the population of the country. The more heavily populated a country is, the less ODA for water it tends to receive per capita.
- The economic and political stability of the country: A minimum level of political and economic stability is necessary in the recipient country for it to obtain and absorb ODA for water, because projects in this sector are often conceived and implemented over a long period.
- Its geostrategic visibility: The priorities of donor countries are based partly on the geostrategic importance of the recipient country and the geographical and historic ties between donors and recipients.



INTRODUCTION

Since the mid-1990s, official development assistance (ODA) has been put at the forefront of the fight against poverty. The Development Assistance Committee of the OECD played an important role in this: at the insistence of a number of donor countries, it came up with a development and poverty reduction strategy for the 21st century⁵. Another stage was reached at the Millennium Summit (2000), during which the Millennium Development Goals (MDGs) were adopted⁶.

Progress has continued, particularly at the Monterrey Summit in 2002, where the heads of state confirmed their commitment to contributing to development and poverty reduction. There the developed countries reiterated their commitments to contribute 0.7% of their GNP in ODA and insured that 0.15 to 0.20% of their GNP would be for the Least Developed Countries (LDCs), they also committed to define how quickly they could reach these target values and to work towards untying ODA to the Least Developed Countries. After that, in Gleneagles Summit, in 2005, the G8 Countries committed to a doubling of ODA.

Since water is essential to most of the Millennium Development Goals, ODA for water has logically been the subject of international recommendations and commitments. The panel on financing water for all (Camdessus panel), the Task Force 7 on water supply and sanitation of the Millennium Project and many other organisations have pleaded for a significant increase in ODA for water⁷. The G8 Summit in Evian in June 2003 adopted an action plan for water, which also committed the wealthiest countries to “build capacity for recipient countries to pursue an appropriate water policy, and to direct financial resources to the water sector in a more efficient and effective way.”⁸ The Netherlands have indicated their commitment to provide 50 million people with water supply and sanitation services by 2015. France, meanwhile, has announced a doubling of its aid in this area.

Some questions are however to be raised: Are all these commitments beginning to be met? Will ODA for water benefit from the current rise in development assistance? Although it is still too early to say, it is important to maintain pressure on the need of ODA for water. What does it consist of? Who are the beneficiaries? Who are the principal donors of water aid? What recent changes have there been? How do we ensure this international assistance is as effective as possible on the ground and helps to leverage the funds needed for achieving the Millennium Development Goals?

Through a factual analysis, this report intends to contribute to the understanding of the evolution of ODA in the water sector during the last 15 years. It is based on the analysis of data collected by the OECD Development Assistance Committee⁹. The aid terminology is explained briefly in the first part of the document, then the available data and a synthesis are presented with comments.

5- Shaping the 21st Century (S21C): The Contribution of Development Cooperation. See: www1.oecd.org/dac/urbenv

6- See: www.unmillenniumproject.org/goals

7- - An «immediate priority action» is to «increase current aid in the water and sanitation sector to levels commensurate with the costs of attaining the water and sanitation target in the poorest countries» (Health, Dignity, and Development: What will it take? Stockholm International Water Institute, and United Nations Millennium Project, 2005).

- «Governments of developed countries should be held to account for their commitments to increase aid to the water sector. Overall ODA for water should be doubled as a first step.» (Report of the World Panel on Financing Water Infrastructure, 2003).

8- See: www.g8.fr/evian/english/home.html

9- Database reference: www.oecd.org/dac/stats/idsonline

OFFICIAL DEVELOPMENT ASSISTANCE: *Terminology*

The purpose of this section is to define and present the main headings of official development assistance (ODA) to the water sector. First we will give the general definition of ODA used by the OECD Development Assistance Committee (DAC), and explain its characteristics. We will then present ODA in the water sector. Here, in addition to the official DAC definition, which encompasses water supply, sanitation and water resource management, we will introduce a broader definition, which includes the large infrastructures associated with water use (dams, irrigation, etc).

Official Development Assistance

DAC definition

The official definition of Official Development Assistance, provided by the DAC, is as follows:

Official development assistance (ODA) is defined as those flows to countries on Part I¹⁰ of the DAC List of Aid Recipients (developing countries) and to multilateral institutions for flows to Part I aid recipients which are:

- provided by official agencies, including state and local governments, or by their executing agencies; and
- each transaction of which:
 - a) is administered with the promotion of the economic development and welfare of developing countries as its main objective; and
 - b) is concessional in character and conveys a grant element of at least 25% (calculated at a discount rate of 10 per cent)¹¹.

Funding for some projects can be mixed, i.e. it can be partly ODA and partly non-ODA, with the latter obviously not being included in figures for ODA.

There are other options for funding projects in developing countries, including other public sector flows (i.e. flows that are not ODA) and private sector funding. To cope with the need to increase ODA, there are a number of other options currently being developed, such as the International Finance Facility¹² for example.

10- The countries in Part I are recipients of ODA; a list of these is given in Annex 1. The OECD directives also define Official Aid (OA), which is similar to ODA but is intended for countries in Part II of the DAC list (countries in transition).

11- See OECD, Creditor Reporting System Reporting Directives, 30 July 2002.

12- "The International Finance Facility is designed to frontload aid to help meet the Millennium Development Goals. Bonds would be issued on global capital markets, against the security of government guarantees to maintain future aid flows, which would be used to buy back the bonds over a longer period (...)" (Wikipedia definition). See: www.hm-treasury.gov.uk/documents/international_issues/int_gnd_intfinance.cfm

The ODA Figures

ODA can take a number of forms, such as technical cooperation, investment projects, forgiveness or rescheduling of debt, sectoral program assistance, budget assistance or equity investments.

Some characteristics are explained in detail below: the difference between loans and grants, between disbursements and commitments, between bilateral and multilateral aid and between tied and untied aid.

Loans and grants

Aid counted as ODA can either take the form of grants or of concessional loans i.e. loans with a «grant element» higher than 25%. The «grant element» is calculated as “the difference between the face value of the loan and the discounted present value of the service payments the borrower will make over the lifetime of the loan, expressed as a percentage of the face value¹³”. The discount rate used for calculating the «grant element» is 10% [See annex 2 for an example of calculation of the «grant element»].

In the area of water supply and sanitation, almost all loans granted by bilateral donor agencies are concessional loans.

When mixed funding consists of an ODA grant and loan, these are counted as two separate transactions.

Commitments and payments

A distinction should also be made between commitments and payments. Unless stated otherwise, ODA figures and analyses in this document refer to the amounts donors have committed to pay to developing countries. When a donor commits to paying a certain sum, the total sum is taken into account in the ODA for that year, even if the actual payments are put off for a time, often for more than ten years in view of the duration of projects in the water sector¹⁴. This approach can lead to large variations from year to year, as we will see later on.

Bilateral ODA and multilateral ODA

ODA can be bilateral or multilateral:

- Bilateral ODA is aid administered and sent to the recipient country by the donor country. It may pass through non-governmental organisations or international organisations, provided that it remains under the control of the donor countries¹⁵. In this case, the ODA is counted as part of the bilateral ODA of the donor country, and not as multilateral ODA.
- Multilateral ODA consists of contributions made by OECD member countries to international organisations working in development. These contributions are then administered and sent to the recipient country by these international organisations.

This is what the DAC directives say:

“*Multilateral* contributions are those made to a recipient institution which:

- conducts all or part of its activities in favour of development;
- is an international agency, institution or organisation whose members are governments, or a fund managed autonomously by such an agency;
- pools contributions so that they lose their identity and become an integral part of its financial assets.¹⁶”

13- See OECD, Creditor Reporting System Reporting Directives, 30 July 2002.

14- Aid for water supply and sanitation, Report prepared by the Secretariat of the DAC of the OECD, The IWAS “Water for the Poorest”, World Water Week, Stockholm, 2004.

15- Where this is the case, the NGO plays the role of executive agent. The donor country decides who will receive the aid and what project it will be used for.

16- See OECD, Creditor Reporting System Reporting Directives, 30 July 2002.

Tied and Untied aid

Official development assistance can be tied, partially tied or untied. Aid is said to be tied when one of the conditions for granting it is that the money given or lent will be used to buy goods and services from the donor country or another developing country. Donor countries in the DAC are committed to untying aid for the least developed countries. By restricting competition, tying aid can lead to extra costs for recipient countries.

Official development assistance in the water sector

Two definitions will be used in this report for official development assistance in the water sector. One is the DAC definition, under the «water supply and sanitation» heading, and the other is a broader definition including the large infrastructures associated with water, in addition to the «water supply and sanitation» category.

«Water Supply and Sanitation»: the DAC official definition

These are the seven headings grouped by the DAC in the «water supply and sanitation» ODA category:

- **Water resources policy and administrative management:** includes water sector policy, planning and programmes; water legislation and management; institution capacity building and advice; water supply assessments and studies; groundwater, water quality and watershed studies; hydrogeology; excluding agricultural water resources.
- **Water resources protection:** includes inland surface waters (rivers, lakes, etc.); conservation and rehabilitation of ground water; prevention of water contamination from agro-chemicals, industrial effluents.
- **Water supply and sanitation - large systems:** water desalination plants; intakes, storage, treatment, pumping stations, conveyance and distribution systems; sewerage; domestic and industrial waste water treatment plants).
- **Water supply and sanitation - small systems:** includes water supply and sanitation through low-cost technologies such as hand pumps, spring catchments, gravity-fed systems, rain water collection, storage tanks, small distribution systems; latrines, small-bore sewers, on-site disposal (septic tanks).
- **River development:** includes integrated river basin projects; river flow control; dams and reservoirs [excluding dams primarily for irrigation and hydropower and activities related to river transport].
- **Waste management/disposal:** municipal and industrial solid waste management, including hazardous and toxic waste; collection, disposal and treatment; landfill areas; composting and reuse.
- **Education and training in water supply and sanitation.**

So the DAC official definition includes headings linked to water resource management (excluding large water infrastructure) and headings linked to water supply and sanitation equipments and services. Waste management was placed in this category because of its proximity with sanitation.



The broader definition of ODA for water

The broader definition of ODA for water used in this report includes projects that come under the following headings:

- **Projects classified by the DAC in the water supply and sanitation category** (see the seven headings above).
- **Hydro-electric power plants**, including power-generating river barges.
- **Agricultural water resources**: irrigation, reservoirs, hydraulic structures, ground water exploitation for agricultural use.
- **Water transports**: harbours and docks, harbour guidance systems, ships and boats; river and other inland water transport, inland barges and vessels.
- **Flood prevention/control**: floods from rivers or the sea; including seawater intrusion control and sea level rise related activities.

The headings not included in the DAC's «water supply and sanitation» category are included in other categories such as energy or agriculture. It should be noted also that some infrastructures included in the above headings concern seawater and not freshwater.

In this document, the term **ODA** refers to total ODA, and the term **ODA for water** or ODA for water supply and sanitation refers to the definition used by the DAC (see above). The term **ODA for large water infrastructure** corresponds to ODA for irrigation projects, flood prevention, river transport and hydroelectricity. The term **broader ODA for water** refers to the sum of ODA for water and ODA for large water infrastructure.

Unless stated otherwise, the figures related to ODA for water in this report are those for the category «water supply and sanitation» as defined by the DAC.



EVOLUTION OF ODA COMMITMENTS

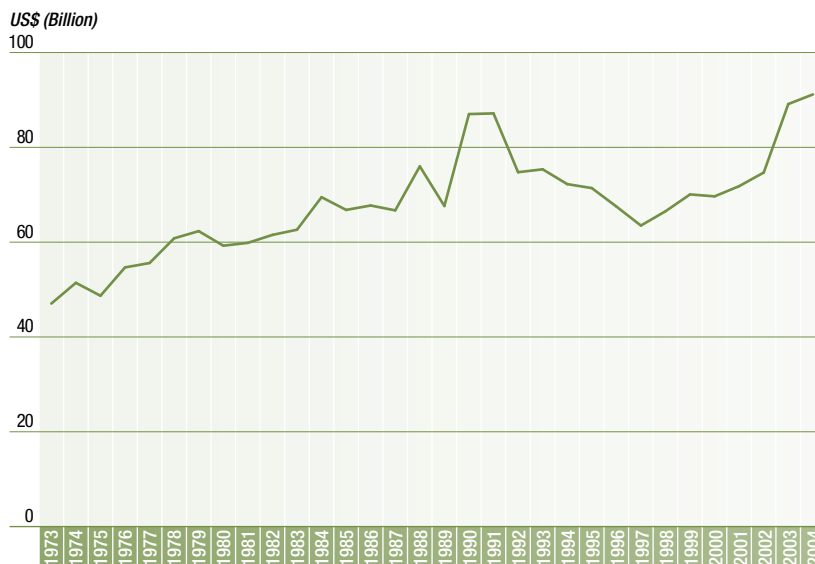
In this document, the financial data are all related to commitments and are expressed in 2003 constant US dollars to make comparisons easier. The data for total ODA are taken from the DAC online database (database on annual aggregates). Unless stated otherwise, other data in this document for ODA per sector are taken from the CRS online database (database on aid activities) ¹⁷.

Total ODA

When analysing data from the past thirty years, a distinction should be made between a first phase, from 1973 to 1991, i.e. until the end of the Cold War, and a second phase, from 1991 onwards. The end of the Cold War influenced geopolitics and relations between the developed and developing countries ¹⁸.

In the first of these periods, annual ODA commitments steadily increased from 47 billion to 87 billion dollars (the 1990-91 spike was due to the remission of Egypt's debts) [Figure 1]. After 1991, ODA commitments fell. They were down to 64 billion dollars in 1997. It was only after that year that there was a recovery in ODA commitments. The rise accelerated after 2002, with commitments reaching a record 91 billion dollars in 2004. This large rise in ODA should continue over the next few years, in response to the commitments made by the developed countries in Monterrey (Mexico) in March 2002 and by the G8 nations at the Gleneagles Summit in 2005. DAC projection for net disbursement of ODA in 2010 is at around 130 billion dollars ¹⁹.

Figure 1 - Total annual ODA commitments in 2003 constant dollars



Source: DAC statistics.

¹⁷- These two databases are available on the OECD website: www.oecd.org/dac/stats/ids-online

¹⁸- See: « L'aide au développement, évolutions récentes et grands débats. Agence Française de Développement, 2004-2005, France ».

¹⁹- Projections made in 2005. See: <http://www.oecd.org/dataoecd/57/30/35320618.pdf>

In the last few years and especially since 2002, the rise in ODA commitments has principally been due to debt reduction and rescheduling – particularly in favour of Congo in 2003 – and the mechanical effect of the drop in value of the dollar used as a reference currency against the euro and the yen²⁰, since Japan and the Euro Zone²¹ provide a very large share of ODA (approximately 60%).

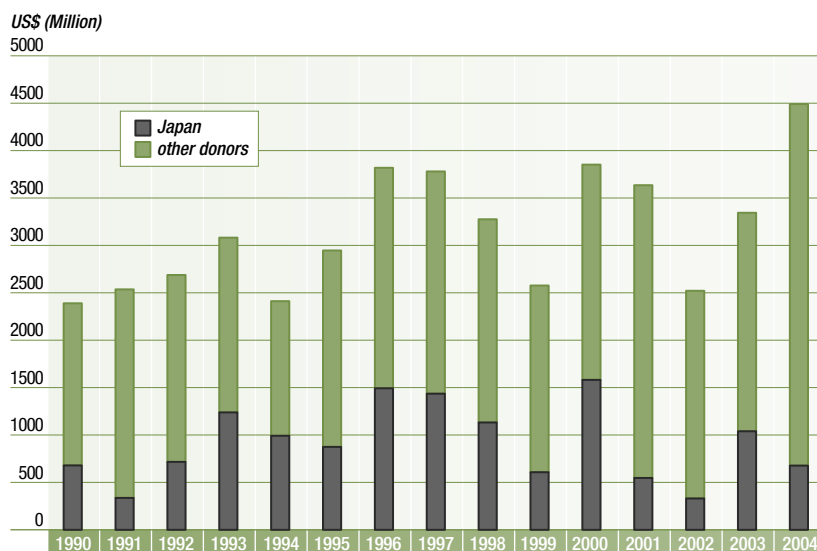
However, aid from the US has risen significantly, from 4 billion in 1996 to 23 billion in 2004.

ODA for Water

Evolution of ODA for water

There are large fluctuations in annual ODA commitments for water [Figure 2], explained partly by the fluctuating nature of commitments and partly by the dominant influence of a small number of donors such as Japan, which alone provided 29% of ODA for water in the period 1990-2004.

Figure 2 - Annual ODA commitments for water by Japan and other donors in 2003 constant dollars



20- According to the Agence Française de Développement, 8 billion euros of the 10.5 billion euro increase between 2002 and 2003 was absorbed by the drop in value of the dollar against the currencies of the other donor nations (L'Aide au Développement, évolutions et grands débats, AfD, 2005).

21- Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal and Spain are counted in the « Euro Zone ».

22- The value attributed to year N is the average of ODA commitments for the years N-2 to N+2.

23- See the document: Aid for water supply and sanitation, DAC of the OECD, The International Water Academy "Water for the Poorest", Stockholm, 2004.

To flatten out the variations from year to year and discern the trends in ODA for water more clearly, the DAC uses 5-year moving averages²². This is also the approach used in this report [Figure 3]. This 5-year measure is justified in that payments corresponding to the commitments are spread over long periods, often up to ten years²³. However, considering the variability of ODA for water, the use of 5-year moving averages is not enough to permit reliable analysis of tendencies for short periods.

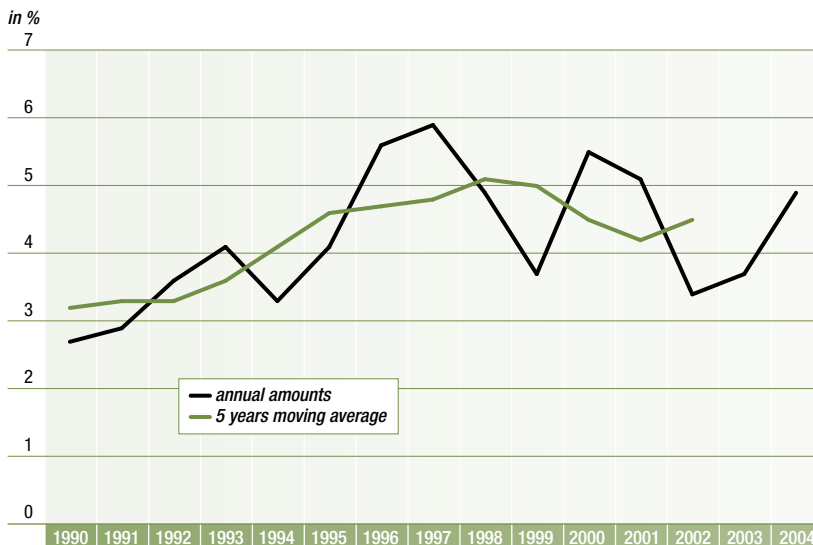
Figure 3 - ODA commitments for water in 2003 constant dollars between 1992 and 2004: annual commitments (bars) and five-year moving average (curve)



Since 1990, ODA commitments for water have risen slightly and steadily according to the moving average from 2.6 billion US dollars in 1992 to 3.4 billion US dollars in 2002, despite a slight decrease between 1998 and 2000. A large rise in commitments can also be seen in the year 2004, to 4.5 billion dollars. However it is not obvious that the slight increase in ODA for water implies an increase in annual connection rate, particularly because of the increase in the population of the recipient countries (from 4 billion in 1990 to 5 billion in 2004).

Since 1998, the rise in ODA for water has been slower than the rise in total ODA thus resulting in a decrease in the share for ODA for water in total ODA. However, since 1990, this share has remained relatively stable, varying between 3% and 5% since 1990 [Figure 4].

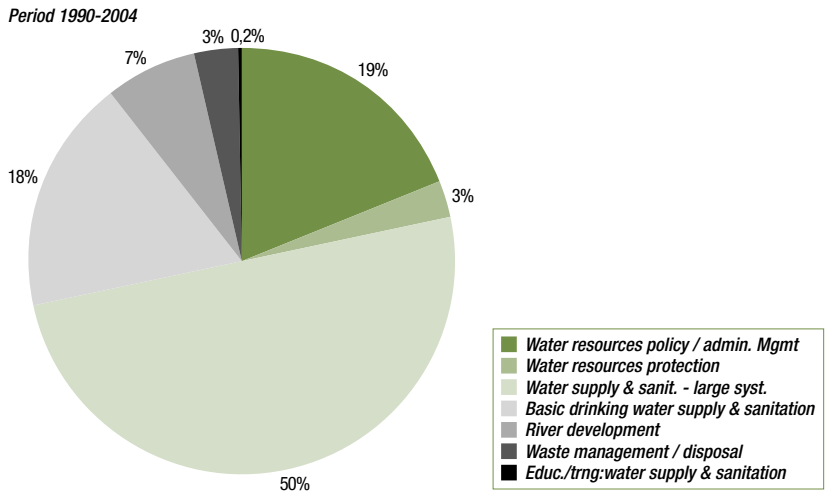
Figure 4 - Ratio of ODA commitments for water to total ODA commitments



Breakdown of ODA for water

Water supply and sanitation accounted for almost three quarters of ODA for water during the period 1990-2004 [Figure 5]. Management of the resource (and related activities) accounted for a quarter. The waste management heading, included in ODA for water because of its proximity with sanitation, only accounted for 3% of ODA for water.

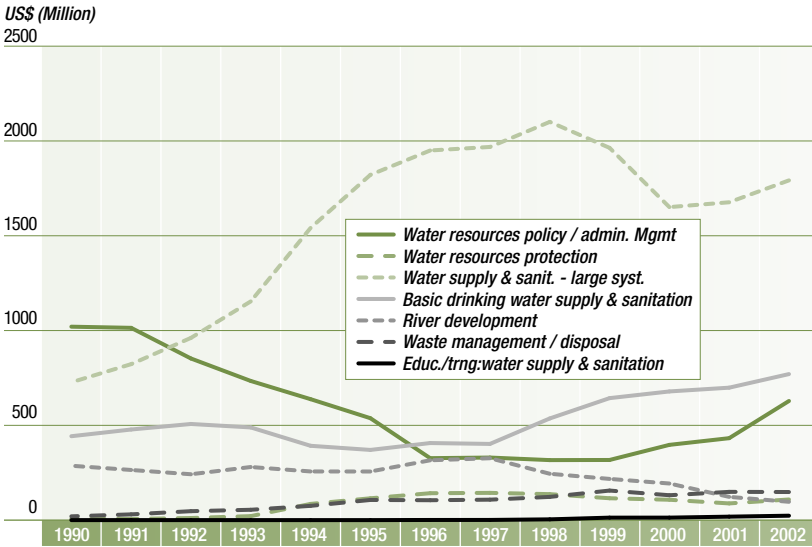
Figure 5 - Breakdown of ODA for water by project type



The amount of ODA for large water supply and sanitation systems nearly tripled between 1990 and 1998, reaching 2 billion dollars per annum, then fell to approximately 1.7 billion dollars in 2002 [Figure 6]. The share for small water supply and sanitation systems also rose between 1990 and 2002, from approximately 450 million annually to 750 million 2003 US dollars. The share of commitments allocated to water resources policy and administrative management fell throughout the 1990s (from 1 billion in 1990 to 300 million constant dollars in 1999) and has been rising since 2000. Annual commitments for this heading reached 600 billion dollars in 2004.

At approximately 2.5 billion dollars, ODA for water supply and sanitation systems represents a significant share of the amount spent annually in this area. Added to this is the catalytic effect of ODA, which leverages other sources of funding when it is targeted towards those who need it most.

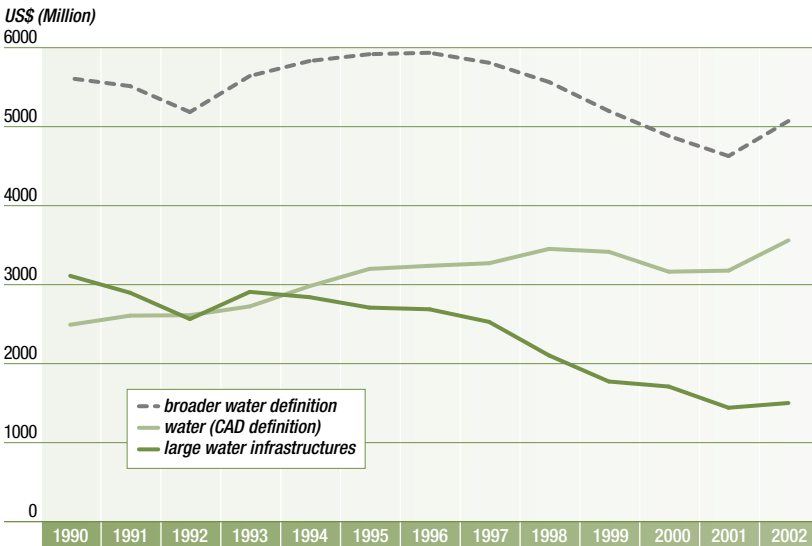
Figure 6 - ODA commitments for water by type of project (2003 constant dollars, 5-year moving average)



Broader ODA for water

Annual ODA commitments for large water infrastructures as defined in the terminology above has fallen from 3 billion dollars in the early 1990s to 1.5 billion dollars in the early 2000s [Figure 7]. Since 1993, commitments for these large infrastructures have been lower than commitments for water supply and sanitation. This drop in the amount committed to large water infrastructures can be partly explained by opposition experienced on the ground to large-scale infrastructure projects and by the tendency for donors not to commit to projects facing controversy.

Figure 7 - ODA for water, ODA for large water infrastructure and “broader ODA for water” commitments (2003 constant dollars, 5-year moving averages)

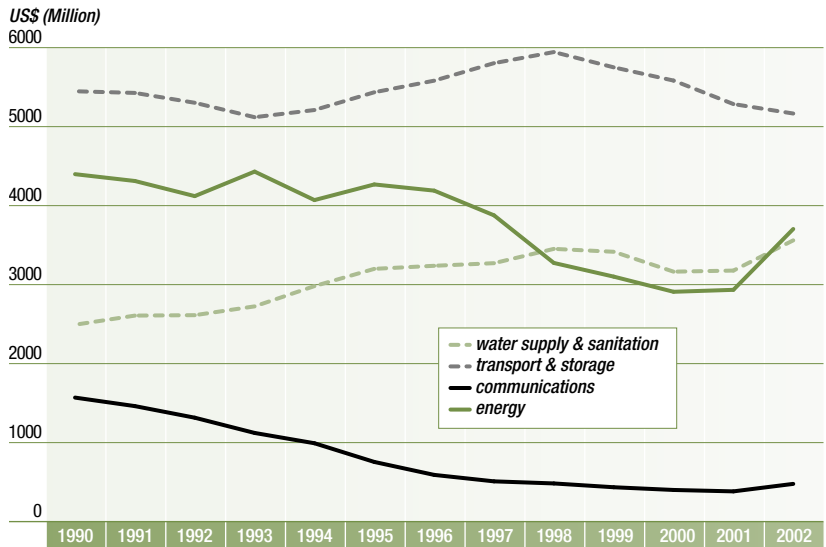


When ODA for water and ODA for large water infrastructure are combined, the “broader ODA for water” commitments look almost stable, lying between 4.5 and 6 billion dollars for the whole period from 1990–2004, with the rise in ODA for water compensating for the drop in large water infrastructure ODA. In 2004, broader ODA for water accounted for 7% of total ODA commitments.

What changes have there been in other sectors?

Public infrastructure sectors, such as transport, communications and energy, have had contrasting fortunes during the 1990s [Figure 8]. ODA commitments in the communications and energy sectors fell significantly during the 1990s, in contrast to ODA for water. ODA commitments in the transport sector have remained fairly stable, and have been higher than in other public infrastructure sectors, at approximately 5.5 billion US dollars per year. The amounts of ODA committed to the water and energy sectors have been very similar (approximately 3 billion US dollars per year), whilst commitments to the communications sector have been much lower than the other infrastructure sectors, at approximately 0.5 billion US dollars in ODA commitments per year.

Figure 8 - ODA commitments for principal public infrastructures (2003 constant dollars – 5-year moving average)



The drop in the water share of total ODA is not therefore due to competition with the other public infrastructure sectors, in comparison to which it has grown, but more to a change in the nature and priorities of aid.

By contrast, several other sectors commitments have increased between 1999 and 2004 [Table 1]. These are primarily the social sectors including education, health, and population programs and also the emergency assistance sector.

Table 1 - Principal sectors whose share of ODA commitments has increased during the period 1999-2004, in 2003 constant dollars (excluding budget aid and debt forgiveness)

ODA sector	Average annual commitments (Million US \$)		Factor of increase
	1999-01	2002-04	
Education	4 781	7 152	1.5
Health	2 882	4 018	1.4
Population Programmes	1 760	3 443	2.0
Government & Civil Society	4 664	8 154	1.7
Emergency Assistance and Reconstruction	5 577	7 956	1.4



DONORS & RECIPIENTS

Donors of ODA for water

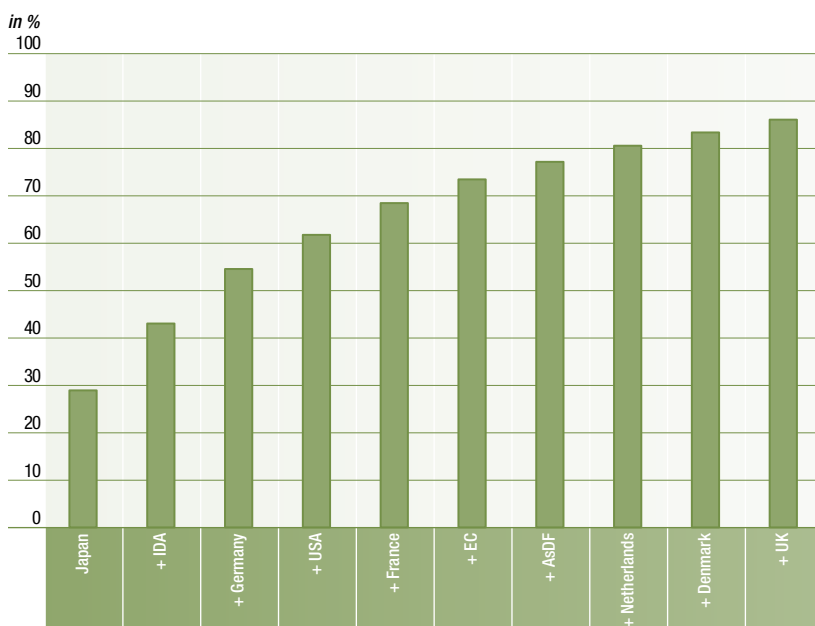
The analysis of donors and recipients of ODA for water (DAC definition) has been carried out for the period 1990-2004 [Table 2].

Table 2 - Principal donors and recipients of ODA for water, in average annual commitments for the period 1990-2004 (millions of 2003 constant US dollars)

Donors \ Receivers	Japan	IDA	Germany	USA	France	EC	AsDF	Netherlands	Denmark	UK	Others (20 donors)	Total	Percentage
India	62	126	11	2	5	1	-	19	2	19	10	257	8,1
China	146	36	15	0,3	12	2	-	5	3	4	28	251	8,0
Egypt	15	5	15	77	19	4	-	7	4	10	11	168	5,3
Viet Nam	34	47	5	0,03	7	0,1	29	5	6	0,4	17	150	4,8
Indonesia	75	-	4	0,2	3	2	-	6	1	0,1	13	104	3,3
Turkey	50	-	39	0,03	7	5	-	-	-	-	0,5	102	3,2
Morocco	17	-	24	1	19	18	-	0,003	-	-	4	83	2,6
Palest. adm.areas	3	1	12	39	4	3	-	1	-	3	6	71	2,3
Philippines	56	-	2	0,4	1	-	4	1	2	-	3	69	2,2
Jordan	8	-	20	29	2	1	-	0,1	-	1	4	66	2,1
Bangladesh	4	18	0,1	2	2	0,1	9	9	10	6	5	65	2,1
Ghana	4	21	5	0,1	3	3	-	3	11	6	10	65	2,1
Peru	44	-	13	0,2	2	0,02	-	0,3	-	0,1	3	62	2,0
Iraq	0,01	-	0,2	57	-	1	-	0,1	0,1	1	3	61	1,9
Pakistan	9	16	2	0,02	3	0,3	26	1	-	1	2	61	1,9
Sri Lanka	28	5	2	0,02	2	-	15	0,2	3	1	2	57	1,8
Tunisia	17	-	19	-	14	3	-	1	-	-	1	54	1,7
Tanzania	2	9	8	0,03	1	3	-	4	4	1	19	50	1,6
Thailand	45	-	0,3	0,04	0,2	-	-	0,0002	1	0,1	1	47	1,5
Mexico	43	-	0,1	0,04	0,2	-	-	-	-	0,1	2	45	1,4
Others (154 recipients)	251	161	166	21	107	111	32	46	43	31	298	1 266	40,1
Total	912	445	362	229	211	157	115	108	90	84	443	3 156	
Percentage	28,9	14,1	11,5	7,3	6,7	5,0	3,7	3,4	2,8	2,7	14,0		

Most ODA commitments for water come from a small number of mainly bilateral donors. Out of the 30 donors listed by the OECD (22 bilateral donors and eight multilateral donors), the top four donors provided more than 60% of ODA in the water sector, and the top eight donors provided more than 80% [Figure 9].

Figure 9 - Cumulative percentage of ODA commitments for water from the top 10 donors for the period 1990-2004



Each column represents the percentage of ODA commitments for water from the largest donors up to the country of the column concerned. E.g. the fourth column represents ODA commitments from Japan, the IDA, Germany and the United States, i.e. approximately 62% of ODA for water.

Of these donors, Japan is by far the largest, providing approximately 30% of the aid. The other large donor countries are Germany, the United States and France. Of the five largest donors, only the second largest, the IDA, is multilateral.

As explained in the nomenclature, ODA can take the form of grants or of concessional loans. ODA for water was mainly given in the form of loans during the period 1990-2004 [Figure 10], but this trend is progressively changing: loans accounted for approximately 60% of ODA commitments for water in 1993, but since the start of the 2000s they have only accounted for approximately 50%.

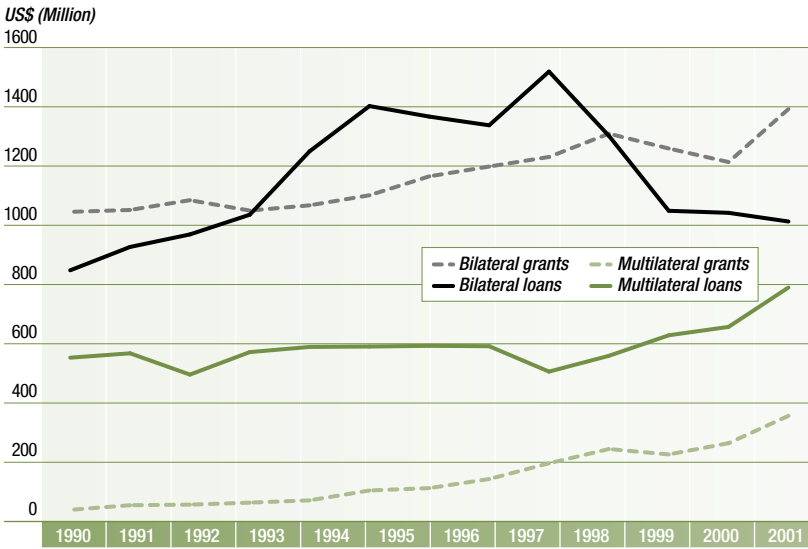
Regarding sources of ODA, multilateral ODA commitments remained very stable (at approximately 600 million dollars) until the late 1990s, when they began to rise. In multilateral ODA, loans largely dominate, accounting for approximately 85% of commitments until the mid-1990s. But since the end of the 1990s, a large increase in multilateral grants²⁴ has been observed.

Bilateral aid commitments increased steadily throughout the 1990s, from approximately 1.9 billion in 1990 to 2.4 billion dollars in 2002. Since 1990, bilateral grants and loans have been similar in scale; the amount committed in loans rose substantially between 1993 and 1998 before falling significantly. Since 2000, bilateral grants have begun to exceed loans.

Multilateral aid commitments accounted for 25% of ODA for water at the start of the 1990s. This ratio remained stable throughout the 1990s but has gradually risen to 30% over the last few years. This change in trend probably indicates a change in policy on the part of some donors, who are disengaging from bilateral policies to support the water sector through international institutions.

²⁴ According to the OECD, this increase could be linked to better notification of data.

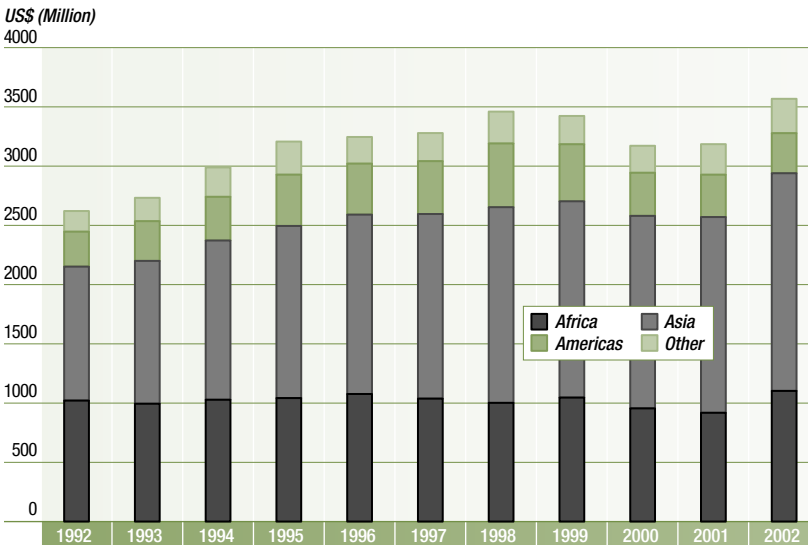
Figure 10 - Bilateral and multilateral annual ODA commitments for water as loans and grants (5-year moving average in 2003 constant dollars)



Recipients of ODA for water

Distribution of ODA for water

Figure 11 - Breakdown of ODA commitments for water per continent (5-year moving average in 2003 constant dollars)

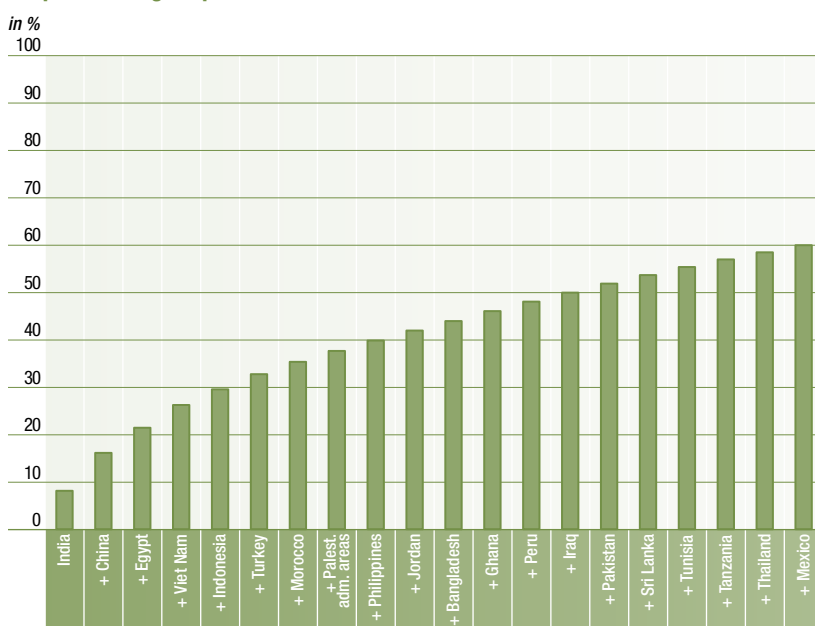


Looking first at the global distribution of ODA for water, those receiving most ODA for water are unquestionably East Asia and Sub-Saharan Africa, followed by Central and Southern Asia, then the countries of North Africa [Figure 11]. Aid to the North African countries has tended to drop since the early 1990s. On the contrary, aid commitments to the Middle Eastern countries have increased since 1990 [Annex 3]. The vast increase between 2003 and 2004 is largely due to the ODA commitments for water made to Iraq by the United States in 2004 (848 million 2003 constant US dollars).



Looking at recipient countries, most ODA for water goes to a relatively small number of the 174 recipients listed by the OECD²⁵. For the period 1990-2004, 42% of aid commitments for the water sector were allocated to the top 10 recipient countries²⁶ [Figure 12].

Figure 12 - Cumulative percentage of ODA commitments for water allocated to the top 20 recipients during the period 1990-2004



Each column represents the percentage of ODA commitments for water made to the largest recipients up to the country of the column concerned. E.g. the fourth column represents ODA commitments made to India, China, Egypt and Vietnam, i.e. approximately 26% of ODA for water

Large emerging countries, particularly in Asia, including China and India are among the top 20 recipient countries. Latin America features little (except for Peru and Mexico) and Sub-Saharan Africa is almost completely absent. Only Ghana and Tanzania features among the top 20 recipients, with Mozambique, Senegal, Burkina-Faso and Uganda in 21st, 22nd, 25th and 27th position respectively.

Countries in which donors have economic or geopolitical interest also appear in this list, in particular the Middle Eastern and North African countries. Donors quite logically favour countries with which they have historical, economic or geopolitical links. Countries such as France, the United States and Japan are a good illustration of this [Figures 13]:

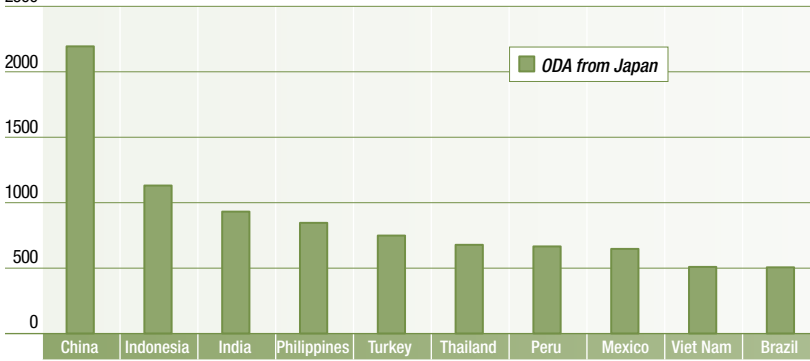
- The United States are channelling a large amount of their aid to countries in the Middle East, in particular Iraq, Palestine and Jordan.
- France sends a large amount of its aid to its former colonies. Morocco, Tunisia, Senegal, Lebanon, Vietnam, Burkina-Faso and Gabon feature among the ten countries France gives most aid to.
- Countries receiving aid from Japan are mainly on the Asian continent: China, Indonesia, India, the Philippines, Thailand and Vietnam are among the ten countries Japan gives most aid to.

²⁵ The DAC database lists 159 countries and territories, and 16 regions such as the East African Community.

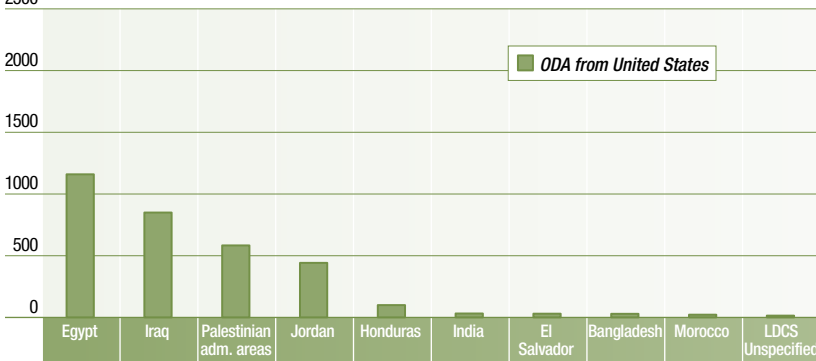
²⁶ 58% of the recipient countries population live in these 10 countries.

Figures 13 - Cumulative commitments and beneficiaries of ODA for water from the 4 principal donor countries (Japan, Germany, United States and France) between 1990 and 2004 (2003 constant dollars)

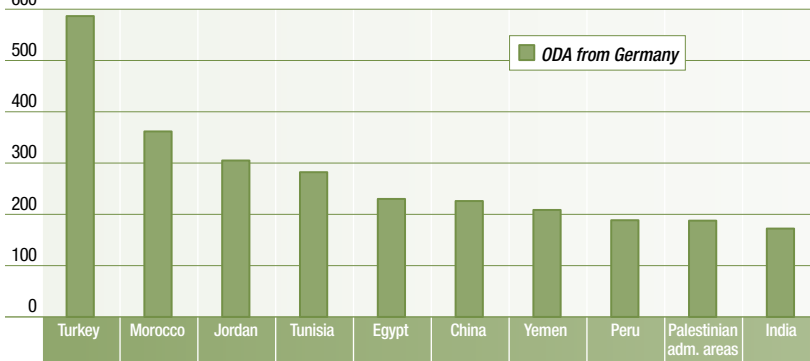
US\$ (Million)
2500



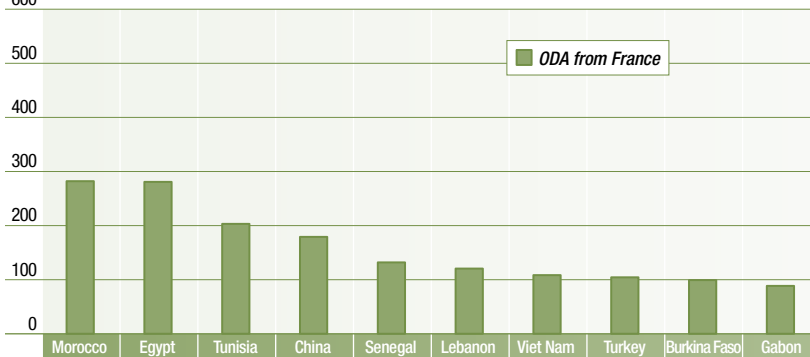
US\$ (Million)
2500



US\$ (Million)
600



US\$ (Million)
600



Tables 3 - Countries receiving most ODA commitments for water per capita (average annual commitments during the period 1990-2004 in 2003 constant dollars)

Table 3a

Countries and territories receiving the most water ODA per capita	average commitments (1990-2004) in US \$ millions	population (in thousand)	average commitments (\$ per capita)
St. Helena	0,5	8	59
Montserrat	0,3	10	33
Anguilla	0,3	13	21
Palestinian adm.areas	71	3 367	21
Turks & Caicos Islands	0,4	20	20
Dominica	1,4	72	19
Cook Islands	0,4	22	16
Tonga	1,6	102	16
St. Lucia	2,5	161	16
Niue	0,04	3	15
Western Samoa	2,3	178	13
Jordan	66	5 308	12
Tuvalu	0,1	12	12
Cape Verde	5,4	470	11
Kiribati	1,1	97	11
Suriname	4,9	439	11
Marshall Islands	0,6	57	11
St.Vincent& Grenadines	1,1	110	10
Mauritius	12	1 223	10
Northern Marianas	0,6	77	8

When the figures for ODA for water are compared with population figures, it appears that many small islands or sparsely populated countries receive a very high level of ODA for water per capita [Table 3a]. These should thus preferably be taken out of the analysis. Ranking the 20 countries with a population of more than 1 million shows that ODA for water varies from 21 to 3 US dollars per capita per year, with a geographical distribution focusing on the countries of North Africa and the Middle East and on the countries of Sub-Saharan Africa. The average of ODA for water in recipient countries is 0.62 US dollar per capita and per year. Four countries in Latin America and the Caribbean also appear [Table 3b].



Table 3b

countries with more than 1 million of inhabitants	average commitments (1990-2004) in US \$ millions	population (in thousand)	average commitments (\$ per capita)
Palestinian adm.areas	71	3 367	21
Jordan	66	5 308	12
Mauritius	12	1 223	10
FYROM-Macedonia	14	2 049	7
Albania	18	3 170	6
Namibia	11	2 015	6
Tunisia	54	9 896	5
Lebanon	22	4 498	5
Honduras	33	6 969	5
Gabon	6	1 345	4
Nicaragua	24	5 480	4
Senegal	43	10 240	4
Botswana	7	1 723	4
Bolivia	37	8 815	4
Lesotho	7	1 793	4
Mauritania	11	2 848	4
Jamaica	10	2 643	4
Burkina Faso	41	12 110	3
Bosnia-Herzegovina	13	3 832	3
Ghana	65	20 670	3

ODA for water and wealth of the recipient countries

Is ODA in the water sector going to those who need it most? To analyse the distribution of aid in accordance with countries' wealth, we are using the classification produced by the World Bank and used by the OECD [See the list of countries classified by categories in annex I], based on gross national income (GNI) per capita. The developing countries have been put into four groups:

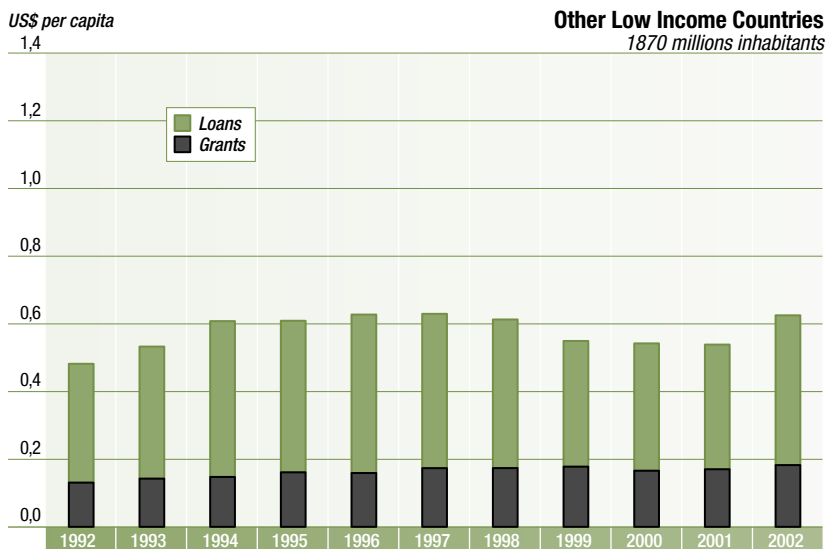
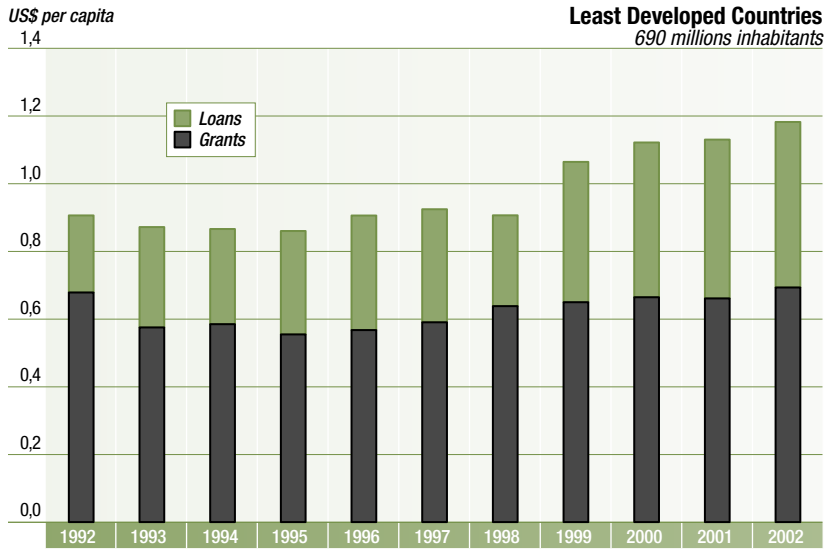
- The **Least Developed Countries, or LDCs**, a list of which has been adopted by the United Nations. There were 690 million people living in these countries in 2004.
- The **Other Low Income Countries, or OLICs**, whose GNI per capita was less than USD 745 in 2001. There were 1870 million people living in these countries in 2004 (of whom 1064 million were in India).
- The **Lower Middle Income Countries, or LMICs**, whose GNI per capita was between USD 746 and 2975 in 2001. There were 2030 million people living in these countries in 2004 (of whom 1288 million were in China).
- The **Upper Middle Income Countries²⁷, or UMICs**, whose GNI per capita was between USD 2976 and 9205 in 2001. There were 440 million people living in these countries in 2004.

27- Of the 32 countries classed as UMICs, 14 are above the threshold for accessing loans from the World Bank. Because of their high GNI (higher than 5185 dollars per capita in 2001), these 14 countries hardly receive any ODA for water.

Since 1998, the group of countries receiving most ODA has been the LMICs (with approximately USD 1000 million in commitments each year), followed closely by the OLICs group. The Least Developed Countries receive approximately USD 800 million per year. But an analysis by income categories of countries is not enough, because the populations of these four groups are not the same size.

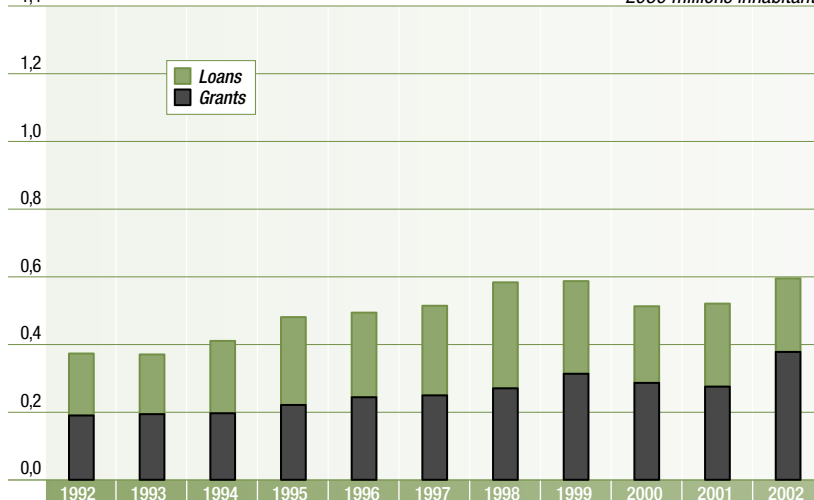
By comparing these amounts to the population of these countries [Figure 14 and Table 4], the situation is as follows:

Figure 14 - commitment for ODA for water, in grants and loans per capita, by category of country (5-year moving average in 2003 constant dollars per capita)



US\$ per capita
1,4

Lower-Middle Income Countries
2030 millions inhabitants



US\$ per capita
1,4

Upper-Middle Income Countries
440 millions inhabitants

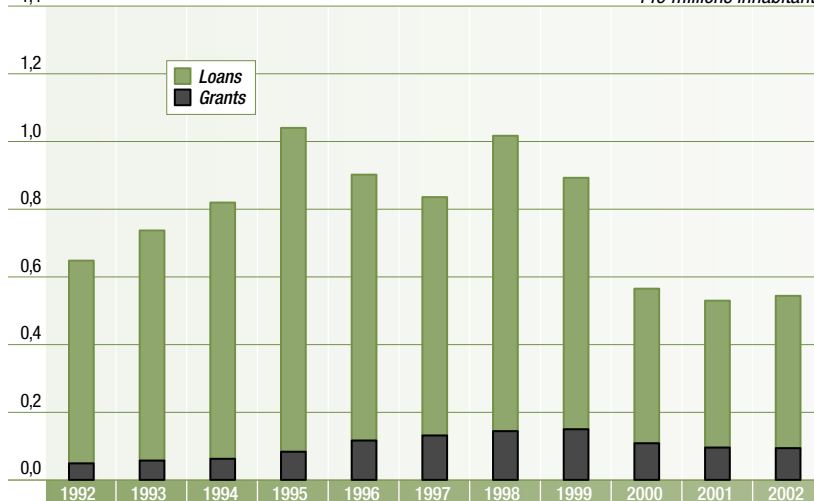


Table 4 - Average ODA commitments for water per capita, according to country income

Country Category	Commitment in US dollars per capita Average for the period 1990-2004
Least Developed Countries	0.98
Other Low Income Countries (including India)	0.58
Other Low Income Countries (excluding India)	1.02
India	0.24
Lower Middle Income Countries (including China)	0.49
Lower Middle Income Countries (excluding China)	1.01
China	0.19
Upper Middle Income Countries	0.78



- The LDCs receive on average the most ODA for water per capita. Most of this aid is distributed in the form of grants (64% for the period 1990-2004) [Table 5]. Since the end of the 1990s, the amount of ODA for water being given to these countries has increased slightly to more than 1 dollar per capita per year. This increase is mainly due to an increase in loans.

- The OLICs and LMICs receive a smaller amount of ODA for water per capita than the LDCs, close to 0.6 dollars per capita per year. The relatively low ODA for water of these groups is partly due to the fact that India and China, the two countries with a population of more than one billion inhabitants, are members of the OLIC and LMIC groups respectively. If these two countries, which receive a small amount of aid per capita (0.24 dollars per capita per year for India, and 0.19 dollars per capita per year for China during the period 1990-2004), are excluded, ODA for water of the other countries in these groups comes to approximately 1 dollar per capita per year. Grants make up 52% of ODA for water for the LMICs and 28% for the OLICs, even though these are poorer.
- Finally, before 2000 there was a period when the UMICs were receiving a large amount of aid: between 0.8 and 1 dollar per capita per year. This has changed since 2000, when their aid fell to approximately 0.5 dollars per capita per year. Only 13% of this aid comes in the form of grants.

Table 5 - Share of grants in ODA commitments for water for the period 1990-2004 according to country income

Country Category	Share of grants in ODA commitments for water for the period 1990-2004
Least Developed Countries (LDCs)	64%
Other Low Income Countries (OLICs)	28%
Lower Middle Income Countries (LMICs)	52%
Upper Middle Income Countries (UMICs)	13%

Overall, the average ODA for water is approximately 0.62 dollars per capita per year in the developing countries. The amount of ODA for water per capita does not differ greatly with the wealth of the country. But the breakdown into grants and loans is affected by this wealth: the share of grants is higher in the LDCs and lower in the UMICs. Over the last few years there has also been a slight increase in ODA for water (particularly in the form of loans) for the LDCs, at the same time as a decrease in aid to the UMICs.

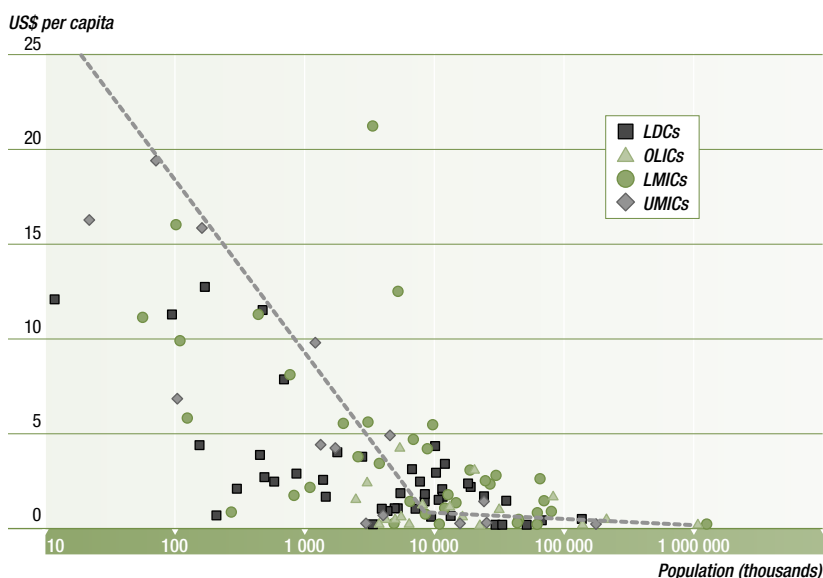
The situation for the two intermediate categories (OLICs and LMICs) is something of a paradox: ODA commitments there are comparable, but the share of grants given to the LMICs is larger.

A closer examination of the data per country shows that amounts of ODA for water given are influenced by three main factors:

1- The size of the country: the larger the population of a country is, the smaller its aid per capita tends to be. Given that ODA is essentially based on a relationship between countries or between international organisations and recipient countries. So the amount of ODA per country is not proportional to its population. The most populated countries therefore receive less ODA for water per capita. [Figure 15]. This situation is illustrated typically by the examples of China and India.



Figure 15 - ODA commitments for water, in 2003 constant dollars per capita versus the population of the recipient countries



2- The political and economic stability of the country: setting up projects in the water sector requires a medium or even long-term perspective, and therefore a minimum of stability. Table 6 illustrates the importance of this by contrasting three countries that have experienced crises and three fairly stable countries.

Table 6 - Examples of Least Developed Countries receiving little ODA for water and Upper Middle Income Countries receiving a large amount of ODA for water per capita

Country	Country Category	Commitment in US dollars per person Average for the period 1990-2004
Sudan	LDC	0.14
Democratic Republic of Congo	LDC	0.12
Liberia	LDC	0.04
Mauritius	UMIC	9.79
Gabon	UMIC	4.39
Botswana	UMIC	4.19

3- Geopolitical interest: as mentioned above, the geostrategic interest in some Middle Eastern countries means that they receive more aid [Table 7].

Table 7 - Examples of Middle Eastern countries receiving a large amount of ODA for water per capita

Country	Country Category	Commitment in US dollars per person Average for the period 1990-2004
Palest. Adm. areas	LMIC	21.23
Jordan	LMIC	12.42
Lebanon	UMIC	4.87
Iraq	LMIC	2.48



CONCLUSIONS

ODA commitments for water vary greatly from year to year, making it difficult to analyse trends over periods less than a decade. An analysis of net ODA payments should reduce this problem. The variability of commitments can also be explained by the importance of a small number of donors. The top five donors (Japan, IDA, Germany, the United States and France) account for almost 70% of ODA commitments for water for the period 1990-2004, with Japan giving almost 30% alone. Similarly, for recipients, the majority of aid goes to a relatively small number of countries. Between 1990 and 2004, 60% of ODA for water went to 20 countries.

Among the ODA for water headings as defined by the DAC, water supply and sanitation receives the largest share, with approximately 70% of commitments. Water resources policy and administrative management receive a smaller share (approximately 20%), which has fallen but has risen again since 2000. Areas that improve the take-up and effectiveness of ODA for water like education and training in water supply and sanitation, receive only a small part of ODA for water.

Since the start of the 1990s, there has been a tendency for slow, steady growth in ODA for water (despite a slight drop between 1998 and 2000). It reached USD 4.5 billion in 2004. However, there has been a large drop in ODA for large water infrastructure projects, such as irrigation, river transport, flood prevention and hydroelectricity projects. ODA is especially needed for the development of this large infrastructure for two reasons: first, it enhances water security which is necessary for economic and social development, and then, large infrastructure projects are the projects most in need of financial support.

Since 1990, the share of ODA for water in total ODA was around 5%; this share has remained relatively stable compared with other sectors such as education, health and emergency aid, which have seen their portion rise sharply. ODA for water has grown in a quite similar way to ODA for the other public infrastructure sectors, receiving approximately the same amount as the energy sector, more than the communications sector but less than the transport sector.

An analysis of ODA for water recipients per capita by country income category illustrates the efforts being made for the least developed countries. But ODA for water is still being distributed unevenly among the country categories, and country incomes do not seem to be the major factor explaining the ODA distribution.

There seem to be three predominant factors when it comes to receiving aid:

- Being demographically small: This is because aid remains a matter of cooperation between individual countries. In this regard, 'decentralising' aid and enabling it to go more directly to local levels –as requested by many, notably in NGOs– seems an important condition for better distribution.
- Being politically stable: Projects in the water sector are long-term projects; stable countries are therefore more capable of developing projects and taking up aid in this area.
- Being geopolitically 'visible': Cooperation relations still have a geostrategic dimension in which influence is maintained or strengthened, which explains why some countries receive large amounts of aid and others receive much less.

In 2003, the Camdessus report suggested doubling all sources of funding for water, including ODA. For ODA, this is still far from being the case. The efforts being made must be continued and intensified if the Millennium Development Goals are to be met.



► Annex I: DAC List of Aid Recipients - 1st January 2003

Least Developed Countries

	population in 2004 (in thousands)	ODA for water, annual average 1990-2004 (millions of US \$)	ODA for water, in \$/capita/year
Afghanistan	29 929	4,78	0,16
Angola	13 523	8,47	0,63
Bangladesh	138 067	64,78	0,47
Benin	6 721	20,76	3,09
Bhutan	874	2,51	2,87
Burkina Faso	12 110	41,46	3,42
Burundi	7 206	7,34	1,02
Cambodia	13 404	14,52	1,08
Cape Verde	470	5,36	11,41
Central African Rep.	3 881	3,66	0,94
Chad	8 582	14,77	1,72
Comoros	601	1,42	2,37
Congo Dem.Rep. (Zaire)	53 154	6,48	0,12
Djibouti	706	5,56	7,87
Equatorial Guinea	494	1,34	2,72
Eritrea	4 390	3,70	0,84
Ethiopia	68 614	28,85	0,42
Gambia	1 421	3,61	2,54
Guinea	7 909	19,10	2,41
Guinea-Bissau	1 490	2,46	1,65
Haiti	8 440	5,66	0,67
Kiribati	97	1,09	11,29
Laos	5 660	10,05	1,78
Lesotho	1 793	7,10	3,96
Liberia	3 374	0,15	0,04
Madagascar	16 894	9,47	0,56
Malawi	10 963	16,22	1,48
Maldives	294	0,59	2,01
Mali	11 652	24,08	2,07
Mauritania	2 848	10,65	3,74
Mozambique	18 792	44,86	2,39
Myanmar (Burma)	49 363	0,79	0,02
Nepal	24 660	41,79	1,69
Niger	11 763	19,05	1,62
Rwanda	8 395	11,09	1,32
Sao Tome & Principe	158	0,69	4,34
Senegal	10 240	43,44	4,24
Sierra Leone	5 337	5,47	1,03
Solomon Islands	457	1,77	3,86
Somalia	9 626	5,14	0,53
Sudan	33 546	4,56	0,14
Tanzania	35 889	50,11	1,40
Timor-Leste	877	2,48	2,83
Togo	4 862	5,05	1,04
Tuvalu	12	0,15	12,09
Uganda	25 280	37,03	1,46
Vanuatu	211	0,14	0,67
Western Samoa	178	2,26	12,70
Yemen	19 174	41,80	2,18
Zambia	10 403	30,57	2,94

Other Low Income Countries

	population in 2004 (in thousands)	ODA for water, annual average 1990-2004 (millions of US \$)	ODA for water, in \$/capita/year
Armenia	3 056	7,67	2,51
Azerbaijan	8 233	10,68	1,30
Cameroon	16 088	8,39	0,52
Congo - Rep.	3 758	0,52	0,14
Cote d'Ivoire	16 836	9,93	0,59
Georgia	4 568	0,58	0,13
Ghana	20 670	64,72	3,13
India	1 064 399	257,11	0,24
Indonesia	214 675	103,79	0,48
Kenya	31 916	33,67	1,06
Korea - Dem. Rep.	22 613	0,15	0,01
Kyrgyz Rep.	5 052	2,78	0,55
Moldova	4 238	2,57	0,61
Mongolia	2 480	3,97	1,60
Nicaragua	5 480	23,65	4,32
Nigeria	136 461	35,92	0,26
Pakistan	148 439	60,68	0,41
Papua New Guinea	5 502	4,34	0,79
Tajikistan	6 360	1,87	0,29
Uzbekistan	25 590	4,83	0,19
Viet Nam	81 315	150,34	1,85
Zimbabwe	13 102	16,77	1,28

Lower Middle Income Countries

	population in 2004 (in thousands)	ODA for water, annual average 1990-2004 (millions of US \$)	ODA for water, in \$/capita/year
Albania	3 170	17,70	5,58
Algeria	31 833	10,55	0,33
Belize	274	0,21	0,78
Bolivia	8 815	36,74	4,17
Bosnia-Herzegovina	3 832	13,12	3,42
China	1 288 400	251,06	0,19
Colombia	44 584	6,24	0,14
Cuba	11 326	1,13	0,10
Dominican Republic	8 739	6,53	0,75
Ecuador	13 008	22,45	1,73
Egypt	67 560	167,99	2,49
El Salvador	6 534	9,10	1,39
Fiji	835	1,42	1,71
Guatemala	12 308	12,76	1,04
Guyana	769	6,18	8,04
Honduras	6 969	32,69	4,69
Iran	66 393	0,22	0,003
Iraq	24 700	61,27	2,48
Jamaica	2 643	9,70	3,67
Jordan	5 308	65,95	12,42
Kazakstan	14 879	18,32	1,23
Macedonia	2 062	13,53	6,56
Marshall Islands	57	0,63	11,06
Micronesia	125	0,72	5,75
Morocco	30 113	82,71	2,75
Namibia	2 015	11,17	5,54
Niue	3	0,04	14,87
Palestinian adm.areas	3 367	71,47	21,23
Paraguay	5 644	4,89	0,87
Peru	27 148	62,45	2,30
Philippines	81 503	69,39	0,85
Serbia & Montenegro	8 152	7,87	0,96
South Africa	45 829	17,85	0,39
Sri Lanka	19 232	57,27	2,98
St.Vincent&Grenadines	110	1,08	9,83
Suriname	439	4,94	11,26
Swaziland	1 106	2,33	2,10
Syria	17 385	6,74	0,39
Thailand	62 015	47,47	0,77
Tokelau	2	0,01	3,17
Tonga	102	1,63	15,99
Tunisia	9 896	53,95	5,45
Turkey	70 712	101,68	1,44
Turkmenistan	4 864	0,14	0,03
Wallis & Futuna	16	-	-

Upper Middle Income Countries

	population in 2004 (in thousands)	ODA for water, annual average 1990-2004 (millions of US \$)	ODA for water, in \$/capita/year
Botswana	1 723	7,22	4,19
Brazil	176 597	38,64	0,22
Chile	15 774	3,75	0,24
Cook Islands	22	0,36	16,32
Costa Rica	4 005	2,68	0,67
Croatia	4 445	3,11	0,70
Dominica	72	1,40	19,40
Gabon	1 345	5,90	4,39
Grenada	105	0,72	6,83
Lebanon	4 498	21,89	4,87
Malaysia	24 775	36,83	1,49
Mauritius	1 223	11,98	9,79
Mayotte	166	0,71	4,29
Nauru	14	-	-
Panama	2 985	0,68	0,23
St. Helena	8	0,47	59,18
St. Lucia	161	2,55	15,83
Venezuela	25 674	4,64	0,18
Threshold for World Bank Loan Eligibility (GNI>\$5185 in 2001)			
Anguilla	14	0,25	17,54
Antigua & Barbuda	80	-	-
Argentina	38 227	9,89	0,26
Barbados	272	0,05	0,17
Mexico	103 796	47,55	0,46
Montserrat	10	0,29	29,02
Oman	2 660	0,01	0,003
Palau	20	0,001	0,07
Saudi Arabia	23 215	0,01	0,0003
Seychelles	85	0,21	2,45
St. Kitts-Nevis	47	0,005	0,11
Trinidad & Tobago	1 324	0,56	0,43
Turks & Caicos Islands	21	0,38	18,20
Uruguay	3 400	0,30	0,09

Annex II: Example of the calculation of the “grant element”, based on repayment schedules

A loan of 1000 monetary units is committed and disbursed on 1st January 2006. Its duration is 10 years, and the interest rate is 2.5% per year. The loan is repaid in 16 semestrial repayments starting on 1st July 2008.

- The amount of the first eight payments is 75 units
- The amount of the next six is 60 units
- The amount of the last two is 20 units

Interest is paid every six months, from 1st January 2006 to 1st July 2016.

Payment due date	Period (P) (semestrial payments)	Principal outstanding (in current prices) (A)	Future payments (in current prices)			Discount factor (with a discount rate of 10%) (E)=1.10 ^P	Present value of future repayments constant prices 2006 (F)=(D)/(E)
			Principal (B)	Interest (C)=(A)*0.025/2	Total (D)=(B)+(C)		
1/7/2006	0.5	1 000		12.50	12.50	1.05	11.92
1/1/2007	1	1 000		12.50	12.50	1.10	11.36
1/7/2007	1.5	1 000		12.50	12.50	1.15	10.83
1/1/2008	2	1 000		12.50	12.50	1.21	10.33
1/7/2008	2.5	1 000	75	12.50	87.50	1.27	68.95
1/1/2009	3	925	75	11.56	86.56	1.33	65.04
1/7/2009	3.5	850	75	10.63	85.63	1.40	61.34
1/1/2010	4	775	75	9.69	84.69	1.46	57.84
1/7/2010	4.5	700	75	8.75	83.75	1.54	54.54
1/1/2011	5	625	75	7.81	82.81	1.61	51.42
1/7/2011	5.5	550	75	6.88	81.88	1.69	48.47
1/1/2012	6	475	75	5.94	80.94	1.77	45.69
1/7/2012	6.5	400	60	5.00	65.00	1.86	34.98
1/1/2013	7	340	60	4.25	64.25	1.95	32.97
1/7/2013	7.5	280	60	3.50	63.50	2.04	31.07
1/1/2014	8	220	60	2.75	62.75	2.14	29.27
1/7/2014	8.5	160	60	2.00	62.00	2.25	27.58
1/1/2015	9	100	60	1.25	61.25	2.36	25.98
1/7/2015	9.5	40	20	0.50	20.50	2.47	8.29
1/1/2016	10	20	20	0.25	20.25	2.59	7.81
							Total (T) 695,68
Grant element= (1000-(T))/1000							30.43%

Source : OECD, Creditor Reporting System Directives, 2002

► **Annex III: Regional Distribution of ODA for water in millions 2003 constant US dollars**

	Africa - North of Sahara	Africa - South of Sahara	North & Central America	South America	Far East Asia	South & Central Asia	Middle East	Oceania	Europe	Unallocated/Unspecified
1990	307	859	42	137	630	349	39	7	4	14
1991	376	567	69	184	379	742	35	5	174	4
1992	458	654	288	131	471	398	195	12	52	29
1993	328	609	147	103	959	368	95	13	441	19
1994	267	679	42	331	606	287	99	26	41	33
1995	331	703	170	211	618	651	125	0	72	65
1996	305	806	73	347	491	1 142	216	24	390	24
1997	517	668	471	269	805	442	358	18	212	19
1998	348	760	161	77	962	388	380	46	117	37
1999	143	607	205	247	729	239	247	30	95	35
2000	315	539	380	459	1 235	330	295	20	236	42
2001	407	927	87	51	655	797	423	40	185	62
2002	162	568	59	92	529	597	320	7	107	80
2003	180	741	134	71	590	965	312	4	238	109
2004	312	1 362	65	291	710	393	1 037	4	159	158
total	4 756	11 049	2 393	3 002	10 367	8 087	4 176	255	2 523	729

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