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The Collection of Resources on WASH Financing

Prepared by the SWA Secretariat
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I. Purpose & Scope of the Collection on Financing

Financing is one of the critical levers for realising the SDGs (Sustainable Development Goals); and lack and inefficient use of financial resources are main hurdles in realising these goals. More broadly, adequate and well-targeted financing is one of the pre-conditions for a well-functioning WASH sector. Recognising this importance, the **SWA has integrated sector financing as one of the core components** of its [Framework](#), notably in the Collaborative Behaviours and Building Blocks; financing is also one of the main topics during the [High-level Meetings](#) (it is the exclusive focus of the Finance Ministers' Meetings, and has been one of the core modules of the Sector Ministers' Meetings). SWA partners also work to strengthen the involvement of Finance Ministers and their ministries at country level.

The SWA Secretariat has compiled this Collection with the main resources already available on sector financing. Many of these are linked to the SWA framework, processes and activities. This **Collection is developed and shared in response to an identified gap** – the absence of a dedicated venue for resources that sector actors can use to strengthen their planning, implementation and review of progress on SDG financing.

The **development and release of this Collection are timely**, as the SWA increases its focus on country processes, and the Partnership embarks on the operationalisation of the revised [Mutual Accountability Mechanism](#). Moreover, countries are moving from the stage of needs and gap assessment and towards finding and implementing solutions to fill the gaps. At the same time, the SWA Partnership has seen some 'success stories' in which countries can increase political and financial priority for the WASH sector, while also coming up with innovative solutions for sector financing. These can provide inspiration for context-specific solutions. However, there are still challenges affecting resource mobilisation, targeting and use.

This Collection is a **'living' collection**. It will evolve over time as further relevant resources become available; to this end, the SWA Secretariat will continually scan the landscape. Moreover, readers are invited to contribute to the Collection, by sharing relevant resources with the [SWA Secretariat](#). Moreover, the SWA will continue to foster exchange of finance-related knowledge and experience; for instance, through its webinar series. This will generate further resources that will be added to the Collection.

It is designed as a **complement to the [SWA Tools Portal](#)** which already contains important tools related to sector financing. The 'Sector Financing' part of the Portal essentially contains solutions that can be used to make estimations and calculations. The present Collection on Financing is broader - it contains the most important resources on sector financing, including theoretical and methodological studies, opinion pieces, global reports and country experiences.

II. How to use the Collection

The Collection is intended for use in a variety of ways, by different actors of the WASH sector and beyond:

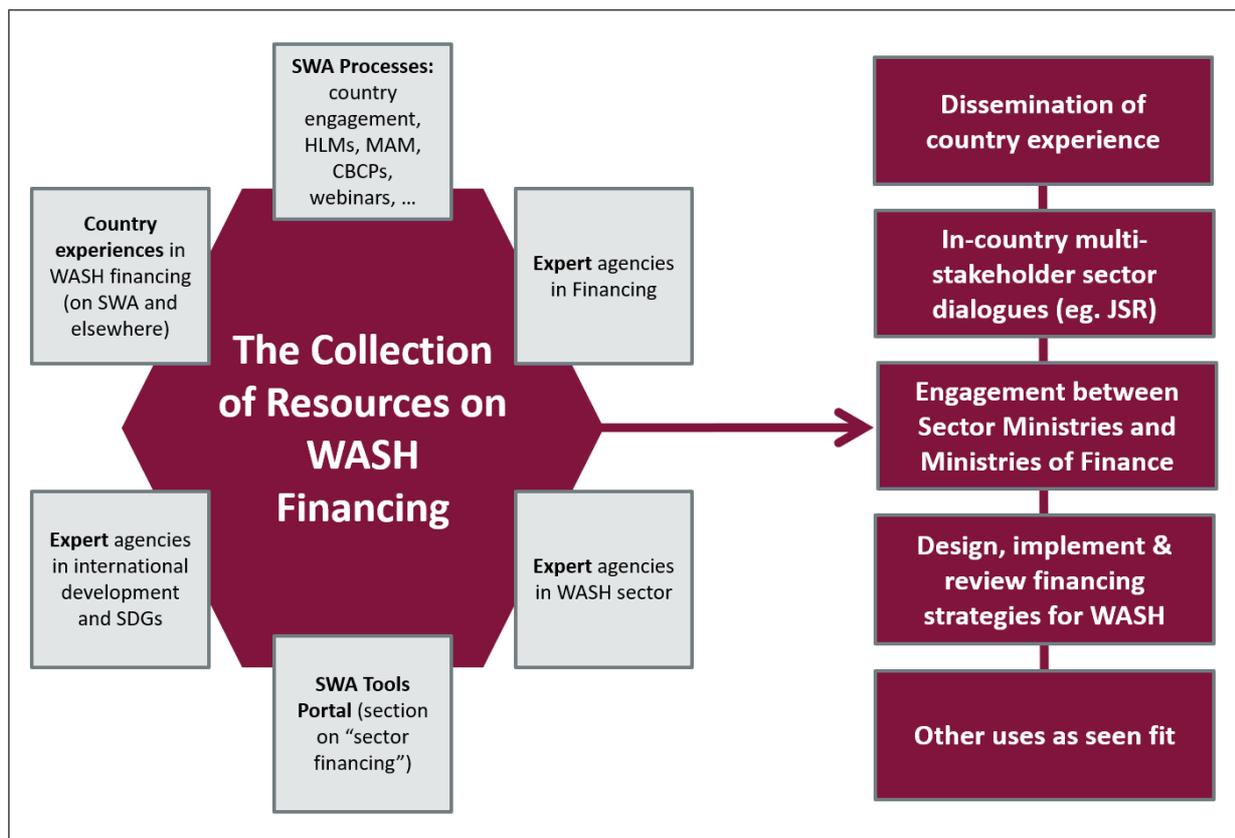
- It can help in the preparation, execution and follow-up of multi-stakeholder engagements in countries – through WASH sector analyses, Joint Sector Reviews (JSRs) and sector dialogues.
- It is also an important go-to source when engaging with the Ministry of Finance in countries. The Collection can serve as a source of WASH information for financing experts.
- At a more technical level, the Collection can help when reflecting on, designing, planning, executing and evaluating innovative and novel solutions for financing challenges in WASH. It

provides a list of good practices that have worked in countries, and that could provide inspiration for other countries.

- More broadly, SWA partners are encouraged to share this Collection of resources as broadly as possible, to their own partners.

III. Who to contact for further information and help

Please contact the [SWA Secretariat](#) for more information and help related to the Collection. Readers are also encouraged to approach the authors of the resources and other main agencies working in WASH globally and with financing expertise.



IV. Key Resources on WASH financing

1. SWA-Related Resources

- i. The [Collaborative Behaviour](#) specifically dedicated to sector financing strategies.
- ii. [Report of the 2017 High-level Meeting](#) (including the Finance Ministers' Meeting), and recommendations for [post-2017 HLM follow-up](#).

2. Theory, Practical approaches & Methodological considerations

- i. "The [Costs](#) of Meeting the 2030 Sustainable Development Goal Targets on WASH", World Bank's Water and Sanitation Program, Jan. 2016. This study assesses the global costs of meeting the water, sanitation, and hygiene (WASH)-related targets of SDG 6. It is

intended to serve as a vital input to determining the financing needs to achieve them. This study estimates the costs of extending two levels of WASH services to unserved households.

- ii. **“[Financing WASH: how to increase funds for sector while reducing inequalities](#)”, a position paper for the Finance Minister’s Meeting, IRC, water.org, Min. of Foreign Affairs of the Netherlands, and Simavi. April 2017.** This Paper addresses three key issues that are receiving limited attention in the WASH sector discussions on finance. These are: (i) lack of finance for strengthening the enabling environment, (ii) untapped use of micro and blended finance and (iii) inequities in allocation of finance in the sector.
- iii. **“How can the [financing gap](#) be filled?”**, a discussion paper prepared by the World Bank and UNICEF to support the SWA’s Finance Ministers’ Meeting Preparatory Process. March 2017. It provides a framework to facilitate the country dialogues and preparatory processes leading up to the HLMs, setting out key considerations for countries as they undertake financial planning to meet the SDGs. It addresses the conclusion that the feasibility of achieving the SDG WASH targets depends on the ability to mobilize and redirect significant additional resources if services are to reach poorer, harder to reach populations.
- iv. **“[Financing options](#) for the 2030 Water agenda”, a Knowledge Brief from the World Bank. November 2016.** The paper states the case for a “new sector financing paradigm” and presents a “path to break out of the unsustainable status quo to meet the water SDG”
- v. **“[Leave no one behind: How the development community is realising the pledge](#)”, BOND, January 2018.** Based on a review of published literature and interviews with key government officials and civil society representatives, this report provides an overview of some of the main actions being undertaken by European donor governments, multilateral development institutions and international CSOs that are intended to contribute to realizing the commitment to ‘leave no one behind’.
- vi. **“[A Roadmap for universal access to sustainable WASH services at district level](#)”, a collective effort of the Agenda for Change partners, August 2017.** This document aims to provide an overview for how the principles and practice of “Agenda for Change (A4C)” can be applied at district level, following a generic (e.g. non-country specific) roadmap. It (i) elaborates on the principles of A4C, at different institutional levels (global, national and district); (ii) provides an overview of the main steps of the roadmap at district level and its linkages with wider sector strengthening activities; and (iii) provides links to associated tools and resources for each step.
- vii. **“Innovative financing for scaling up WASH – [market-based solutions](#)” from WaterPreneurs, March 2018.** This white paper reviews the needs and opportunities for market-based solutions in WASH. This report aims at being a tool for (i) impact investors who want to improve their understanding of the current state of the WASH sector, (ii) market-based entrepreneurs in the WASH sector who would like to gain visibility in the impact investing community, and (iii) any stakeholder willing to get an overview of the WASH sector, its needs, and examples of possibilities for accelerating change.
- viii. **World Bank’s 2014 report, “[Tapping the markets](#)”** explores opportunities for domestic investments in Water and sanitation.
- ix. **WASH affordability:** a [2009 publication](#) entitled “Access to drinking water at an affordable price in developing countries”, a [2012 paper](#) entitled “Monitoring ‘affordability’ of water and sanitation services after 2015: review of global indicator options”.

- x. **[“Governments don’t have to go it alone - Leveraging public funds to attract commercial finance for improved services”](#)**. World Bank’s Water and Sanitation Program, March 2015. This brief highlights the roles governments can play and the mechanisms they can use to attract commercial finance into the sector. It also illustrates successful cases where water service providers have accessed commercial financing to expand coverage, often to serve poor areas. Finally, it summarizes the common constraints to commercial finance in the sector and offers several financial structuring and risk mitigation strategies to overcome these constraints.
- xi. **[“Private sector and WASH”](#)**, October 2015, by ODI covers how and why, businesses can be engaged in support of WASH. It considers the role of the private sector *in* WASH (providing goods/services), *for* WASH (contributing to enabling environment), mechanisms for effective engagement between private sector *and* WASH.
- xii. **[“A financial turnaround strategy for public water and sanitation utilities”](#)**, Neil Macleod, Mar. 2016. The paper was prepared as a response to questions raised by Ministers at the SMM in Addis Ababa. It concludes that Achieving financial sustainability is not just about resolving the financial aspects of service delivery. Equally important are the other building blocks of achieving a sustainable utility, besides revenue management – customer management, human resources management, asset management and network expansion management.
- xiii. WaterAid’s report on **[“why international aid for WASH is still a critical source of finance for many countries”](#)**, July 2015, available in English, French and Portuguese. It explains why official development assistance (ODA) is, and will continue to be, necessary to fill the SDG financing gap. It was produced in preparation of the 2015 International Financing for Development Conference.
- xiv. **[“Aid flows to the Water sector”](#)**, World Bank’s Water Global Practice working paper, November 2016. It provides data and insights on the role of grant funding and concessional financing in meeting SDG 6.
- xv. **[“A Policy brief on engaging with Ministries of Finance”](#)**. UNC Water Institute, May 2013. This Brief is the outcome of a meeting of senior finance ministry officials (from 6 African countries) to discuss decision-making for WASH. The meeting covered a number of subjects relevant to Finance Ministers: the process by which they are briefed, their role in shaping WASH investments, and their perceptions with respect to WASH.
- xvi. The **“Water and Sanitation Economy”**¹ September 2018. A white paper and call to action by the Toilet Board Coalition entitled **[“Beyond CSR to the Sanitation Economy”](#)**, seeks to take stock of the current state of corporate engagement in sanitation solutions, and build the case for businesses to move beyond CSR to un-lock core business opportunities that lie within sanitation systems. A piece from November 2017, **[“The Sanitation Economy in India”](#)** aims to understand the potential of new markets derived from the Sanitation Economy and estimate the opportunity, identify opportunity spaces for business and inspire action amongst businesses, regulatory bodies and other actors needed to develop new markets.
- xvii. **Country case studies in Financing** are also being made increasingly available. For instance, the World Bank did a case study on blended finance (household investment) in

¹ “A robust marketplace of products and services, renewable resource flows, data and information that could transform future cities, communities, and businesses.” The three levels of this economy are: toilet economy (toilet products and services), circular sanitation economy (products derived from toilet resources) and smart sanitation economy (digital technology applications for sanitation); and constitute robust marketplaces of products, services and innovative new markets with a range of opportunities for different sectors.

[Bangladesh's](#) WASH sector. Water.org is also facilitating such studies. Country-specific WSS lending implementation (practitioner) materials are available for India and Peru, are in development for Uganda, Philippines and Mexico, and will later be available for additional countries. Interested parties can contact Jessica Jacobson (jjacobson@water.org) for access to the resources.

3. Global Monitoring Reports

- i. **WHO/UN-Water 2017 [GLAAS](#) report.** This is the fourth periodic report, following on from earlier reports (2010, 2012, 2014). It draws on data from 75 countries and 25 External support agencies, and investigated factors related to finance and other elements of the enabling environment (plans, targets, data availability and measures to reach vulnerable populations)
- ii. **WHO/UNICEF [Joint Monitoring Programme](#) 2017 report.** The JMP is the custodian of global data on the WASH sector and has been monitoring the sector since 1990. It is also responsible for reporting on SDG targets and indicators related to WASH.

4. SDG Costing Tool

- i. **The SDG [costing tool](#) and the [associated support](#) for using it.** The WASH SDG Costing Tool is an Excel-based cost model used to estimate the costs of achieving the SDG WASH targets in 140 countries (representing 85% of the world's population). This model was applied on an individual country basis and the results were aggregated to yield the regional and global totals or averages, weighted by country populations. The model estimated the costs to meet the basic WASH standards as well as the safely-managed standard defined by SDG indicators 6.1.1 and 6.2.1 and presented costs by rural and urban areas and by wealth quintiles.

5. Country experiences for sector financing, shared on the SWA Platform

- i. Examples shared through SWA webinars ([pre-HLM](#), [post-HLM](#) and [2018](#) webinars)
 - a. Sep. 2017: Albania, Bangladesh and Kenya (presented by [World Bank](#)).
 - b. Oct. 2017: Sri Lanka's Revolving fund.
 - c. May 2018: Nigeria and Swaziland Sector Ministers' discussion with international experts on optimising existing resources
 - d. 2017 – 2018: Country interventions in financing webinars: Afghanistan, Haiti, Burundi, Tanzania; Burundi, Chad, Mauritania.
- ii. **[South-to-South](#) learning:** In March 2018, the Government of Nigeria invited the Government of India to share their experiences during the Nigeria National Sanitation Conference. A representative of the Ministry of Drinking Water and Sanitation of India focused on the learnings from the Swachh Bharat Mission, including its financial aspects.
- iii. More broadly, summaries, slides, recordings of webinars dealing with sector financing (Dec. 2016 dedicated to "SDGs and financing"; Mar. 2017 clinic on costing tool; Sep. 2017 on SDG financing; Oct. 2017 on Sanitation financing).

- iv. Country overviews were prepared by 37 SWA partner countries in the run-up to the 2017 High-Level Meetings; these overviews focus on financing as one of their core areas. 17 of these are available on the [SWA website](#).

6. Other SWA Resources

- i. The overall SWA Framework, including the [Guiding Principles](#), [Collaborative Behaviours](#) and [Building Blocks](#) (including printed [posters](#) the SWA Secretariat can send to countries as needed).
- ii. The Collaborative Behaviours Country Profiles: SWA published [Country Profiles for 37 of its partners countries](#). The Profiles were developed using data from sources such as GLAAS, PEFA and OECD-CRS and provide an overview of how governments and development partners are applying the Collaborative Behaviours. Partners can use them to deepen dialogue, identify practices to improve synergies, agree on changes needed and actions to take. To accompany these profiles, the SWA Secretariat also organised a [webinar](#) for partners to discuss how they can fully leverage these profiles.
- iii. Updated [Mutual Accountability Mechanism](#) of the SWA.
- iv. [Summary report](#) of the country case studies undertaken by SWA's CPWG – Burkina, Ethiopia, Madagascar, [Malawi](#), Pakistan, Zimbabwe, Nov. 2017. These case studies show a wide range of experiences in engaging with the SWA. This report is complemented by an [earlier work](#), authored by WaterAid, that looked at experiences and success factors of SWA engagement in Ghana and Liberia.
- v. [SWA Tools portal](#): The recently released portal is a one-stop shop for tools and associated materials on WASH financing. It already contains 10 important tools related to sector financing, such as WASHCOST calculator, TrackFin, WASH BAT, and Public expenditure tracking survey (PETS).
- vi. The SWA has produced briefs for countries on strengthening sector collaborations with the Ministers of Finance.

7. Conclusion

The SWA Secretariat is available to facilitate linkages between partners that need, and those that have, expertise on WASH financing. The Secretariat can also support countries in addressing finance-related issues and hurdles, within the scope of its core mandate such as to identify, document and share relevant experiences from other partners and link to those with expertise. In the past, for instance, the Secretariat has produced briefs for countries on strengthening sector collaboration with Ministry of Finance.

The Secretariat will also continue to foster exchange of experiences and successes between SWA Partner countries, notably via the webinars but also through peer-to-peer exchanges between individual countries. Finally, we are looking for interesting country experiences that can be documented, in the fashion of our past 'country stories' for instance, covering the different parts of the financing spectrum. If you are interested in sharing your experience, kindly [get in touch](#) with us.