2017 High-level Meetings
The one-and-a-half day Sector Ministers’ Meeting, convened by UNICEF and hosted by the Pan American Health Organization (PAHO) was chaired by the Honourable, Kevin Rudd. Sanitation and Water for All (SWA) Chair. The meeting gathered 216 participants and featured keynote presentations from a range of partners, a panel discussion, and a series of ministerial dialogues. The three dialogues brought 41 ministers together into small groups to discuss sanitation, disaster preparedness and financing. Meeting participants focused on how they could work together to achieve the sanitation, water and hygiene targets of the Sustainable Development Goals (SDGs).

In opening the meeting, the Hon. Kevin Rudd, SWA Chair, remarked, “There are profound multiplier effects for investments in this sector. Investments in this sector lead to dividends far beyond what was anticipated.” Mr. Rudd called on participants to focus on delivering results, saying, “We must hold each other to account, keep each other honest, learn and exchange.”

Mr. Anthony Lake, UNICEF Executive Director, urged participants to focus on, “improved services for the most disadvantaged citizens”, saying, “As we improve water and sanitation in the most disadvantaged communities and for the most disadvantaged children, we reduce today’s inequalities and tomorrow’s — inequalities that can tear the social, political and economic fabric of any nation.”

Speaking in her role as a Vice President of the African Ministers’ Council on Water (AMCOW), the Hon. Ms. Jabulile Mashwama, Minister for Natural Resources and Energy, Swaziland, spoke of Ministers’ determination to succeed, saying, “We have come here today with a common resolve to discuss how far we have gone on the vital commitments we made in the past, and recommit to take solid actions to make these happen.”

Dr. Merle Lewis, Chief of Staff, Pan-American Health Organization (PAHO) spoke of the connection to health, saying, “From a global perspective, many lives are being lost around the world due to a lack of water and sanitation. It is estimated that 5.9 million children under the age of 5 die annually, 340,000 of them due to diarrheal diseases resulting from poor sanitation.” She emphasized, “Safe management of water and sanitation demands that we work collaboratively, utilizing integrated and multi-sectoral approaches, if we are to achieve our 2030 goals.”
Mr. Jair Vieira, Secretary of Water Resources and Environmental Quality, Ministry of Environment, Brazil, presented on the Latin American experience, emphasizing that, “Collective efforts involving all parties are important – at the local, national, and international level.”

Speaking in his role as Host of the next South Asian Conference on Sanitation (SACOSAN), Mr. Zahid Hamid Khan, Minister for Climate Change, Pakistan, emphasised the importance of political will and collaboration with all stakeholders at the national and decentralised levels to achieve results. He noted, “People themselves became the flagbearers of change.”

Dr. Maria Neira, WHO Director, Department of Public Health, Environmental and Social Determinants of Health, presented the latest data. She explained, “Despite the enormous challenges faced by the global WASH community, innovations in technology, finance and governance show that the challenges can be overcome, quality of services, especially for the most vulnerable, can show remarkable improvements in short timeframes, and focusing on the poorest provides very high returns in terms of health and non-health benefits.”

Dr. Zhao Hui, Chief Economist, Ministry of Housing and Urban-Rural Development, China, presented on progress made towards ‘Addressing the SDG sanitation challenge in China’. Dr. Zhao spoke about China’s implementation of large scale projects in rural areas to overcome the disparity between urban and rural settlements, noting that success depended on “powerful organization and promotion by the government, capital investment and private participation”, also stating, “public private partnerships will become a trend of the future.”

Ms. Jyoti Shukla, Director, Water Global Practice, World Bank Group, spoke about the fact that current investment is a fraction of what is needed. She outlined the various sources of financing for the sector, and said, “To get more resources we need to start by tackling efficiency. It is a no regret investment. It is the right thing to do and it is within our control.” She encouraged ministers to focus on operational efficiency, capital efficiency, financial efficiency, and allocative efficiency (including pricing of water).
Mr. Parameswaran Iyer, Secretary, Ministry of Drinking Water and Sanitation, India, presented on the ‘Swachh Bharat Mission’, the campaign to rid India of open defecation by 2019, saying, “This is the Prime Minister’s flagship programme and has behaviour change at its heart – it is about usage, not building latrines.” He added, “A policy shift from outputs to outcome is fundamental.”

Mr. Sanjay Wijesekera, Chief of Water, Sanitation, and Hygiene for UNICEF, discussed the new ambition that the shift from the MDGs to the SDGs represents. He noted the need for strategies which ‘leave no-one behind’, and emphasized the need to strengthen the basic building blocks of a strong sector and to work together more effectively. He said, “Putting in place the essential building blocks for a more effective sector means that all financing – whether public or private, domestic or international – will help children and their families.”

Mr. Rakesh Nangia, Evaluator General and Vice President, African Development Bank, spoke of the importance of looking critically at what is working and what is not working, urging ministers to “look at the quality of implementation and to ask if resources are being used appropriately to reach the SDGs.”

Catarina de Albuquerque, Executive Chair of SWA, moderated a panel discussion on ‘Improving sector performance to achieve the SDGs’. The discussion focused on the factors and actions required to strengthen the sector, particularly sector performance reviews, participatory budgeting, financing for the most marginalized and the enabling environment needed to attract private sector investment.

In opening the session, Ms. de Albuquerque stated that a strong sector is indispensable to the achievement of the SDGs, saying, “We need a different mind-set and approach if we are to sustain results. There is a need for strong country systems that are developed through collaboration – and a willingness to walk into unchartered territory.”

In answer to a question about how Ethiopia uses its ONEWASH national plan for WASH, H.E. Dr. Eng. Seleshi Bekele, Minister of Water, Irrigation and Electricity, Ethiopia, spoke of the financing aspects of the plan and the focus on blended financing, bringing together pension fund, loans and grants. He spoke of managing risk: “We need to make more strategic investment in water resilient infrastructure and take more effort to manage risk. This has now become an integral part of the ONEWASH.”

Mr. Oscar Pintos Regulator of the Province of Santa Fé, Argentina and Chairman of the Association of Drinking-water and Sanitation Regulators of the Americas (ADERASA), answered a question about the role of regulators in creating the enabling environment for WASH services by calling for three things: 1) an adequate framework with clear definition of policies and clear definition of the roles of sector players 2) regulation embedded in a concept of environmental and economic sustainability 3) independence from government. He said, “Transparency and accountability are key – everything needs to be transparent not just to government stakeholders but to civil society.”

When asked about the role of civil society in reaching the most marginalized, Ms. Sheela Patel, Founding Director, Society for the Promotion of Area Resource Centres (SPARC) and Chair Slum Dwellers International (SDI), India answered: “There is great potential for city-wide solutions if we harness the transformative power of the poor... poor people can produce solutions through aggregation.” She proposed that poor peoples’ capacity to manage and maintain assets is a factor that has to be considered by decision makers.

This point was echoed by Ms. Kate Antrobus, Executive Director, Lion’s Head Global Partners, who spoke about the need to shift the perception of risk to the reality of the risks. WASH is seen by bankers as the sector left behind; in countries where WASH investment is most needed, the markets are relatively less developed and there are not enough examples of success. She suggested that “in presenting a partnership opportunity, you need to say – here is someone who can reduce your operating costs or your operating risk... It is a question of changing the narrative and finding proof of positive precedents”.

Panel Discussion
Ministerial Dialogues

Ministers met in small groups to discuss key issues related to the achievement of the WASH targets of the Sustainable Development Goals (SDGs) in a series of three Ministerial Dialogues. A summary of the discussions is presented below.

### Achieving safely managed sanitation services while eliminating inequalities

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<th>“Sanitation needs to be looked at through the lens of economic development and education. You need to work on basic economic development in conjunction with sanitation and focus on attacking poverty at the core to help drive sanitation outcomes.”</th>
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<td>“The most important message for the Minister of Finance is how much you save through the investment in sanitation not how much you spend.”</td>
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<td>“Planning must be based on comprehensive data... Then we will know which villages to target, rather than spreading resources across the whole country.”</td>
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<td>Ministers discussed the need to work in a cohesive manner, as sanitation is integrated into so many other sectors, including health, education, housing, agriculture and urban transformation. This means every ministry has a stake and a role to play. Countries need to build a strategy and a financing plan, to seek better data, and to insist on coordination of inputs, including those from donors, who should respond to needs and to what is in the national plan.</td>
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<td>Ministers also discussed the need for households and communities to engage in sanitation, and the need to build demand.</td>
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<td>“Sanitation is linked overall with economic growth. If households have savings, they will spend it on sanitation. And if they have sanitation they are more likely to experience economic growth and accrue more savings.”</td>
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<td>“Gains are hard to get, so the need for a specific strategy is more than obvious.”</td>
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<td>“Without community commitment, it is impossible to have results. Communities have to be involved since the beginning and during the entire duration of the project... We have to promote the message that with good sanitation, life and health will be better.”</td>
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<td>“We developed a national policy on waste water management together with the Ministry of Environment... but we did not launch the policy until we had a solid investment plan.”</td>
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<td>“Donor participation in the sector has to be harmonized and aligned with needs.”</td>
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<td>“Financing is of course a key issue, but when it comes to sanitation (in rural areas) we need to talk about behavioral change more than finance. People need to know they need to invest in household sanitation.”</td>
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<td>“After we made a hygiene master plan, we were able to reduce open defecation by 16%. Planning helped.”</td>
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<td>“Behaviour change has to include the government officials as well. They have to understand the importance of WASH and the priorities.”</td>
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Maintaining progress on the SDGs in the face of risks and vulnerabilities, including climate change and disasters

“In terms of disaster, what we see is how much we have achieved in the Millennium Development Goals, but one disaster can reverse all development gains.”

The second Ministerial Dialogue covered the issue of “sustaining the gains” in terms of maintaining progress on the Sustainable Development Goals (SDGs) in the face of risks and vulnerabilities, including climate change and disasters. Ministers discussed the challenges in disaster preparedness and response. They agreed on the need to have systems in place to prepare for and respond to emergencies, despite the complexity of bringing together disaster management authorities, line ministries, local government and development partners. The fact that in most countries several ministries are responsible for preparing for and responding to human and climate related disasters highlights the need for better coordination.

“The expense that comes with inadequate and poor planning is huge when disasters affect the water, sanitation and hygiene sector... WASH Ministers should be advocates for well-functioning disaster management agencies because their work benefits our cause perhaps more than anyone else.”

Best practices discussed included: clear lines of authority and communication, inter-sectoral and inter-ministerial partnerships, sufficient capacity in terms of human resources and financing, and the flexibility to shift functions from a development approach into humanitarian action when the need arises. The Ministers recognised the challenges of water-related disasters, such as disease outbreaks or flooding, that cross international boundaries.

Ministers were frank about the fact that when disaster strikes, funding is slow to mobilize from the international community and often arrives too late to meet immediate needs. They discussed innovative disaster response financing, such as regional insurance mechanisms, which require countries to pay a premium based on how prepared they are.

“We have to prepare our financing so that we are not constantly looking for money when a disaster strikes. Every year contingency funds should be included in national budgets.”

“We need to combine development planning and emergency responses to prevent disasters in the future. Typically, these are two different windows of funding.”

In order to move policy into practice on prevention and response, some countries have included an emphasis on long term planning and developing accountability mechanisms. The Ministers exchanged views on the research, knowledge and new technologies that need to be developed to localize climate change science, and also to allow them to better understand how to effectively respond. Ministers felt that the sector needs to position WASH as a climate change adaptation investment.

“We have started to look at what we are not doing right. Getting ready ahead of disasters by including early warning systems.”

“The Ebola crisis gave greater attention to good WASH.”

“In my country we never used to pay attention to meteorological data because the weather was flat all year round. Now with climate change we have to invest in understanding the changing weather patterns.”
The third Ministerial Dialogue covered financing, and served as a link between the Sector Ministers’ Meeting and the Finance Ministers’ Meeting.

The global commitment to bring universal access to safely managed water supply and sanitation by 2030 set by the Sustainable Development Goals (SDGs) poses an unprecedented challenge.

Ministers recognized that where direct user payments (tariffs) do not cover the costs of service delivery, the short-fall has to be covered from public finance (taxes). Ministers agreed on the urgent need to make better use of existing resources by setting higher expectations for service provider technical, financial and capital efficiency.

“…there is a financial gap, but hand in hand with a management gap.”

“Innovations are important for the sector, they can appear small but they are additive.”

The Ministers discussed the fact that investment will come more readily if the issue of efficiency is addressed. They agreed on the need to demonstrate to Ministers of Finance that increasing efficiency, particularly in cost recovery, leads to a virtuous cycle of increasing investments and the ability to provide services in a sustainable manner.

“The inability to make better use of existing resources is hindering our ability to attract and mobilize additional and external sources of funding.”

“Finance Ministers are looking at the rate of return and we must be able to demonstrate that.”

“…investing in WASH is investing in health, the economy and overall productivity and well-being.”

The reluctance of some governments to allow service providers to revise tariffs was identified as a major problem, while recognizing that tariffs are a political issue. In some cases getting government departments and agencies to pay their water and sanitation bills is a challenge. Ministers agreed that they need to convince decision makers of the need for realistic tariffs in order to ensure greater investment and service provider sustainability.

“How can we improve management if the political decision is to continue subsidies for the sector?”

The issue of how to service informal settlements and the most marginalized was discussed. Changes in policy and service delivery have to ensure that these populations are included in discussions and programs. Governments and CSOs must become comfortable working together, in a supportive and positive way, to ensure financing solutions do not hinder access to services by all.

“The thinking to get access to the poor is there, but the way we are doing it is not sustainable.”

Ministers discussed the need to encourage service providers’ access to commercial finance, recognizing efficiency gains and more realistic tariffs as prerequisite steps. In it was recognized that well-regulated financial and water sector environments can help reduce risk for commercial lenders. Ministers called on development partners to provide the sector with funding that could leveraged commercial finance.

“How can we attract the private sector if the sector is not in a shape to guarantee any returns?”

“Provide attractive tariffs that bring investors in and they can drive a return on their investment.”

Ministers discussed alternative roles the state can take in financing the sector including through subsidizing borrowing rates for microfinance lenders rather than financing sanitation infrastructure directly. Public Private Partnerships were also considered to hold potential for delivering efficiency gains in areas such as rural water scheme management.
Finance Ministers’ Meeting

The Sanitation and Water for All (SWA) Finance Ministers’ Meeting was convened and hosted by the World Bank as a part of its official programme of Spring Meetings. The meeting brought together 91 participants, including 17 Ministers of Finance, and 30 Ministers responsible for water, sanitation and hygiene, development partners, UN organizations, development banks, civil society, and the private sector to discuss a road map for closing the huge financing gap required to meet the SDG for universal access to water and sanitation.

In opening remarks, Dr. Jim Yong Kim, World Bank President, urged countries to think creatively about mobilizing new sources of finance to meet the current needs. “We have to focus, we believe, on two critical issues”, he said. “First, how can we make service providers more efficient to better use their existing financial and technical resources while also operating under more transparent governance arrangements? The second question is how to implement such a transition to tap those additional sources of financing; particularly the domestic private resources in your respective countries?”

Ms. Amina Mohammed, United Nations Deputy Secretary-General, spoke about the importance of having clear targets and monitoring progress to show real results. She added, “These regular meetings of SWA, of Finance Ministers, offer a really important and valuable opportunity for regular review... and a call to action for bringing in investments in innovative ways. They also ensure that we stay on track to meet SDG 6.”

The Hon. Ms. Jabulile Mashwama, Minister for Natural Resources and Energy, Swaziland, provided Finance Ministers with a brief summary of the Sector Ministers’ Meeting and said that, “[Sector Ministers] will use support from development partners to build strong institutions and capacity. We welcome the willingness of the partners from civil society and the private sector to support government led national programs in line with the SWA Collaborative Behaviours.”

Speaking in his capacity as a global advocate for water, Mr. Matt Damon, co-founder of the NGO water.org, urged ministers of finance to “consider the full breadth of financing options as you work to tackle this challenge.” Speaking in particular about microfinance he said, “We’ve seen the power of bottom-up financing, household level, last mile finance... by complementing your macro-finance initiatives with microfinance, tens of thousands of financial institutions across the globe could be mobilized to assist you in closing the financing gap.”

In introducing the technical session of the meeting, Mr. Joaquim Levy, Managing Director and CFO, World Bank Group said, “We should view this meeting as a wakeup call. Without changes on how the sector is financed, we are not going to be able to meet the SDGs. But even before we can secure the financing, the sector needs to really change the way it’s operated and managed.”
Mr. Anthony Lake, Executive Director, UNICEF spoke on the challenge of financing Sustainable Development Goal 6, achieving universal water and sanitation coverage, saying, “SDG 6 is an ambitious goal, and expensive, at an estimated cost of over $100 billion per year from now until the year 2030. We must shape efficient, cost effective strategies to achieve real progress.” He emphasized improving services for the most disadvantaged, stating, “Investments in water and sanitation are also investments in a society’s equity, its prosperity, and even peace.”

The Hon. Mr. Kevin Rudd, Sanitation and Water for All Chair, noted “The inability of the water sector to attract the same levels of investment against other utility operations around the world is clear to us all... The real question we need to answer is how do we obtain the finance necessary to close the gap to make a real difference on this SDG.”

“In the following session, a number of partners presented on ‘Making more effective use of existing resources’.

“Making more efficient and effective use of existing financial resources would require maximized value from every dollar of public finance, to facilitate and support appropriate sector regulation and planning.”

Mr. Jerson Kelman, Chief Executive Officer, Companhia de Saneamento Basico do Estado de Sao Paulo

“One of the key factors of success is the fact that the government had the courage to say that water is an important commodity and that those who can afford to pay for it should do so.”

H.E. Ms. Coulibaly/Sori, Minister of the Economy, Finance and Development, Burkina Faso

“Liquidity is always a problem for individual households, particularly the poorer ones, so microfinancing through the banking system is increasing.”

Mr. Parameswaran Iyer, Secretary, Ministry of Drinking Water and Sanitation, India
“Through formation of consumer representative bodies, NGOs helped communication with the consumer, and provided intermediaries for conflict resolution.”

The Hon. Mr. Mulenga Kaziya, Minister of Water Development, Sanitation and Environmental Protection, Zambia

“Sustainability... is going to lie in creating partnerships at local level between institutional arrangements and marginalized communities... CSOs are not going to solve the world’s problems, but they produce engagement, they produce innovation, they produce a range of possibilities that you can take up, and scale up and explore to produce this transformation.”

Ms. Sheela Patel, Founding Director, Society for the Promotion of Area Resource Centres (SPARC) and Chair Slum Dwellers International (SDI)

“The main concern of private operators is this: how can they make this sector more productive, more efficient, reduce costs, waste and cost to users? How can we improve maintenance before we make new investments? How can we improve the service, redesign the service to adapt it to the needs of users?”

Mr. Mamadou Dia, President, Aquafed

“Good governance and strengthening technical efficiency is always worth doing, at whatever stage the utility is. It leads to better credit worthiness, which helps the utility mobilize commercial financing. And if you mobilize commercial financing, there’s a virtuous circle there, because the attention of commercial financiers encourages good governance and more operational efficiency.”

Mr. Laurence Carter, Senior Director, Public-Private Partnerships Group, World Bank Group

“One of the items in the agenda of the Peace Agreement that was reached at the end of last year with FARC, the rebel organization, was to improve access to water and sanitation in the rural areas. This is something that the national government has to deliver, and shows the importance of water and sanitation for peace.”

H.E. Mr. Mauricio Cárdenas, Minister of Finance and Public Credit, Colombia

In the final session, a number of partners spoke on ‘Leveraging additional private domestic finance’.
“The issue of governance in the water sector was really a big challenge, and made the sector unattractive to domestic private finance. The reforms really did see a change in terms of institutions, separating the responsibilities for asset ownership, and operations, and ring-fencing revenues.”

The Hon. Eugene Wamalwa, Minister for Water and Irrigation, Kenya

“Within our Government Action Program, the issue of water has become a more crucial issue. We’ve never been quite as ambitious as we are now, which is to make water accessible to everybody by the year 2021, that’s almost 10 years before the UN requirement. That means that we need to organize things a little differently than we have done in the past.”

The Hon. Jean-Claude Houssou, Minister of Water, Energy and Mines, Benin

“First, we must ensure that the resources are available. Secondly, we need to better articulate private and public financing. Thirdly, we need to have greater transparency. And fourthly, we need to improve governance both on a local basis, and at an international level.”

Mr. Jérémie Pellet, Deputy Chief Executive Officer, Agence Française de Développement (AFD)

Following the High-level Meetings, the Hon. Kevin Rudd, SWA’s Chair, shared a statement of their outcome. The statement is available on:

http://sanitationandwaterforall.org/priority-areas/political-prioritization/2017-high-level-meetings/
The SWA global partnership is the multi-stakeholder platform for sanitation, water, and hygiene. It was established eight years ago and has grown to over 170 partners, including 55 countries, civil society organizations, UN organizations, private sector players, research and learning institutions, and bilateral donors. Its mission is to address obstacles to improving access to sanitation and drinking water, including low political prioritization, insufficient and inadequate financing, lack of adequate governance structures at the national level, and a need to improve the understanding of the problem and its scale through more reliable data. The partnership’s goals from the outset have had universal access at the core, a mission now explicitly addressed and given added impetus by the SDGs. The SWA global partnership plays a catalytic role, to support more effective national processes, and align support behind government-led planning and investment strategies for achieving the sanitation, water, and hygiene-related targets of the SDGs.

The partnership has focused on developing what partners agree to be the most constructive approach possible for accelerating progress in access to sanitation, water, and hygiene. Its efforts now focus on increasing implementation of this framework at the country-level, by all national stakeholders, importantly with governments at the helm to ensure implementation best fits country priorities. Effective implementation in countries is turning commitments into results, and demonstrating how transformational change for the sector can be a realistic target for all countries.

The SWA global partnership’s framework defines the specific areas around which country plans and work practices should be built: the what to build (five Building Blocks of policy and planning, institutional arrangements, financing, monitoring and review, and capacity development) and the how they should be built (the four Collaborative Behaviours of government leadership, effective country systems, a reliable single information and monitoring platform, and sustaining financing strategies). With one of the framework’s goals being aligned action, the ‘how’ is just as important as the ‘what’. Both the Building Blocks and Collaborative Behaviours are prioritized and driven by the High-level Political Dialogue, and are the basis for discussions at the High-level Meetings.