

More than 160 participants joined the webinars on “financing to eliminate inequalities” in the water and sanitation sector. The webinars were co-organized with six SWA partners and took place on 24 and 25 July. Participants represented governments, civil society, external support agencies, private sector and research and learning agencies. Senior officials from 8 governments, and four non-government partners made interventions, giving insights on the reforms they are making and the key aspects of creating financing strategies which also focus on the elimination of inequalities.

The use of financing to eliminate inequalities starts with a better understanding of inequalities: the webinar commenced by building a stronger understanding of inequalities and the importance of having the relevant data to support planning and service delivery. Inequalities are associated with systemic challenges and will require strategies which are specific and targeted at those without services. It is important for sector actors to not only know who lacks services but to also understand why they lack services.



This picture was taken in Bangladesh, in Bhola district, at the formal yearly budget discussions, where women were given a space in the meeting and have a voice to influence budget allocations. Over the past two years, budgets have increased for marginalised areas as a result. (Source: Watershed programme/implemented by DORP and WaterAid in Bangladesh)

Globally, access to water and sanitation services increased in both rural and urban areas, indicating a movement towards narrower disparity between urban and rural. However, data disaggregated by wealth quintiles shows that the gap between the richest and the poorest has increased in more than half of the countries for water, while diminishing for sanitation in 52 countries. Stakeholders need to use country-specific information to plan their investments and to ensure that adequate financial resources are mobilised and spent on the poor. There are

many types of inequalities that are associated with different country contexts: between ethnic groups, castes, disaster prone areas, illegal slum areas, gender and immigration status, etc. Those need to be analysed locally.

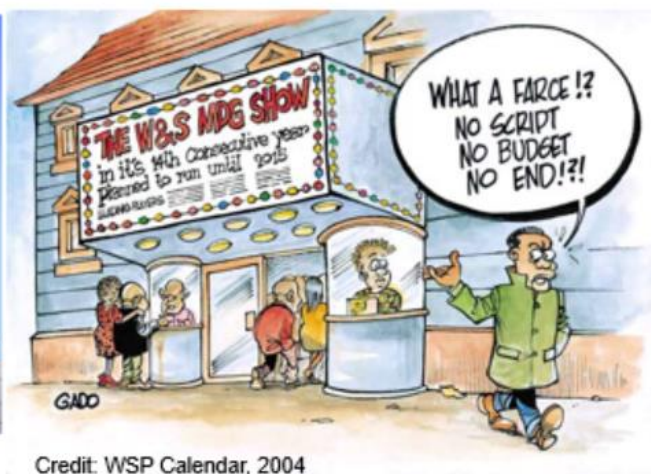
World Bank 2015 estimates show that capital investments need to be tripled to achieve the WASH targets of the SDGs. Over 80% of the countries which responded to the 2017 GLAAS survey reported that they have insufficient financing to meet their national targets for water, sanitation and hygiene. Financing is one of the critical inputs for the sector to achieve its goals, including to fast-tracking service delivery for the poor. Half of the countries which prepared Country Briefs covering the state of inequalities ahead of the 2019 SWA Sector Ministers' Meeting identified financing as a main challenge. Most of these countries also indicated that lack of credible data was one of the most difficult challenges for planning to eliminate inequalities.

The government of **Malawi** used a study ("the last mile study") to identify those left behind and develop programmatic responses which take their service needs into account. Other countries such as **Indonesia** and the **Philippines** have started gathering data for most of the indicators related to inequalities. In addition, the Philippines has developed 8 key reform areas in the sector which all take inequalities into account.



WORLD BANK GROUP WSP
Averages hide inequalities. In Bolivia, while 96% of people from urban areas have access to piped water, 43% of the people in rural areas don't.

Credit: WSP Calendar, 2015



Credit: WSP Calendar, 2004

Plans without financing cannot achieve their targets. Financing without plans can miss those without services and potentially exacerbate inequalities. **Burundi** is demonstrating a very clear prioritisation of WASH. Water, sanitation and hygiene are included in the ten-year National Development Plan as critical services for economic growth. Consequently, the national budget increased allocations for the sector. Similarly, with an additional focus on resilient WASH, phase II of **Ethiopia's** One WASH National Program has become more inclusive. A third of the costs for the program are targeted at climate resilient WASH to ensure systems remain sustainable in the face of climate risks. Ethiopia has also developed a legal framework which grants refugees the same rights as citizens regarding access to water and sanitation services. **Peru** and **Colombia** also have legal frameworks which integrate Leave No One Behind;

however, the service delivery path is often challenged by internal and external factors including migration and climate change.

Partners emphasised five priorities to guide national dialogues about financing to address inequalities:

1. The need for a consultative and inclusive Financing Strategy
2. Defining who is being left behind and the reasons for lack of, or poor, services
3. Implementing efficient mechanisms to reach those being left behind
4. Understanding opportunities offered by the most important sources of funds in the sector: tariffs and taxes
5. Ensuring the foundations for increasing funds for the sector

There are often challenges which accompany the process of turning financing into services. Some of these challenges relate to weak alignment between budgets and plans, political interference in the targeting of resources and inefficiencies of the service providers which sometimes lead to low absorption of allocated resources. The regulator from **Zambia** highlighted the need to focus on disbursements and expenditures which are crucial for assuring that services also meet the service standards.

Resolving these challenges also requires working across many agencies including ministries responsible for finance, service providers and regulators. For example, regulators can create and/or promote mechanisms for service programs to target those who are left behind. This is crucial because service providers can tend to serve those where they will get the quickest return. The private sector also plays critical roles in public private partnerships which depending on the type of contract can be inclusive of the poor. Making public private partnerships which are consistent with Leave No One Behind might require closer attention to both the contracting process and the types of investments that are made.

Public finance, through taxes and, to some extent, transfers are among the most stable sources of finance and finding ways to use them to better target services is crucial.

Participants were encouraged to access more resources:

- [Water.org, IRC and World Bank paper](#) on Mobilising finance for WASH and getting the foundations right (will be available in SP and FR in August)
- [CABRI policy brief](#) focused on how to optimise public investments in WASH services, while improving efficiency in the use of public funds
- [IRC and water.org position paper](#) for the Sanitation and Water for All Finance Ministers Meeting 2017: How to increase funds for the sector while reducing inequalities.
- [SWA Tools portal](#) a compilation of tools on sector financing
- [WHO UN-Water TrackFin \(tracking financing\) initiative](#) a methodology that tracks financial flows to the WASH sector
- [Podcast:](#) Why is finance the unavoidable building block?
- [Podcast:](#) Addressing the financing gap

The following SWA partners and organizations contributed to the organization of the webinars:

Bill and Melinda Gates Foundation

Collaborative Africa Budget Reform Initiative (CABRI)

World Health Organisation (WHO)

IRC

UNICEF

Water.org