

## Summary for the webinar:

### **Creating a resilient and fit-for-investment WASH sector while targeting the most vulnerable and marginalized**

As part of the preparations for the 2020 Finance Ministers' Meeting in April, the SWA Secretariat hosted the webinar "Creating a resilient and fit-for-investment WASH sector while targeting the most vulnerable and marginalized" on 5-6 February. The webinars were held in English, French and Spanish and presented a framework for an investment-ready water, sanitation and hygiene sector. It included examples from Brazil, Cambodia, Chile, Colombia, Costa Rica, Benin, Nigeria, and Tanzania. To access recordings of the webinars please [visit the preparatory process section](#) of the FMM website.

The initial presentation in all webinars prepared by Bill Kingdom, Senior Adviser to SWA, considered what a resilient and fit-for-investment sector requires to ensure that the most marginalized and vulnerable are not left behind. The following are key aspects:

- Understand the current situation in the country – know what operating expenditure (OPEX) and capital expenditure (CAPEX) levels are and the sources of funding/financing
- Determine future levels of service
- Prepare realistic estimates of future funding/financing requirements – both OPEX and CAPEX
- Quantify the gap in OPEX and CAPEX requirements
- Consider realistic sources of funds/finance for future needs – taxes, tariffs, transfers and repayable finance
- Develop a financial model which allows users to make different assumptions both on the cost side (efficiency, timing, level of costs) and the financing side (funding/financing sources, levels, accessibility)
- Test the financial model to come to a realistic equilibrium that has buy in from all stakeholders – this may mean longer implementation periods
- Write a financing strategy that captures the above

The English webinar for the Asia region had a presentation from the government of Cambodia describing their newly created strategy "National Action Plan for Rural Water Supply, Sanitation

and Hygiene 2019-2023: a stepping stone for Cambodia SDG achievement.” The plan clearly outlined the necessary funding to reach its SDG targets for WASH, the funding which is available and the gaps. In response the government increased the budget allocation for the sector by 10% and Cambodia has seen greater alignment with development partners. Cambodia is still working to close the resource gap.

Nigeria and Tanzania presented their experiences in the English webinar for Africa, the Americas, Europe, and the Middle-East. Nigeria’s private sector and government focal points described the OPS-WASH program which engages the private sector in the country’s water and sanitation sector. The initiative creates a collaborative space for partnership and is expected to demonstrate that collaboration between the government and the private sector will bridge financial gaps in water and sanitation, as well as demonstrate the profitability for investing in the sector. Nigeria’s high-level political commitment to the sector is credited for strong private sector engagement. Among several measures presented by Tanzania to create a fit-for-investment WASH sector was a study on Sector Financing & Equity done in 2018. The purpose of the study was to widen the sector’s financing opportunities and ensure an equitable allocation of resources for Tanzania to reach the SDGs while ensuring no one is left behind. The study involved the creation of a Water Sector Financing Team and multi-stakeholder collaboration, and resulted in documentation of the current funding landscape, a compendium of funding opportunities available to all implementing entities, and a GIS-based mapping system for Geo-Equity information. A civil society representative delivered Tanzania’s presentation.

During the French webinar, Benin introduced its “Crédit Assainissement, the “Sanitation credit” initiative. This is a mechanism to increase access to sanitation for low-income households in urban and peri-urban areas. The initiative is a collaborative effort between the government (Ministries of Health and Sustainable Development), External Support Agencies, implementation partners and microfinance organisations. From Feb. 2017 to Sep. 2019, over 260,000 USD were raised and around 2500 households were able to build their own toilets. Benin’s presentation was made by a representative of USAID.

The governments of Chile, Costa Rica, Brazil and Colombia each gave presentations during the Spanish webinar. Chile described its financial strategy to reach 100% of coverage in WASH through technical, institutional and legal preconditions to promote the private investment. Private capital began to flow into WASH only once conditions such as strengthening the state’s regulatory capacity to ensure the provision of services to the entire urban population of the country in a scenario of increasing water resource scarcity and strengthening the tariff setting process that must break the information asymmetry of companies and thus avoid the transfer of inefficient costs and unregulated businesses. Costa Rica described their financial strategy which is based on tariffs, loans, public funds and Environmental Canon by Pouring (CAV). This will move the costs of using the water bodies to anyone who pours sewage into those waters.



Colombia uses differential schemes for vulnerable populations which allow the provision of services to be carried out by providing services with more flexible conditions or implementing procurement solutions. Brazil's Ministry of Economy presented the main findings of a recent WASH diagnosis which noted that closing WASH gaps is not only a money problem but mainly the management capacity for execution, revealing an institutional problem. Additionally, the findings highlighted the evolution of the annual investment in WASH infrastructure as % of GDP now.

Participation in the webinars was unprecedented, more than 200 people participated and all constituencies across the partnership were well represented. The strategy presentation and examples shared by countries stimulated an exchange of ideas and information amongst partners that has continued through peer-to-peer dialogues outside of the webinars.

The next webinar will take place on 4-5 March and will focus on incentive-based financing and climate finance for water, sanitation and hygiene.