

Launch of the Handbook for Finance Ministers & the 2020 Finance Ministers' Meetings Preparatory Process



#SWAinAction

Sanitation and Water for All

3 September, 2020

Ms. Catarina de Albuquerque

CEO, Sanitation and Water for All



The Honourable Kevin Rudd

SWA High Level Chair and 26th Prime Minister of Australia



The Honourable Zainab Ahmed

Minister of Finance, Budget and National Planning, Nigeria



The Honourable Sulemain Adamu

Minister of Water Resources, Nigeria



**WATER & SANITATION:
HOW TO MAKE PUBLIC
INVESTMENT WORK**

A HANDBOOK FOR FINANCE MINISTERS



Catarina Fonseca, SWA Adviser on Finance
September 2020

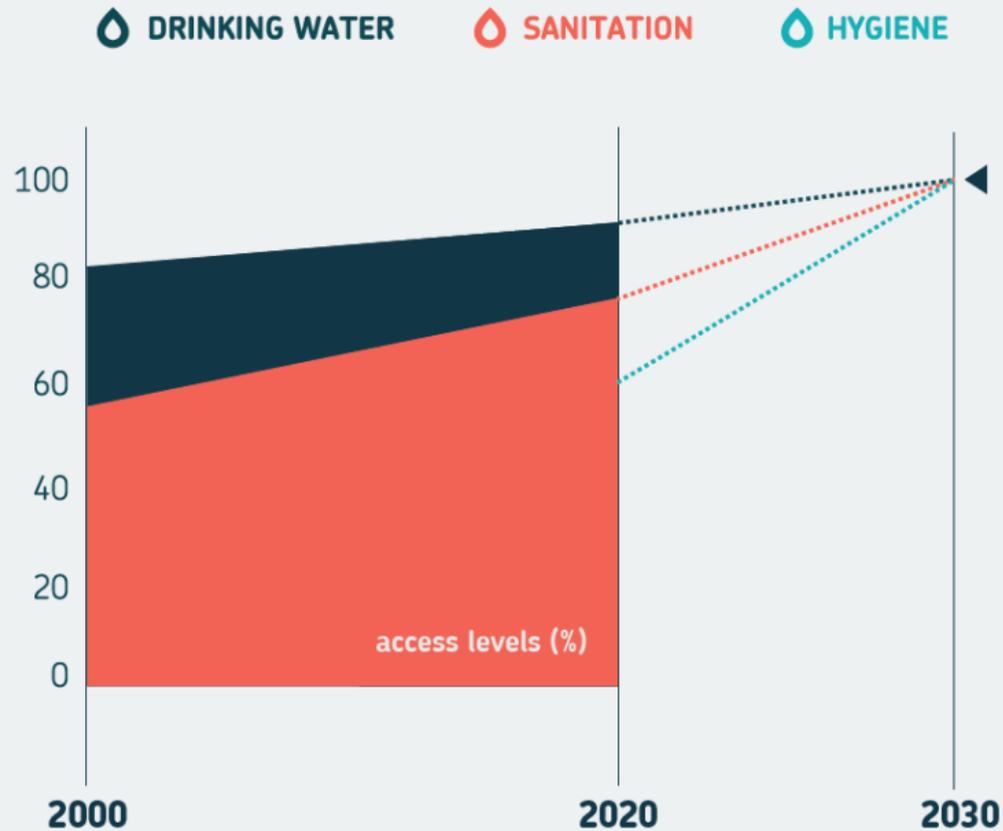
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The Handbook

- A global multi-stakeholder effort
- A tool on how to better use public funding and mobilize new finance
- Inspirational case studies and forward-looking sector perspectives
- A call to action for ministers of finance and line ministers



Why finance?

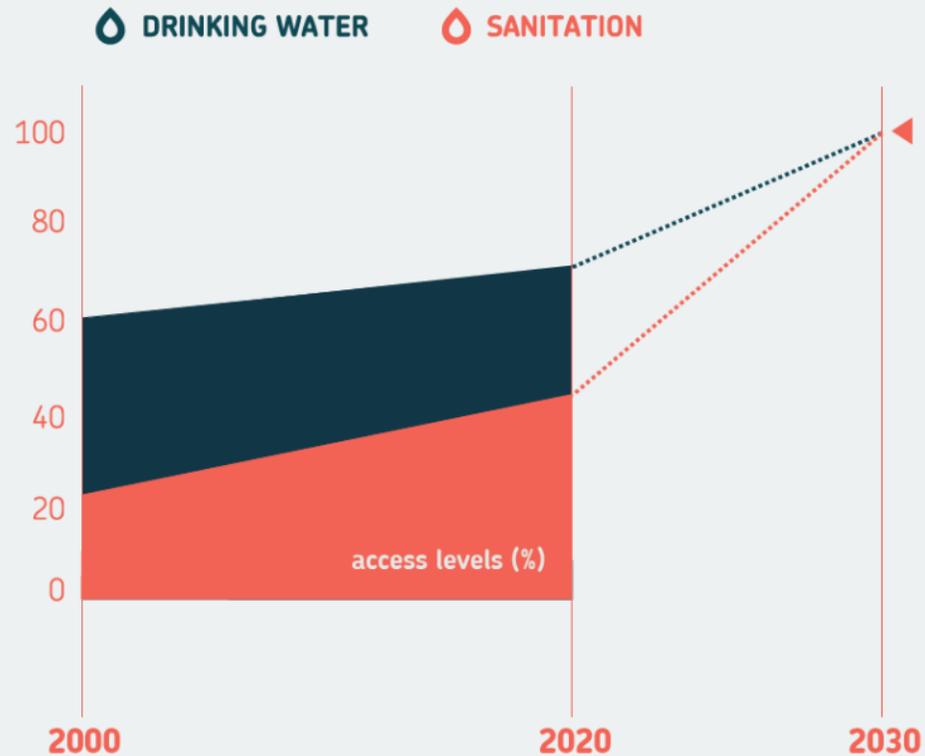


UNIVERSAL
**BASIC
SERVICES**

REQUIRE
2X
HISTORIC
RATE OF
PROGRESS



Why finance?



UNIVERSAL
SAFELY
MANAGED
SERVICES



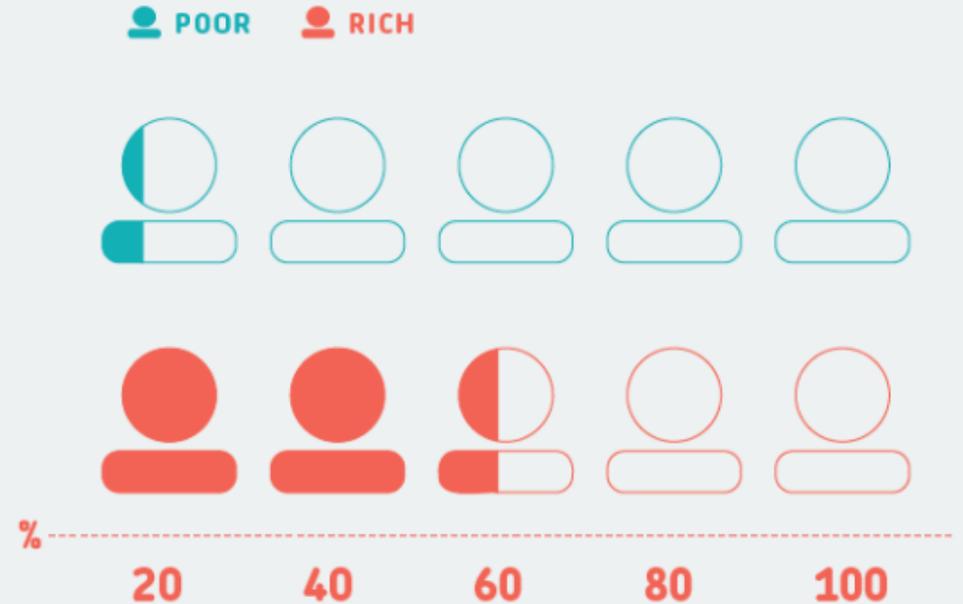
WE NEED
4X
HISTORIC
RATE OF
PROGRESS



Inequalities are slowing our progress rate

6% OF SUBSIDIES GOES TO THE POOREST QUINTILE
56% IS WHAT THE RICHEST QUINTILE GETS
HOW COME?

SAMPLE OF 10 COUNTRIES



Sources: WHO, UNICEF (2019). *Progress on Household Drinking Water, Sanitation and Hygiene 2000-2017: Special Focus on Inequalities*. Andres A et al. (2019). *Doing More with Less: Smarter Subsidies for Water Supply and Sanitation*. World Bank.



**EVERY DOLLAR INVESTED
IN WATER AND SANITATION = 4X RETURN**



WHAT IF ECONOMIC GROWTH GOES HAND IN HAND WITH MASSIVE EFFORTS TO IMPROVE WATER AND SANITATION SERVICES?

ANNUAL AVERAGE GROWTH (GDP) IN POOR COUNTRIES

WITHOUT IMPROVED ACCESS TO SAFE
WATER AND SANITATION SERVICES

0.1%
GROWTH

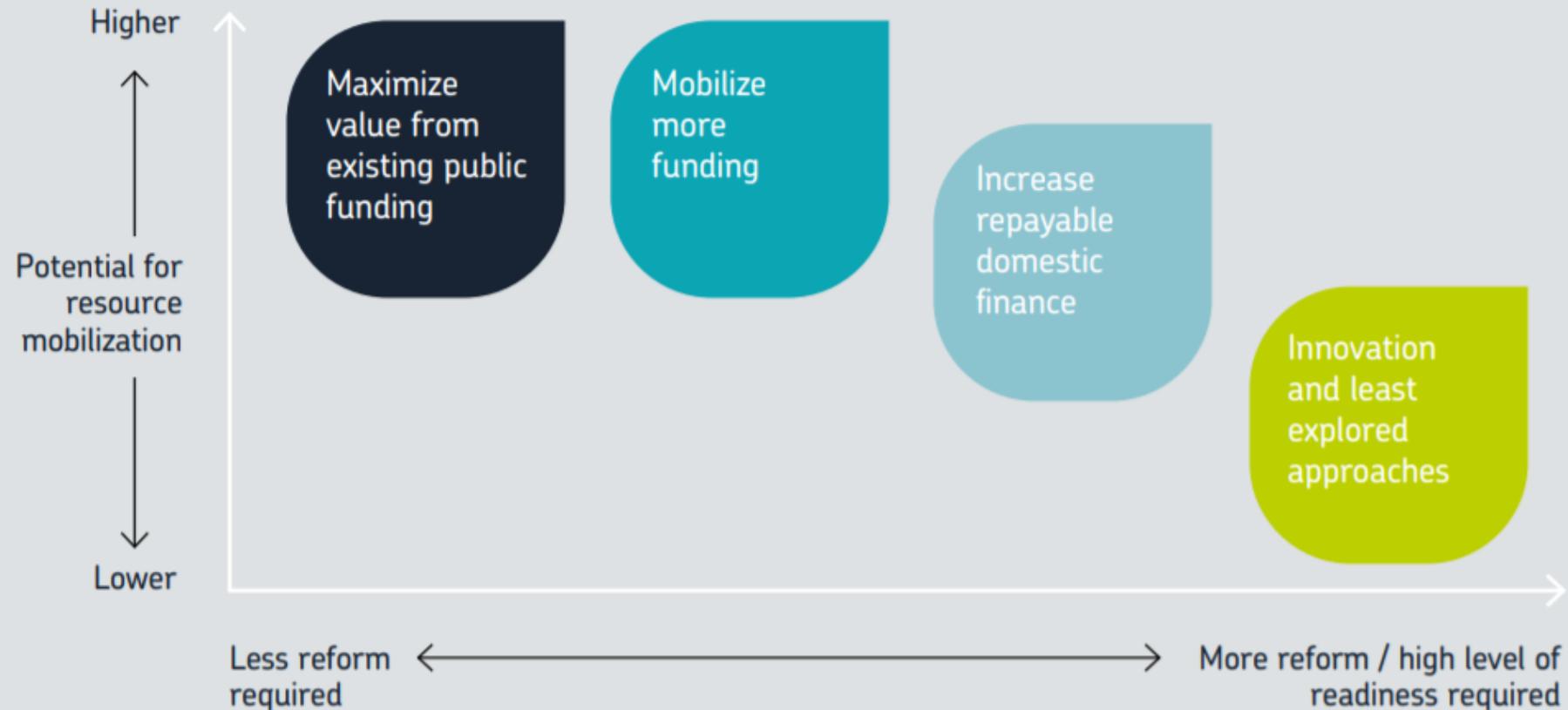
WITH IMPROVED ACCESS TO SAFE
WATER AND SANITATION SERVICES

3.7%
GROWTH



Content of the Handbook

FOUR CRITICAL INTERVENTION AREAS WITH THE POTENTIAL TO MOBILISE MORE RESOURCES



Content of the Handbook

Maximize
value from
existing public
funding

Incentives to sector
performance
Indonesia, Peru

Improving subsidy targeting
Chile, Colombia

Sector financing planning
Cambodia, Mozambique

Mobilize
more
funding

Tariff reforms
Burkina Faso

Increase allocations to the
sector
Mali

Earmarked taxes
**South Korea, India, Costa
Rica**

Cross subsidies , solidarity
charges **Argentina**

Increase
repayable
domestic
finance

Mobilise private domestic
finance
The Philippines

Service providers credit
worthiness
Indonesia, Kenya

Private sponsors
India, Rwanda

Municipal and revolving
funds
Czech Republic, Bulgaria

Innovation
and least
explored
approaches

Accessing climate funds
Kiribati

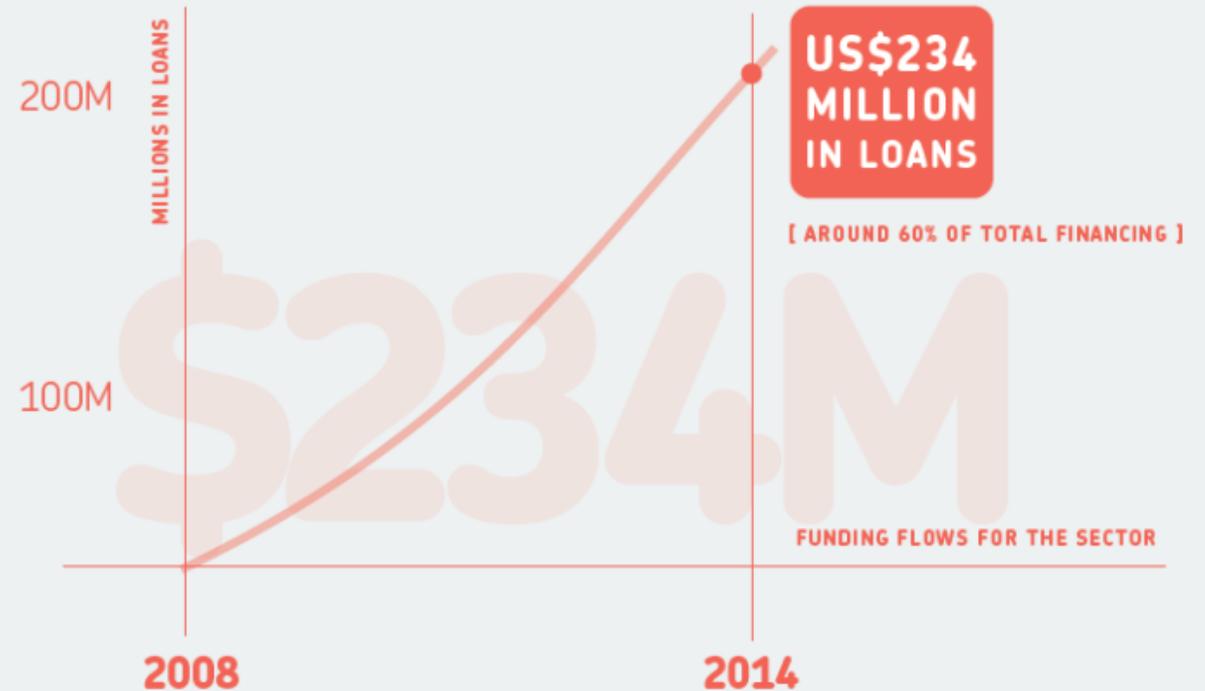
Social impact bonds
Cambodia



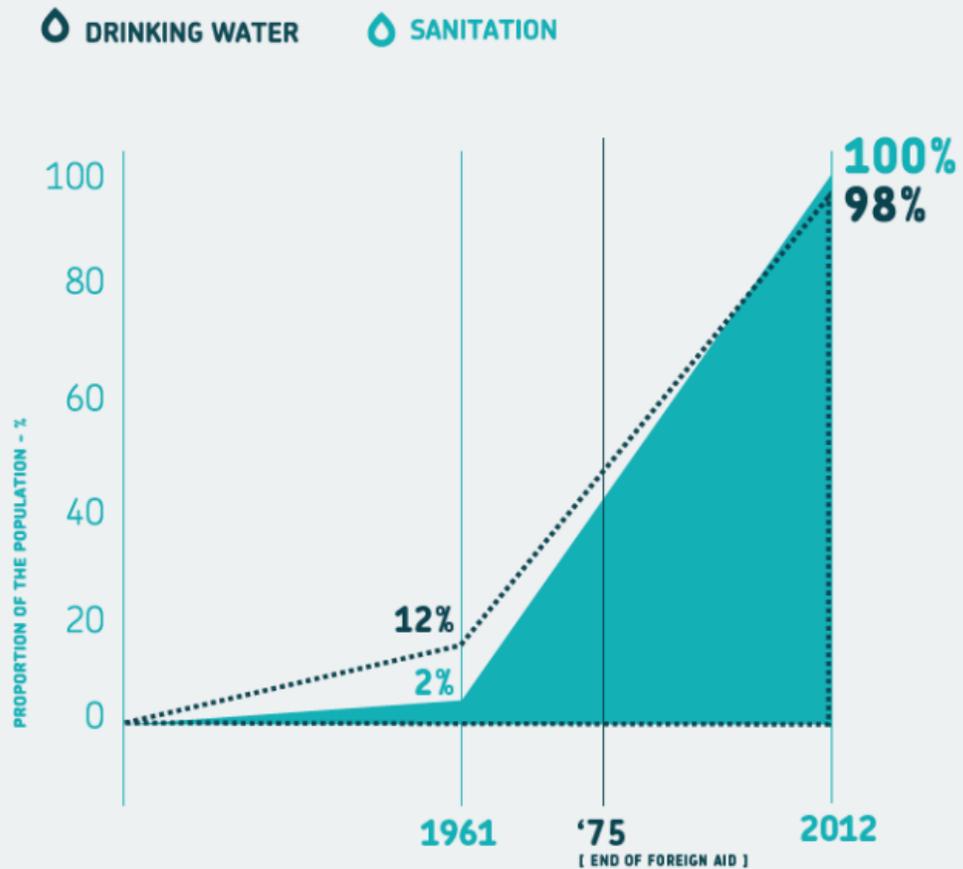
Some investments made around the world

THE PHILIPPINES

A WATER REVOLVING FUND AND A NEW UNIFIED FINANCING FRAMEWORK



Some investments made around the world



SOUTH KOREA
UNIVERSAL COVERAGE IN ONE GENERATION



Some investments made around the world



COSTA RICA

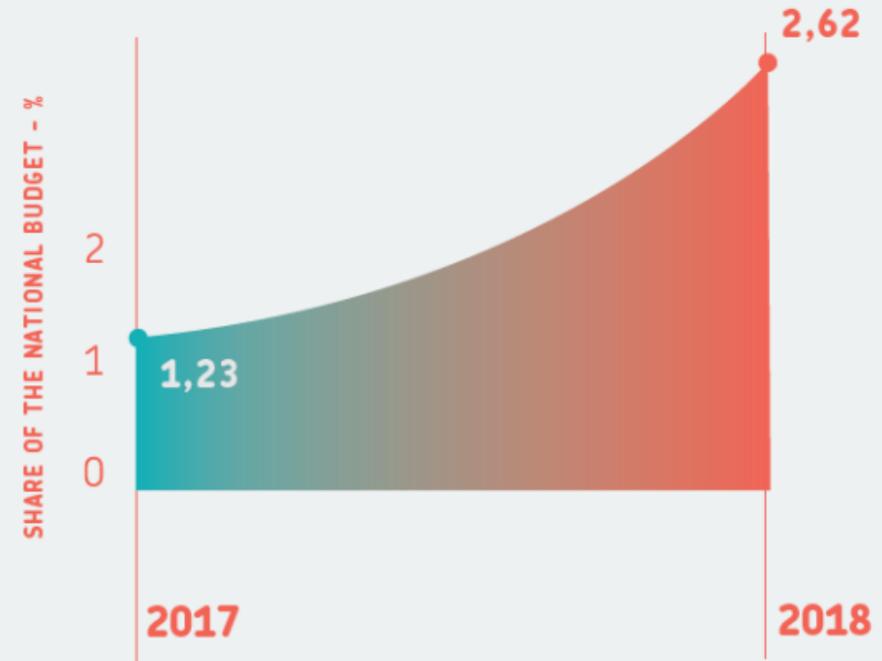
A WASTEWATER DISCHARGE ENVIRONMENTAL FEE



Some investments made around the world

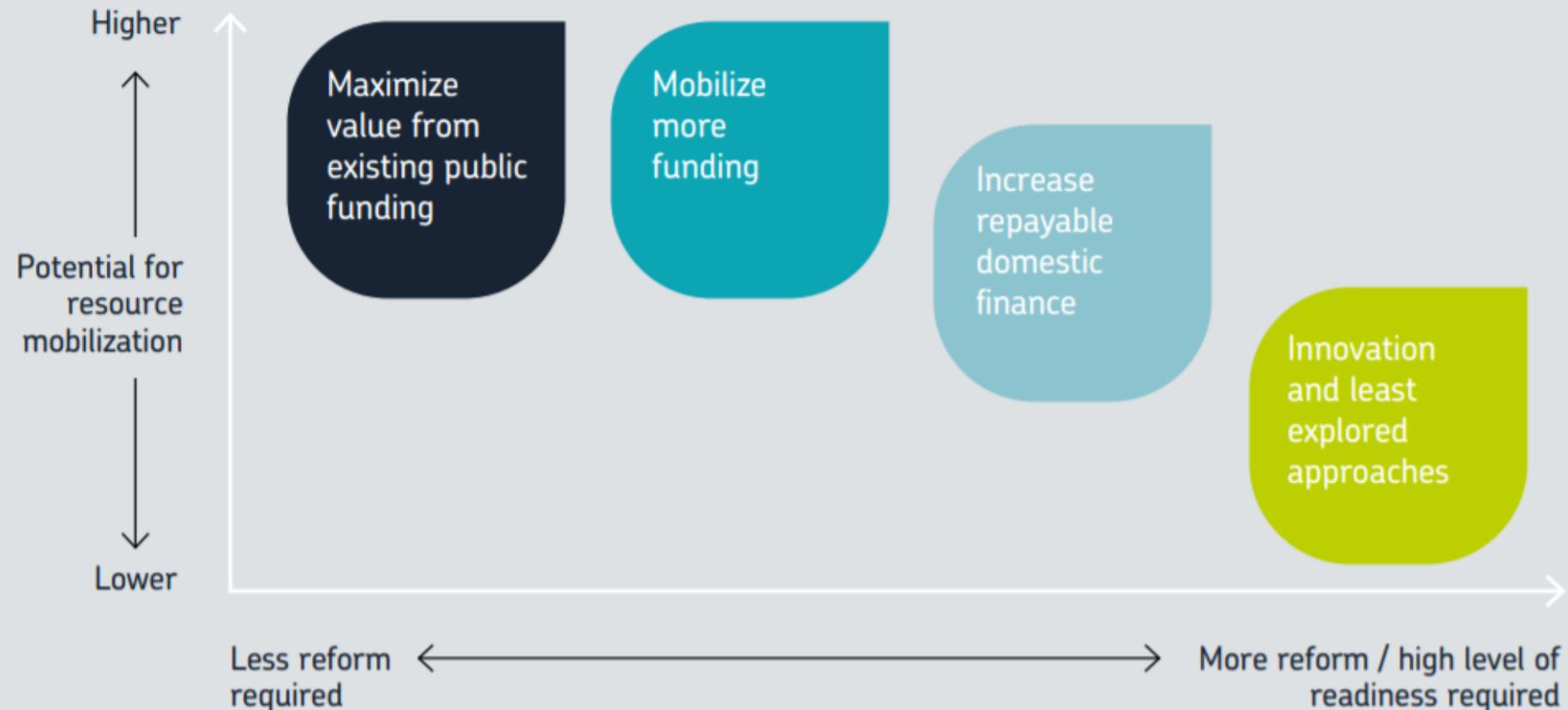
MALI

INCREASED FUNDING BECAUSE OF BETTER
SECTOR FINANCIAL REPORTING



Where to start?

FOUR CRITICAL INTERVENTION AREAS WITH THE POTENTIAL TO MOBILISE MORE RESOURCES



Where to start?

1. **Sector already reformed** > finance ministers may help to encourage development of financial markets supporting the sector + efforts to improve efficiency.
2. **Sector reformable and willing to reform** > finance ministers may support those reforms with financial incentives to deliver better governance, efficiency and encourage easier access to market finance.
3. **Sector not reformable as a whole** > finance ministers can provide targeted support to the parts that are willing to improve (e.g. urban utilities in larger towns) through well-designed incentives and subsidies.



What happens next?

- Use the Handbook as advocacy tool ([Communications Toolkit](#))
- Complementary tool: [Costing Tool](#)
- SWA setting up the “Systems and Finance Working Group”
 - Support to influencing strategies (national / regional)
 - Support to [Finance Ministers’ Meeting](#) preparatory process
 - Matching technical assistance from the partnership



Thank you!

For more information

www.sanitationandwaterforall.org

Contact

sfwg@sanitationandwaterforall.org



Finance Ministers' Meeting: Concept and Virtual Format

Paul Deverill, Senior WASH Adviser, FDCO and
Chair of the HLPDWG



#2020FMM

Virtual Regional FMMs Concept

- Three regional virtual FMMs covering the Asia-Pacific, Africa, and Latin America & Caribbean regions
- Global partners (UNICEF and the World Bank Water Global Practice)
- Regional sector partners (IADB, AfDB, ADB)
- SWA is also seeking to partner with a leading political regional organization to leverage additional political magnitude to the meeting and its outcomes, as well as how those outcomes are owned, taken forward, linked to other regional processes and followed through on regional platforms.
- AMCOW for Africa (Confirmed), ASEAN for Asia (TBC), and OAS for Latin America and the Caribbean (TBC).

Virtual Regional FMMs Concept

- Similar format for all meetings with relatively common content - adjusted to regional context as needed.
- Draw on the extensive work undertaken in the lead up to the original event – but with a stronger focus on the implications for the sector arising from the COVID-19 pandemic.

Objective of the Meeting

To strengthen workable partnerships with finance ministers for SMART investments in water, sanitation and hygiene given the **central role WASH can take in post-COVID national recovery plans** – allowing the sector to build forward better.

Objective of the Meeting

This will include:

1. demonstrating the **employment opportunities** derived from extending services to the currently underserved
2. showing the long-lasting **impact of those new services on improved pandemic management and better health outcomes** at the household and community level
3. providing high visibility of sector to show concrete actions taken by government as part of COVID recovery plan
4. identifying **opportunities to mobilize grant funding** to support investments in **energy efficiency** thus reducing operating costs whilst at the same time greening the sector
5. drawing upon the recently-released **Finance Ministers Handbook**, present **practical actions** that Finance Ministers can take, using public funds, to mobilize additional domestic financing into the sector and create **intersectoral synergies in investments for health and WASH.**

Positioning the FMMs

- The regional virtual FMMs will be promoted as “go to” events for **understanding the opportunities that the water, sanitation, and hygiene sector presents to Governments as part of their post-COVID 19 recovery strategy.**
- **This will be built around a compelling vision for the sector highlighting its embedded employment, resilience, health and economic co-benefits.** Investing in water, sanitation, and hygiene creates the indispensable foundations necessary for a healthy and productive population.
- The meetings will be supported by the participation of top leaders of partner organizations, UNICEF/World Bank, & regional development banks.

Expected Outcomes

1. Finance Ministers are persuaded of the opportunities to build forward better using water, sanitation, and hygiene as a central part of their post-COVID recovery strategy – delivering employment, health, finance and environmental benefits.
2. Finance ministers agree to work together, and with regional and global partners, on steps they will take to use existing opportunities to support investments in water, sanitation, and hygiene as a critical sector that has a positive national, and long-term, impact post-COVID .
3. Ministers will leave the virtual meetings appreciating the genuine opportunities of working with their WASH colleagues to support national post-COVID recovery in a cost-effective and beneficial way.

Overall Approach

- Each virtual regional FMM will be 2- to 3-hour duration.
- held at approximately 2 weeks intervals over the period November 4th to December 2nd, 2020.
- The event will include sector ministers (SM) and their health counterparts.
- The focus will, however, be on Finance Ministers.
- Pairing a WASH, health, and finance minister to illustrate how to get the most from intra-government collaboration may be appropriate.
- The virtual regional FMMs will not be a masterclass in water supply and sanitation but will pick compelling experiences and evidence to illustrate key challenges and opportunities for the sector post-COVID and convey them in a top line and compelling manner, while avoiding technical details.

General Structure of Meetings

- **An opening session, followed by two panel discussions that place finance ministers alongside leaders of SWA partners from different constituencies.**
 1. Capturing the full potential of WASH as a key element in national post-COVID recovery
 2. Using public funds to mobilize additional, non-government, financing for the sector

Other participants in the meetings will include WASH sector ministers, select health ministers, and leaders from SWA partners.

These additional resources will be called on to contribute practical ideas around the two topics.

There will be an open floor discussion after each panel.

Thank you

***For questions about the 2020 FMMs, please contact
the SWA Secretariat.***

***Follow the FMMs' preparations on Twitter, Facebook,
YouTube and LinkedIn.***

#2020FMM

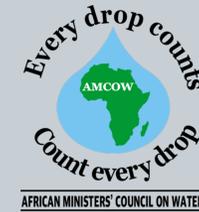


GLOBAL CO-CONVENERS



REGIONAL CO-CONVENERS

4 November - Africa FMM



18 November - Latin America and Caribbean FMM

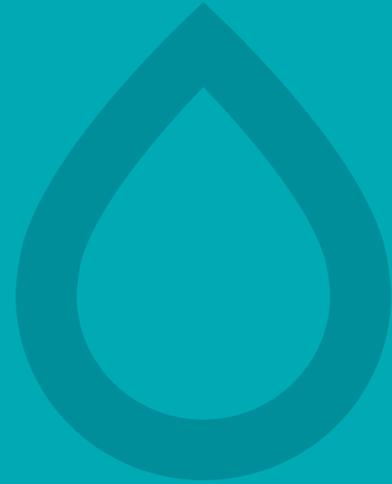


2 December - Asia and Pacific FMM



Ms. Kelly Ann Naylor

Associate Director, WASH Section, Programme Division,
UNICEF



Ms. Jennifer Sara

Global Director, Water Global Practice, World Bank



Preparatory Process – 2020 Finance Ministers' Meetings

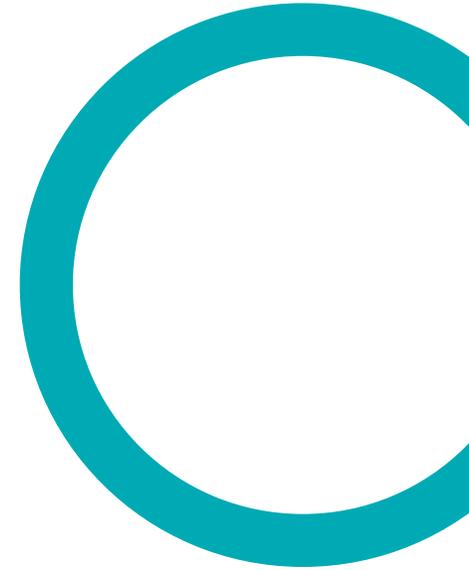
Marissa Streyle, Technical Adviser, SWA Secretariat



#2020FMM

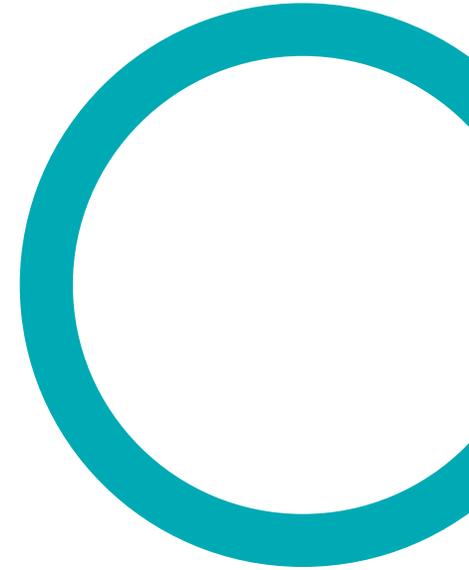
OBJECTIVES for the Preparatory Process

- To demonstrate and highlight the economic opportunities and benefits offered by the water, sanitation and hygiene sector
- To mobilize political leaders to identify and agree on areas for SMART investments in the water, sanitation and hygiene sector during and after COVID-19
- To develop and strengthen partnerships that support ministers responsible for finance, sanitation, water, hygiene and health to work together
- To secure long-term engagement from participants and concrete results through the SWA Mutual Accountability Mechanism

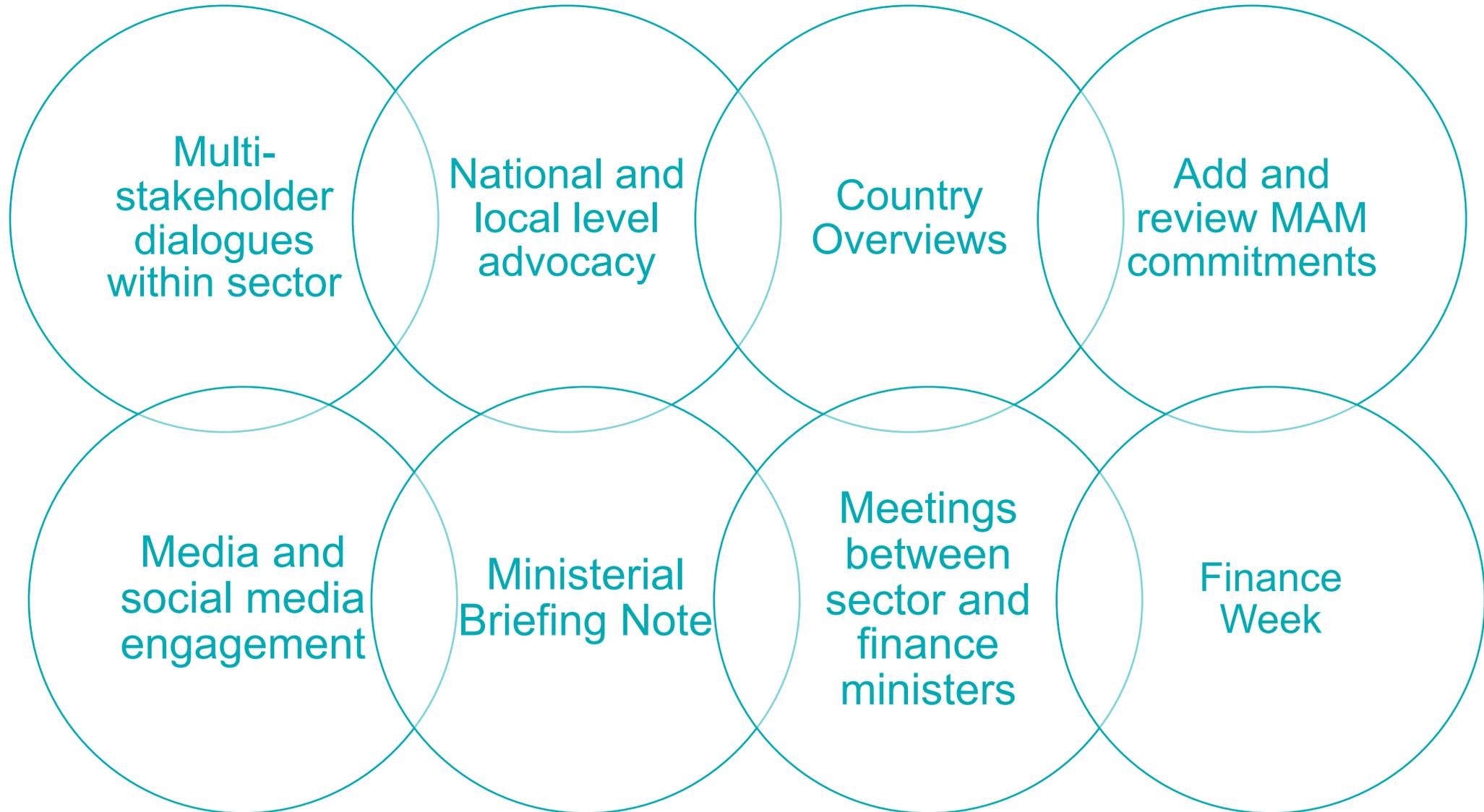


OUTCOMES of the preparatory process

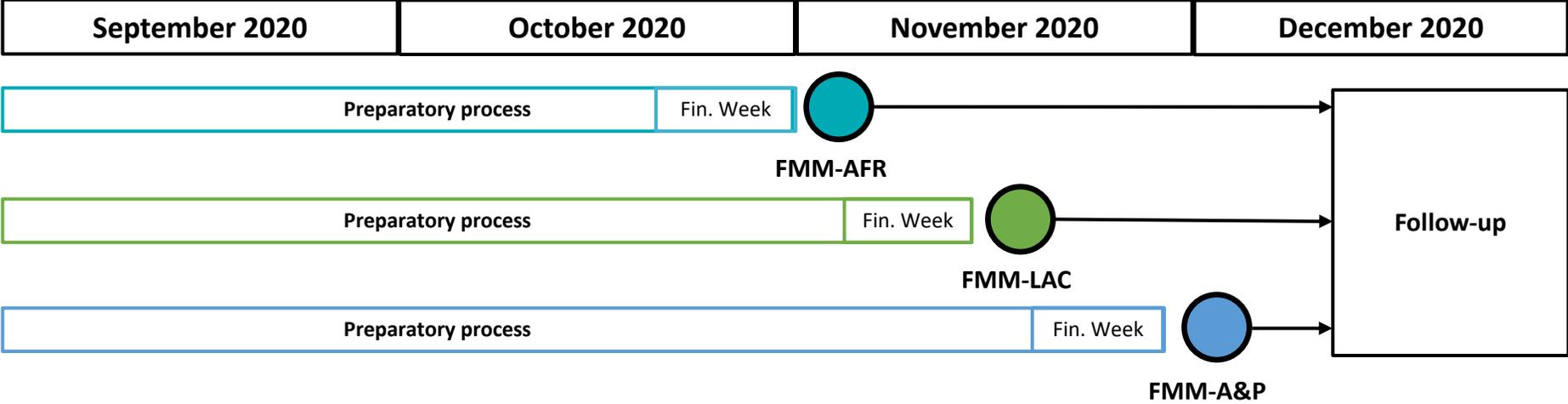
- Finance ministers understand the contribution of the sector to economic and human development and commit to prioritizing it
- Finance ministers identify initiatives for working together with sector ministers
- Sector stakeholders agree actions they will take to contribute to the finance priorities of the government and to leave no one behind
- Sector ministers commit to take the lead in mobilizing additional finance, improving cost recovery, undertaking reforms to make the sector fit-for-investments, and acting as champions for the sector within the country to leave no one behind.



Suggested Preparatory Activities



Timeline for FMM preparations

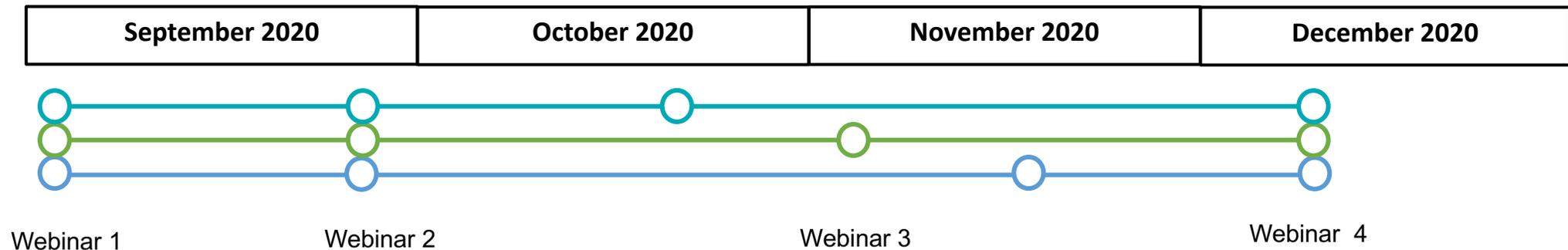


- Suggested activities - Prep process**
- Webinars
 - Constituency calls
 - Ministerial briefing meetings
 - Country overview documents
 - WASH-Finance dialogues
 - ...
- Suggested activities - Finance week**
- Press releases
 - Media dialogues
 - Inter-ministerial dialogues
 - Meetings / workshops / field visits
 - ...



- Suggested activities - Follow-up**
- Summary of participation in FMM
 - Disseminate outcomes
 - Commitments
 - ...

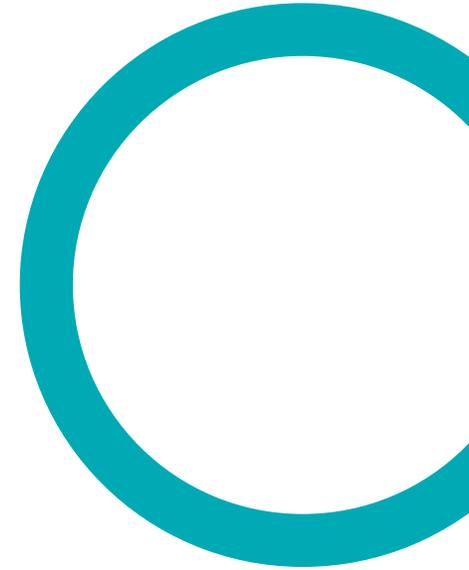
Secretariat support for Preparations – Webinars



1. Launch of Finance Handbook & FMM preparatory process – 3 September
2. Build Forward Better – economic opportunities offered by WASH – 24 September 2020
3. Smart partnerships with finance ministers & FMM final information – TBA – region specific
4. FMM follow-up webinar – way forward, follow-up activities, monitoring progress

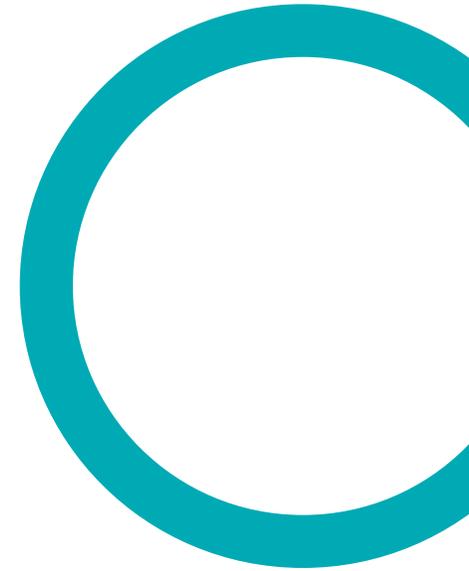
Secretariat support for Preparations

1. Guidance document for all stakeholders – preparatory process
2. Template for Country overviews; review of Overviews
3. Support material for Ministerial briefings and inter-ministerial meetings – invitation, concept note, etc.
4. Support to prepare for minister's intervention in FMM, if applicable
5. Access to, and support on, tools for WASH financing – Costing tool and others
6. Handbook for Ministers of Finance



Secretariat support for Preparations (cont.)

7. Leaders' Call to Action and suggestions for its use at country level
8. Communications Toolkit
9. Sharing of experiences between countries on all the above
10. Calls with constituencies
11. Logistics arranged for online communication platform in case meeting in person is not possible
12. Other personalized support as necessary and possible



Question and Answer



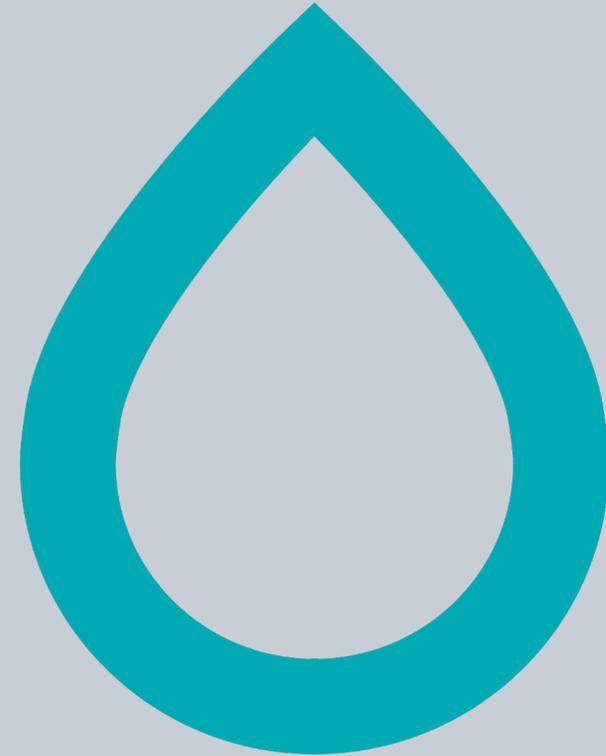
Mr. Patrick Moriarty

SWA Chair and CEO of IRC



THANK YOU

For additional information on the Handbook for Ministers of Finance or the 2020 Finance Ministers' Meetings visit: www.sanitationandwaterforall.org



#2020FMM