

Systems and Finance Work Group (SFWG)

Terms of Reference

Purpose of the Systems and Finance Work Group



Objective 3: Rally stakeholders to strengthen system performance and attract new investments

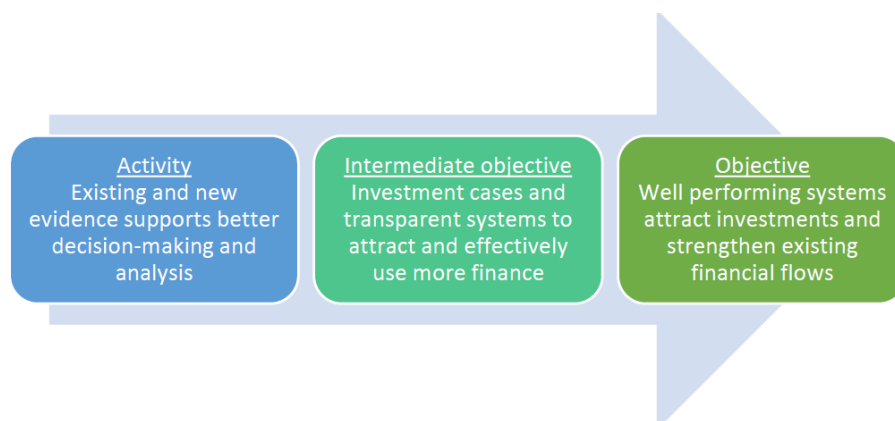
The **third objective** is strongly related to the two other SWA objectives and builds on the principle that targeting those left behind requires an efficient and creditworthy sector, making the most of new and existing financial opportunities. Central to this outcome is the assumption that transparent systems will attract new investments and lead to efficient use financial resources.

The Systems and Finance Work Group works to ensure there is compelling evidence available to persuade executive leadership (Presidents, Prime Ministers, Cabinet) of the importance of funding and financing WASH through effective and diverse mechanisms. Through a pool of experts belonging to the Work Group, it also provides advice to countries on how to analyse and remove the bottlenecks in the sector that leads to inefficient spending and prevent more resources from flowing to the sector.

Theory of change (ToC)

The new SWA theory of change outlined in the Strategic Framework details how objective 3 will be achieved, together with objectives 1 and 2. The ToC emphasises the importance of the SFWG to achieve the objective; however, there will be a range of activities required to achieve objective 3. By 2030 SWA expects the work under objective 3 via the SFWG to have contributed significantly to close the financing gap in WASH by delivering global and regional/country level finance influencing strategies.

Figure 1. Theory of Change for Objective 3 (part of overall SWA Theory of Change)



How is change supposed to happen?

- By advocating for increased and efficient investments in the sector, globally and at country level
- By expanding SWA and sector capacity on finance
- By supporting the development of national and sub-sector financing strategies
- By supporting the identification of new sources of finance and making existing sources more efficient
- By supporting the development an efficient, transparent, and equitable, credit-worthy sector

Intermediate Objectives

The SWA Strategic Framework identifies 3 tracks of work for achieving this objective (*intermediate objectives*), where the SF Work Group aims to support the partnership, its Secretariat, and its Steering Committee (SC) as follows:

Intermediate Objective	How it relates to this Work Group	Interaction with other WGs
The development of an efficient, credit-worthy sector and national financing strategies	<p>Meetings of the SFWG have in-country follow up to ensure:</p> <ul style="list-style-type: none"> - A multi-year finance strategy is in place for all sub-sectors. - Key actors have taken steps to solve funding and financing bottlenecks. - The finance strategy has been implemented, leading to significant additional funding allocations in comparison to previous years (>10% increase). 	<p>The SFWG will work in coordination with the Country Processes Work Group (CPWG) to determine a number of priority countries for engagement in the SFWG and objective 3 as well as the major topics to address during the meetings and in knowledge events.</p> <p>The SFWG will work with the HLPDWG, relating to Finance Ministers' Meetings, where it is essential to bring the work of the SFWG to the meetings and vice versa, to ensure that the SFWG follows up on outcomes of those meetings.</p>
Increased investment and the identification of new sources of finance, and the more efficient use of existing sources	<p>Meetings of the SFWG have in-country follow up to ensure:¹</p> <ul style="list-style-type: none"> - Underserved and/or marginalized population groups have been identified for prioritization for reducing inequalities in access to services. - Underserved or/and marginalized populations have been mapped. There are specific targets and/or a strategy for reducing inequalities in place. - A plan, including budget allocation, is in place for targeting the reduction of 	Same as above

¹ Linked and coordinated with Strategic Objective 2.

Intermediate Objective	How it relates to this Work Group	Interaction with other WGs
	inequalities and improving the WASH services received by underserved and marginalized groups	
SDG 6 is positioned in the wider SDG financing agenda, at global, regional and country levels – with a result of more financing spent in countries on WASH²	<ul style="list-style-type: none"> - Regular Systems and Finance WG Work Stream 1 on "Global Advocacy" meetings are facilitated - Three advocacy goals led by different organizations at global level, with strong coordination with SWA advocacy 	Same as above

Membership of the Work Group

The Work Group will be composed of members from across the SWA Constituencies (Government, Civil Society Organizations, External Support Agencies, Research & Learning, Private Sector, Utilities & Regulators) and engage non-members where relevant. Members will be selected based on where they can contribute to at least one of the three main pillars outlined above, to ensure a deep expertise is available and an adequate representation across SWA constituencies. A initial target membership of 15-20 members was agreed, with at least 5 members with their main expertise in each of the pillar workstreams. However, due to the interest in the work group from international partners as well as from countries, the membership is considerably greater than that, and is expanding as new countries are approached.

The Work Group strives to bring in independent experts to fill any gaps in expertise required to achieve its objectives and deliver on its work plans.

Work Group members will be encouraged to contribute resources and/or make in-kind contributions to Work Group activities, including hiring additional experts or making experts from their organizations' available when possible. If there is a need for SWA to hire independent consultants to perform any of the functions, the Governance and Finance Sub-Committee shall help secure the resources available to fund these activities. This should be planned and submitted as part of the annual work plan and budget proposal for the Work Group.

The Work Group should choose from among its members a Coordinator/Chair that coordinates and leads its work, calls for meetings, manages the membership, and acts as main focal point in liaising with the PSSC and other governance bodies as necessary. According to the Governance Document article #2.7.7, *"Work Groups may be headed by a Work Group Coordinator, who should be nominated by a Steering Committee member but can be drawn from the SWA partnership. Work Group Coordinators are approved by the Steering Committee (or the decision may be delegated to the Executive Oversight Committee as needed). The Work Group can also decide to choose a Co-Coordinator to share the responsibility with the afore-mentioned Chair/Coordinator."* The current Chair is Dr. Guy Hutton, Senior Adviser at UNICEF New York.

² Activities to achieve this target are linked and coordinated with Strategic Objective 1

Ways of Working/Meetings

The SFWG is split into 2 workstreams, and each workstream has a meeting schedule.

Work Stream 1 "Global Advocacy" - facilitation of 10 meetings a year. In early 2021, this workstream split into 2 sub-groups to work on "Mainstreaming a systems approach" and "Financial architecture". Each sub-group sets their own schedule and will reconvene as a workstream when there are preliminary results to share for wider consultation.

Work Stream 2 on "Country Ignition" plans to hold 10 meetings a year, but in 2021 this is reduced to 4 main meetings.

All Work group members have an opportunity to contribute to the broader aims of SWA's objective 3, such as engagement in the preparation of the high level meetings (SMMs or FMMs), and contribution to training in financing and dissemination of good practices. In 2021, there are at least 4 webinars related to finance being held, and contributed to by the work group.

Minutes of the Work Group and or its Task Team(s) will be circulated to all members of the SFWG and made available online. They will also be made available, upon request, to any other partner.

A quorum will be established with at least half the Work Group's members. The Work Group is normally to agree by consensus. In some cases, a vote may be needed if consensus cannot be achieved. In this case, each member has a vote. Should a vote be evenly split, the Chair/Coordinator will have a casting vote.

The Work Group may choose to form smaller Task Teams, that are ad hoc groups with time-limited nature to work on specific tasks or projects that are pre-identified. Those Task Teams may draw upon the membership of the Work Group and/or include external experts or partners who are not part of the core Work Group but have expertise relevant to the task they are formed to address.