USAID’S WATER, SANITATION AND HYGIENE FINANCE (WASH-FIN)

Closing financing gaps to achieve universal access to WASH services through sustainable and creditworthy business models, increased public funding and expanded market finance for infrastructure investment.

Globally, 663 million people do not have access to safe drinking water and 2.4 billion lack access to improved sanitation. Governments have set ambitious targets for universal water, sanitation and hygiene (WASH) access by 2030 requiring an unprecedented mobilization of funding to meet this goal. The World Bank estimates that $114 billion per year of capital investment is required to meet universal access by 2030, or about three times current investment levels. USAID’s WASH-FIN project works in collaboration with national governments, development partners, financial institutions, service providers, and local stakeholders in at least eight countries to close financing gaps and improve governance structures. In doing so, WASH-FIN supports self-reliance in targeted countries by accessing reliable sources of capital for sustainable, climate resilient water and sanitation infrastructure.

APPROACH TO CLOSING THE FINANCE GAPS

The WASH-FIN approach is based on the premise that citizens should be treated as valued customers and adequately served by WASH service providers operating on sustainable business models that strengthen creditworthiness, within clear regulatory and governance structures. Only then can increased public investment and market finance be effectively leveraged to expand or improve service delivery.
To move the sector toward this end, WASH-FIN activities focus on the following strategic lines of action:

**PROMOTING SUSTAINABLE BUSINESS MODELS AND PROVEN COMMERCIAL APPROACHES.** To ensure reliable, climate resilient water and sanitation services by developing the commercial viability of service providers and establishing a solid financial foundation for increased public investment and access to private sector financing from local banks, capital market, or blended mechanisms. Activities include active stakeholder engagement, targeted technical assistance, and focused capacity building using participatory and peer-learning approaches for uptake and replication of commercially viable business models and financing approaches based on creditworthiness.

**ADVOCATING FOR AND TRACKING INCREASED PUBLIC INVESTMENT.** Public resources available to achieve the ambitious universal WASH targets are limited. Governments must lead in WASH investments to ensure local ownership of WASH sector performance. Activities focus on tracking public expenditure using the World Health Organization’s TrackFin tool as a means to advocate for more public investment. WASH-FIN works in collaboration with host governments, development partners and civil society to foster a culture of transparency and accountability, while building local capacity and advancing consensus for increased public investment.

**ACCESSING REPAYABLE FINANCE.** To close financing gaps, mobilizing private finance must be increased. Diverse mechanisms, including commercial debt, blended finance structures, Public Private Partnerships, and other viable models that can be replicated and scaled are required. Activities include developing pipelines of investment-ready WASH projects through robust engagement with local government, civil society, and other sector stakeholders — including customers. In addition, public funds, foundation grants, and development partner investments must be leveraged with private local sources of finance to deepen local financial systems, investment expertise and access to market capital.

**DEMONSTRATING AND REPlicATING SUCCESS THROUGH KNOWLEDGE SHARING.** Knowledge sharing and learning are fully integrated into project activities and is broadly disseminated to strengthen the capacity of WASH authorities, service providers, and local financial institutions.

**PROJECT DETAILS**

The five-year, $40 million WASH-FIN project is funded by the United States Agency for International Development (USAID) and began in October 2016. Implementation is led by Tetra Tech with support from Open Capital Advisors, Segura Consulting and Global Credit Rating. Focus countries include Cambodia, Nepal, Philippines, Kenya, Mozambique, Senegal, and South Africa. For more details, visit [https://www.globalwaters.org/WASH-FIN](https://www.globalwaters.org/WASH-FIN).

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