Overview

- Constitutional and SDG aspirations starkly contrast with current situation of WASH in Africa.
- Benefits of investing in WASH services are potentially immense.
- Aspirations come at a high cost.
- Magnitude of investment needs and operating cost will require a shift in how the sector is currently financed.
- "someone always pays" User of Taxpayer?
- Key question: how to optimise public investments in WASH services, while improving efficiency in the use of public funds
- Consider three main issues when identifying sustainable financing strategies:
  1. Planning WASH services in line with overall national objectives;
  2. Costs of reaching national objectives beyond investments, and
  3. Designing a financing strategy based on knowledge of financial flows, leveraging efficiency gains and different sources of funding.

Planning WASH Services

- Set realistic objectives on service levels
- Align with national plans and SDGs
- Develop a sector policy

Costing WASH Plans

- Capital investment
- Operating expenditure
- Institutional support

Designing a financing strategy

- Identify financial flows and gaps and priority investments
- Leverage additional sources of funding
- Leverage efficiency gains

Public and private finance

Identifying public finance priorities

- Trade-offs should favour the WASH sector
- Prioritise rural areas
- Equity, incentives for service providers, and delivering value for money

Leveraging and increasing financial contributions from users and private sectors

- Introduce (increase) tariffs to enable the recovery of operating costs.
- (Tariffs) combined with strengthening governance and improving service delivery.
- Above can improve credit-worthiness of water utilities.
- Microfinance a potential solution to household investment in sanitation services.