November, 2019

WINS FINANCING



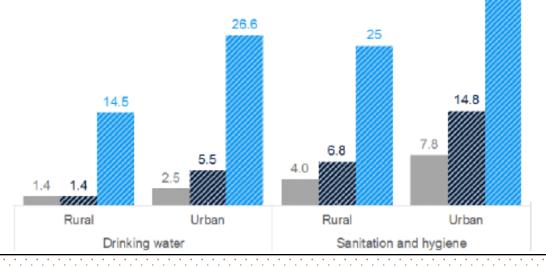
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What do SDGs mean for WASH financing in general?

SDGs carry vastly higher price tag than MDGs

- Estimated capital investment to deliver universal access to safely managed WASH: \$114 billion per year.
- This means that countries will have to increase their investment in the water and sanitation sectors by up to **four times**
- Sanitation = 60% of estimated costs, particularly urban
- Need better targeting to reach poorest countries and populations





Source: Hutton & Varughese (2016)

Enabling Environment Framework



Why invest in WASH in Schools

Access to water and sanitation is a human right – UNICEF's mandate for children.

Why should governments invest in WASH?

- WASH in schools can lead to the spread of preventable disease and increase
- Reduced school absences, especially among women
 Improve ability to learn better in safe environment

Water:
Water is essential for life.
Access to water should not be left to the market due to risk that water prices will exclude the poor and vulnerable.
There is an obligation for governments to intervene.

In general the use of <u>public finance</u> is justified:
When the spending provides <u>public goods</u>, or
When the intervention addresses <u>externalities</u>

 Sanitation:
 Sanitation is a private good that offers public benefits. The use of public finance to support sanitation is justified because it provides benefits for society, not just the individual.

SDG implication in Programming

National WINS policies and strategies

Our Focus

1. Assess need Greatest deficits in **WINS** outcomes, sector targets

Steps in strategy development

2. Sector strategy For all the sector in **Schools**

3. Costing Costs of achieving targets, financing gap

4. Funding and financing strategy Intended flows of funds from sources (reconsider strategy if flows insufficient to meet targets)

> **5. Analysis of service use** Uptake, quality and equity

Core objectives

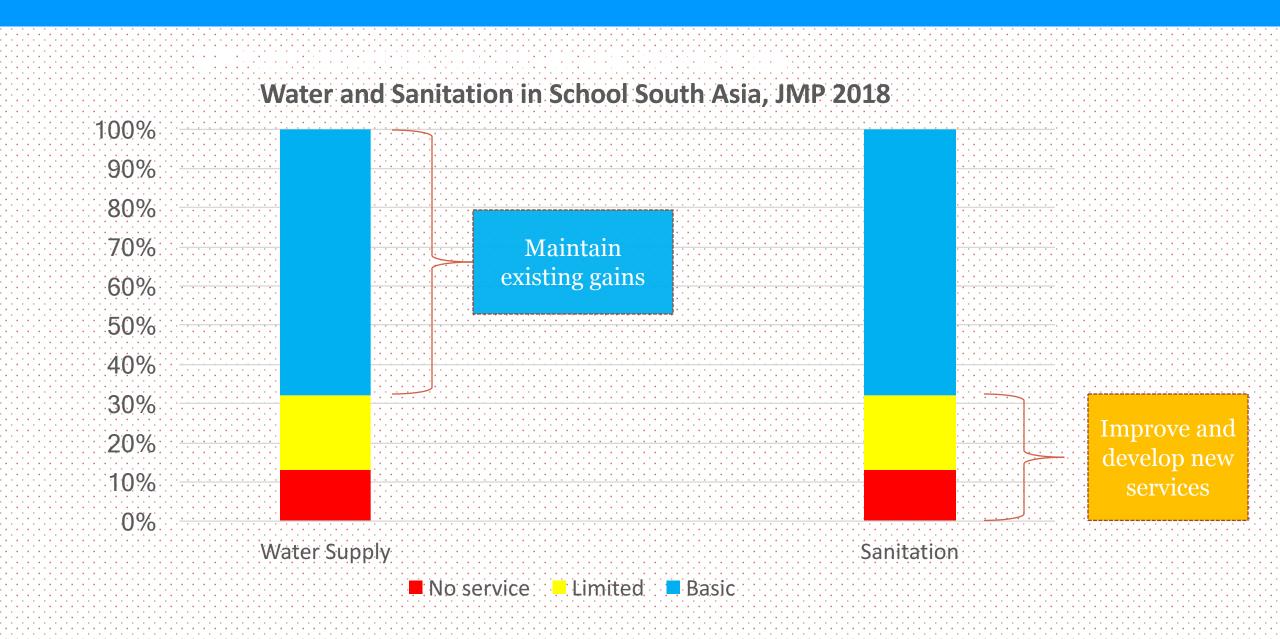
Effectiveness / Quality: Fit to need and goal? package of services appropriate to areas where outcomes need to be improved

Equity: Is everyone benefiting? equity in access (universal) and in funding (contribution according to ability to pay)

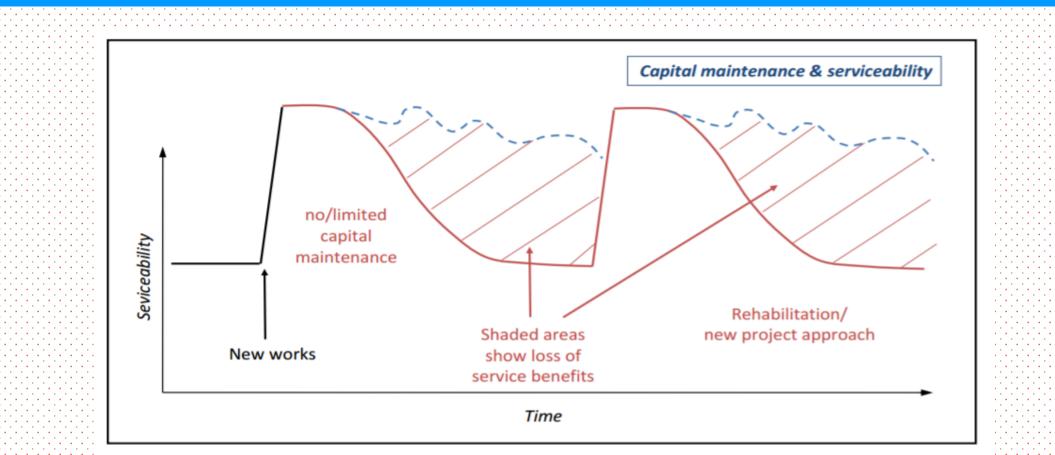
Efficiency: Best use of inputs? Allocative (right distribution) and technical (right approach)

Gender, Disability, ECD, Nutrition

WASH in Schools challenges



Capital Maintenance challenge



- Is this picture familiar to you?... 10-40% of WASH in School systems broken down;
- What does this say about the efficiency and effectiveness of current sector financing?

WASH in School: Life cycle approach

Capital expenditure (CapEx)

Expenditure on indirect support

Cost of capital (CoC)

Operational

expenditure (OpEx)

Capital expenditure – hardware and software (CapEx): The initial investment in the development of a water or sanitation system, referring to both the investment costs into infrastructure as well as costs related to the mobilization of the community.

Cost of capital:

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The rate of return required by the financiers that funded the capital expenditure.

Operating expenditure (OpEx):

Recurrent (regular, ongoing) expenditure on labour (salary for staff), costs for management (transport, fuel), energy and chemicals, materials, and minor repairs of the infrastructure. Capital maintenance expenditure (CapManEx):

Expenditure on asset renewal, replacement and rehabilitation of the infrastructure.

Expenditure on direct support (ExpDS):

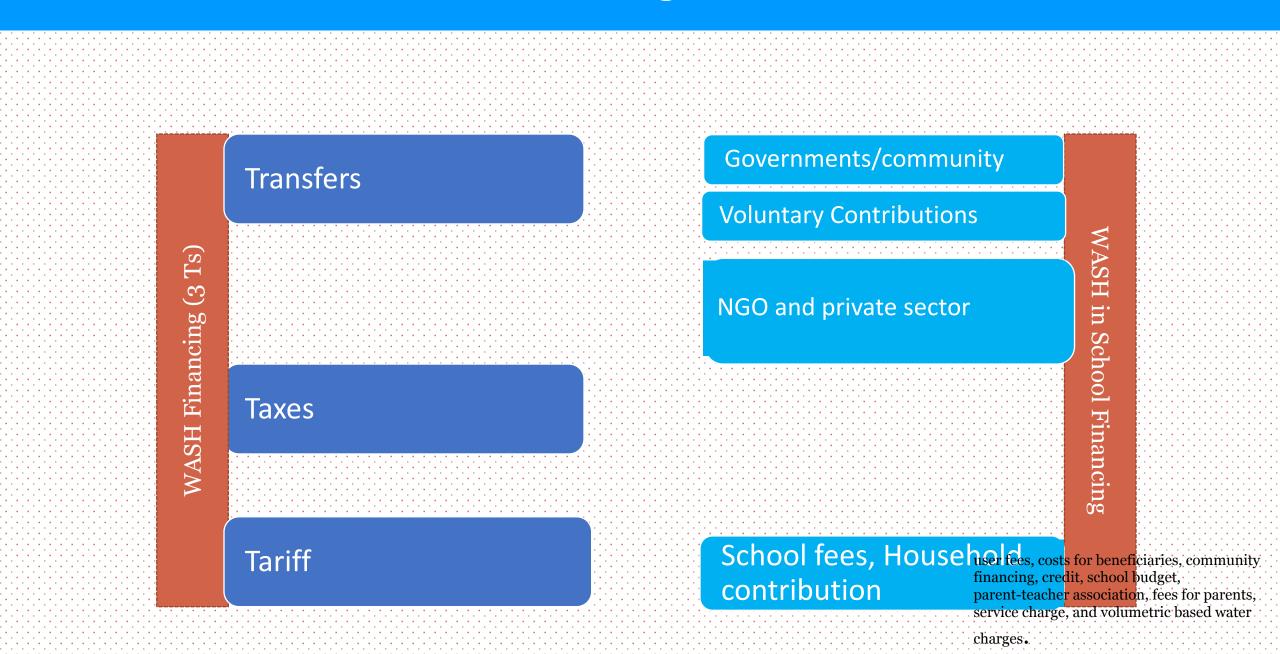
Expenditure on both pre- and post-construction support activities directed to local-level stakeholders, users or user groups

Expenditure on indirect supports: (Exo IDS): Macro level cost, policy development, capacity building, Monitoring



Capital Maintenance expenditure

Where the WASH in School Financing comes from?



Why WASH in School Financing is challenging?

WASH in School Financing

Governments/community

Voluntary Contributions

NGO and private sector

School fees, Household

contribution

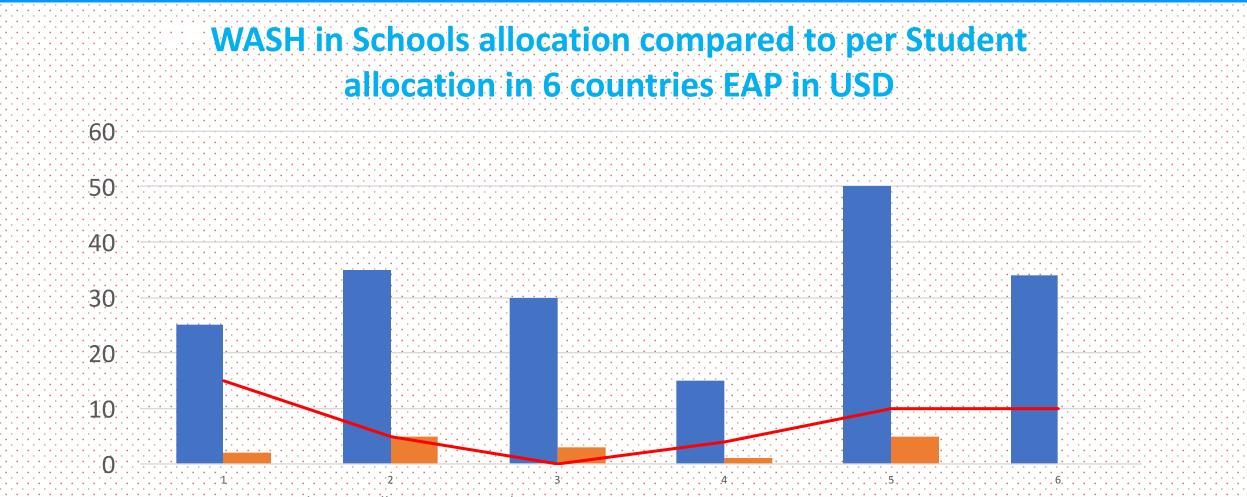
CSR fund

Unpredictable, Highly dependent on per student education allocation and utilization may vary, sometimes not regular

NOT PRIORITY

More sustainable sources but not enough to meet the all the WASH in school Costs

Financial allocation challenges



Education allocation per Student

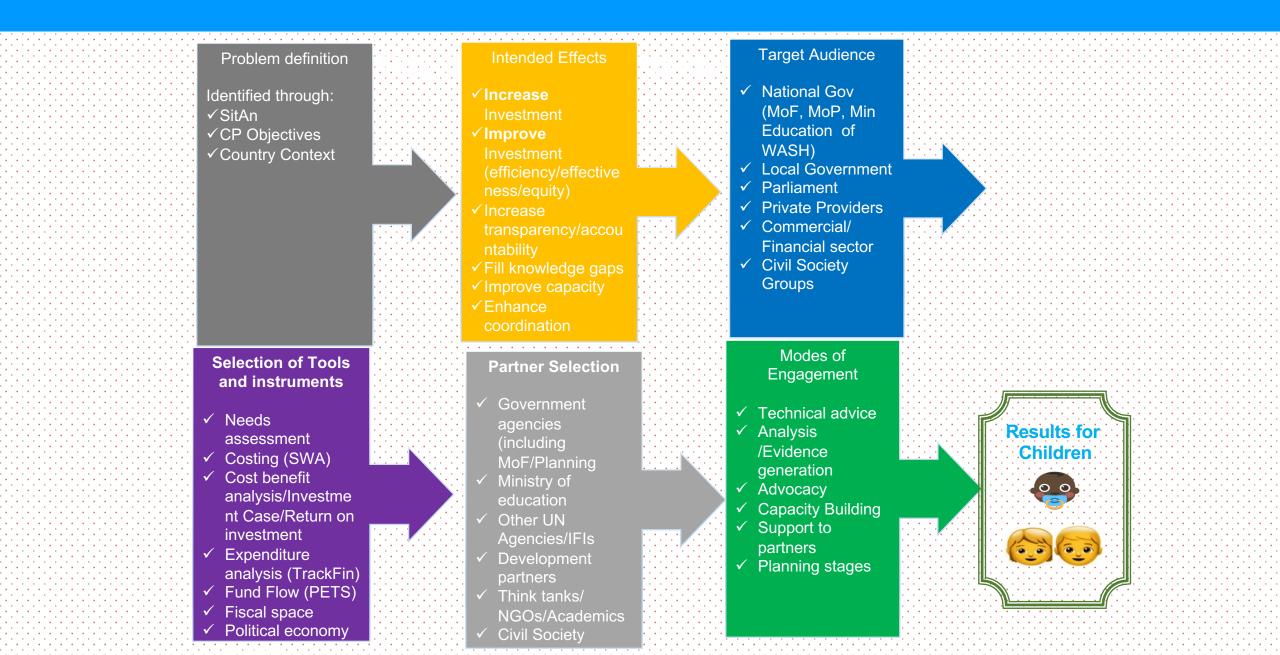
Allocation to WASH in schools from per student allocation

----Other contributions for WINS

Data on few investments case in preparation

Cambodia: **Option to support the WINS investments** Initial investment: 1.2 billion USD Recurrent till 2030: 2.2 billion USD Link to new Education school construction programme Min Education dedicated funding Laos: More advocacy.... Initial investment: 0.9 billion USD Recurrent till 2030: 1 billion USD Explore financial mechanisms: **Development impact bond (DIB)** Myanmar: PPP on WASH in district Wide WINS • Initial investment: **1.3 billion USD** operation and management • Recurrent till 2030: 1.4 billion USD

Need Strong case For Support: leveraging Public finance



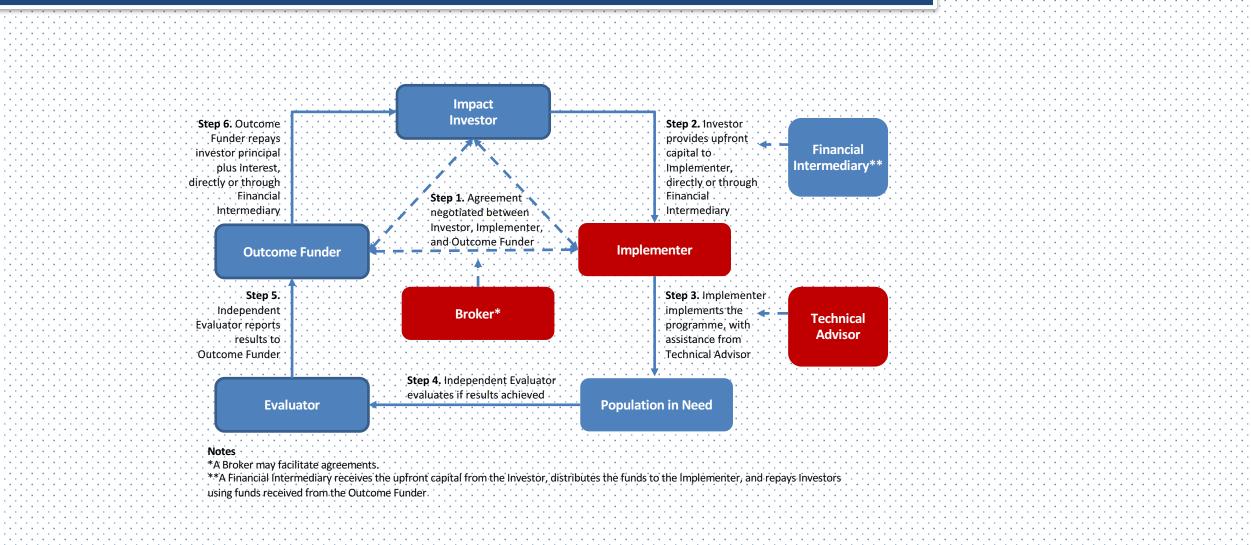
Few examples:

Two presentations:

1- Indonesia Government investment in WASH in schools- : **Mr Zulkarnaen Haryo Nugroho**, Secretariat of School Health Program at Directorate General Primary and Secondary

Nepal Government investing in large scale WASH in schools; Ms
 Sandhya Chaulagain – Water Aid Nepal

ODF Impact Bonds



unicef for every child 15