

November, 2019

# WINS FINANCING

unicef   
for every child

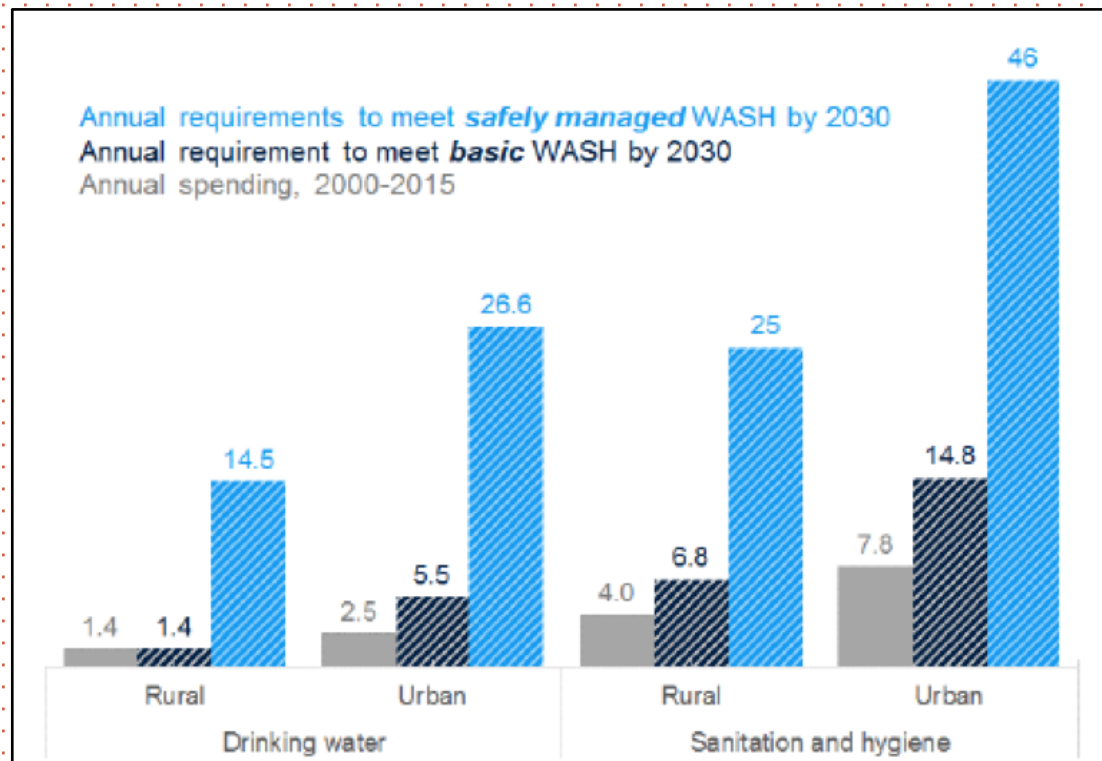
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# What do SDGs mean for WASH financing in general?

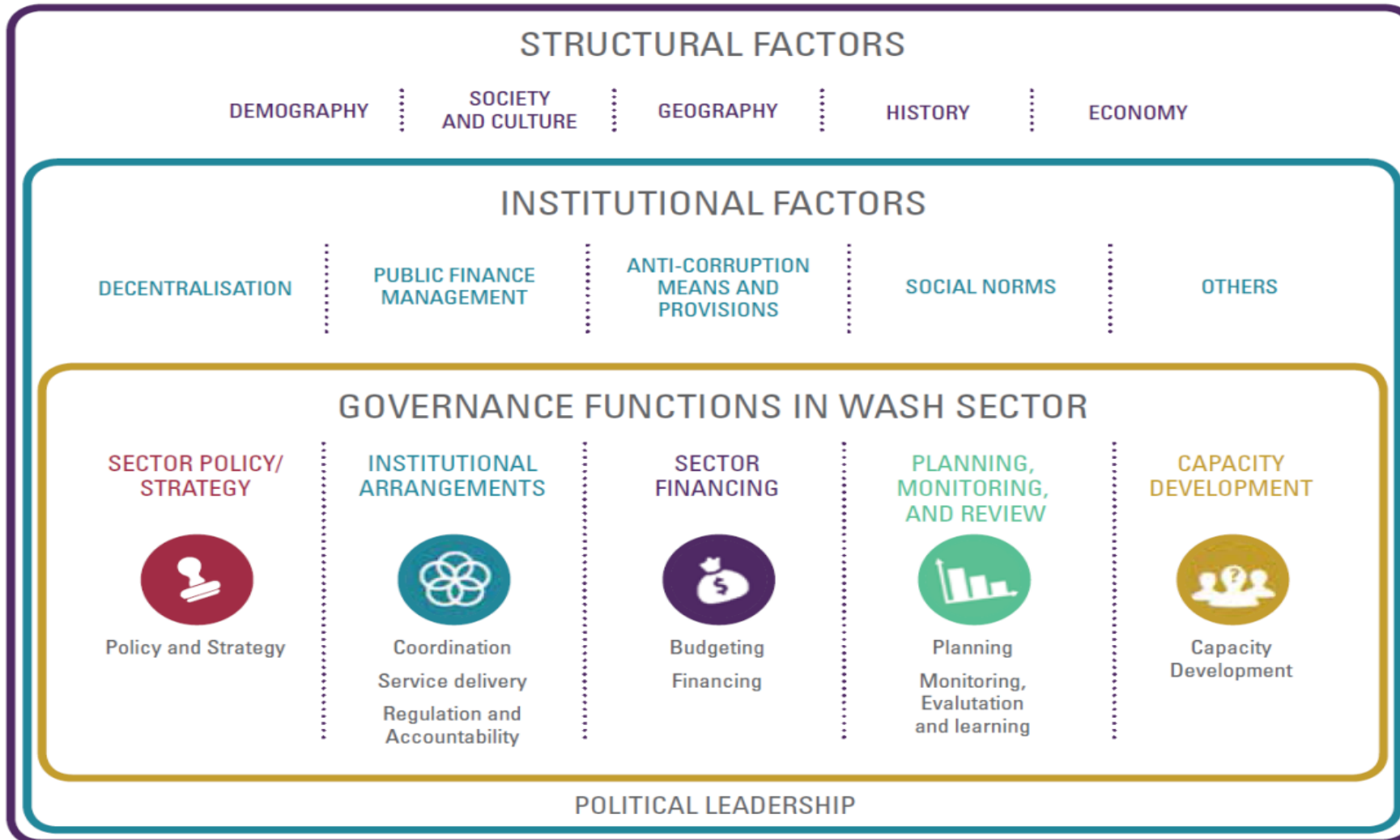
*SDGs carry vastly higher price tag than MDGs*

- 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.

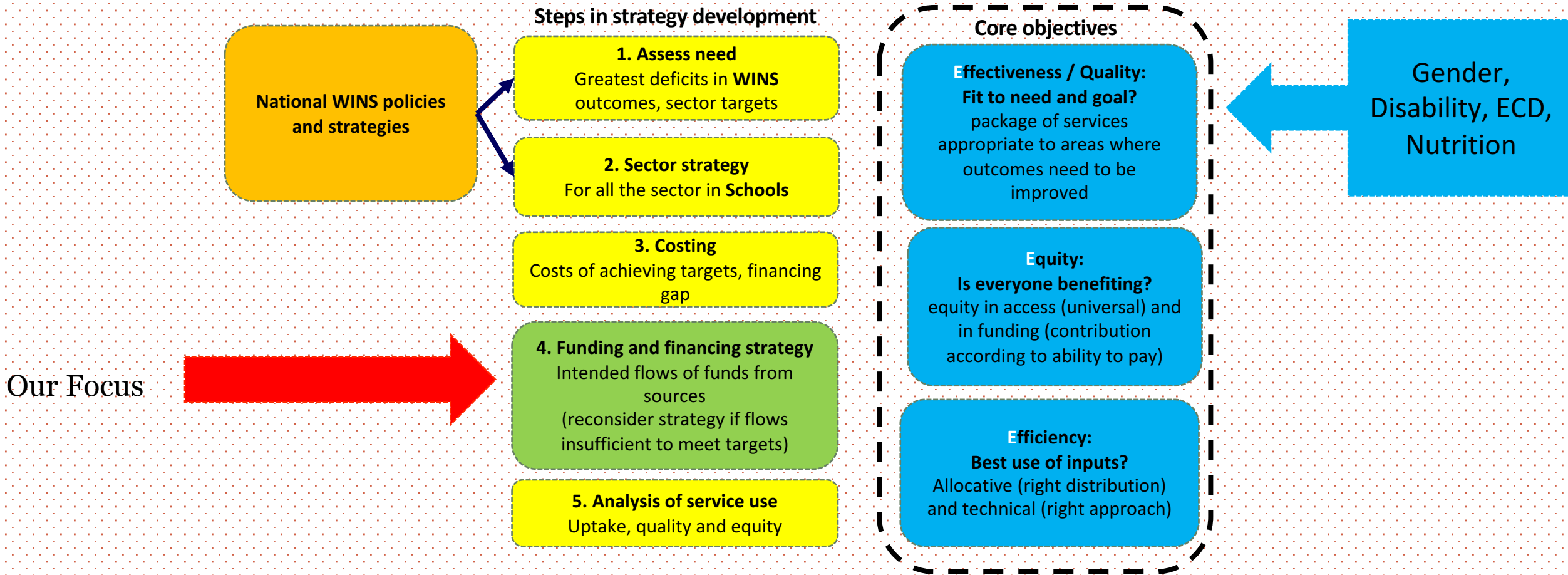
## Sanitation:

- **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.

In general the use of **public finance** is justified:

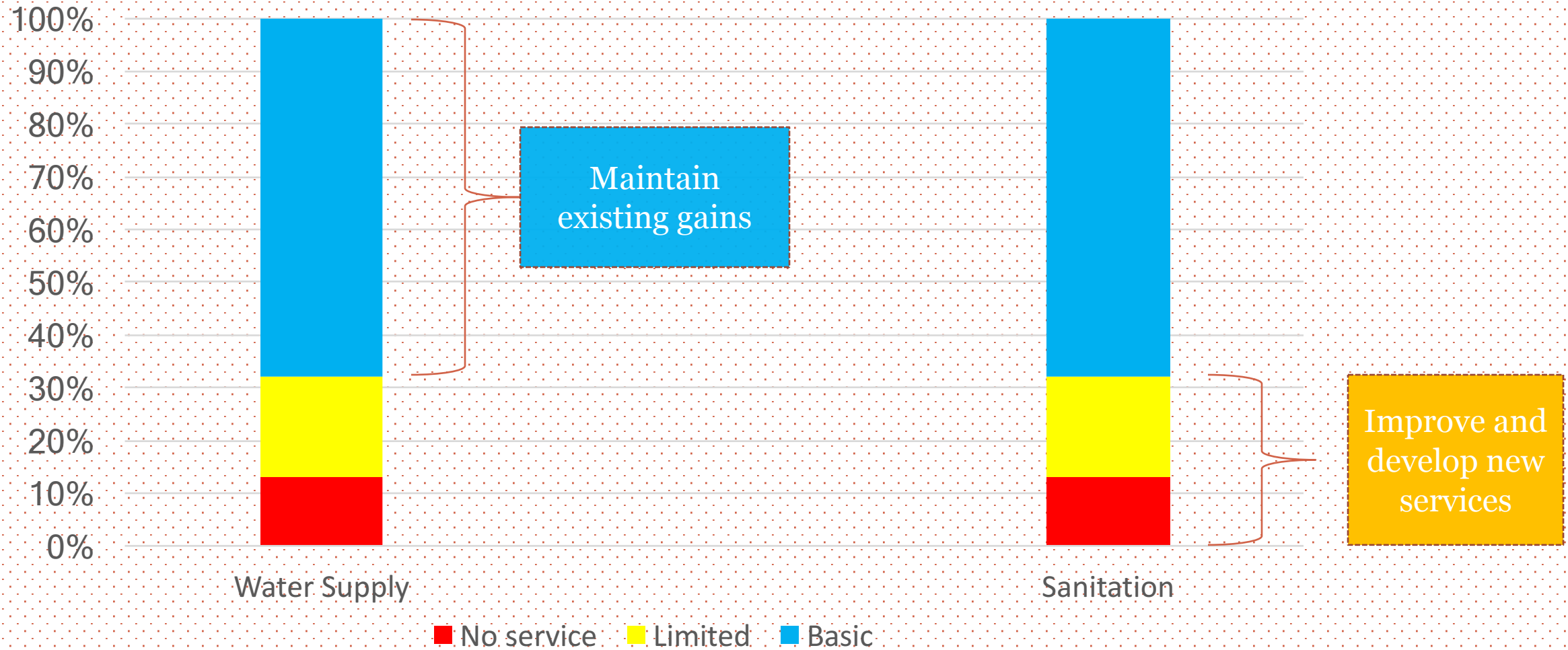
- When the spending provides **public goods**, or
- When the intervention addresses **externalities**

# SDG implication in Programming

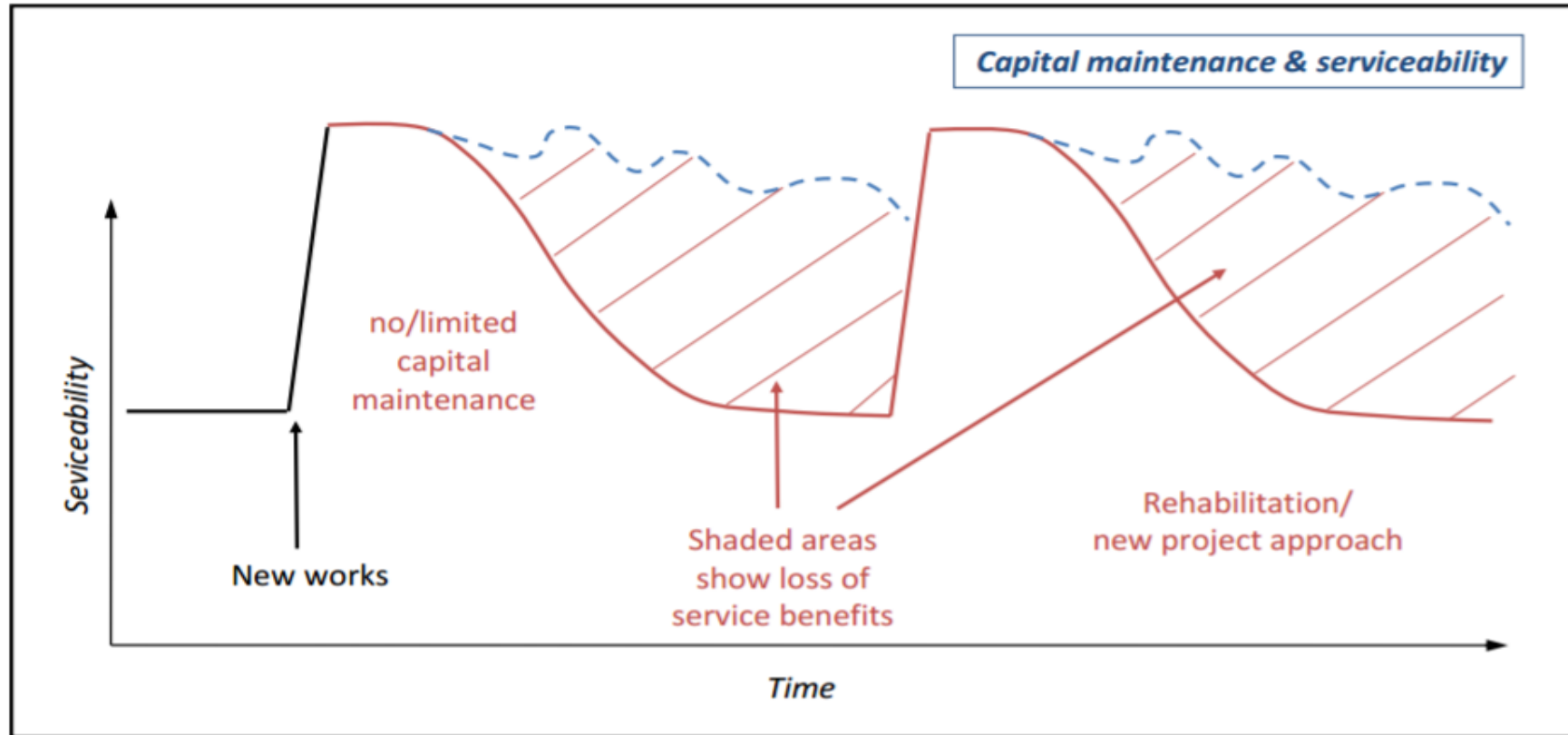


# WASH in Schools challenges

Water and Sanitation in School South Asia, JMP 2018

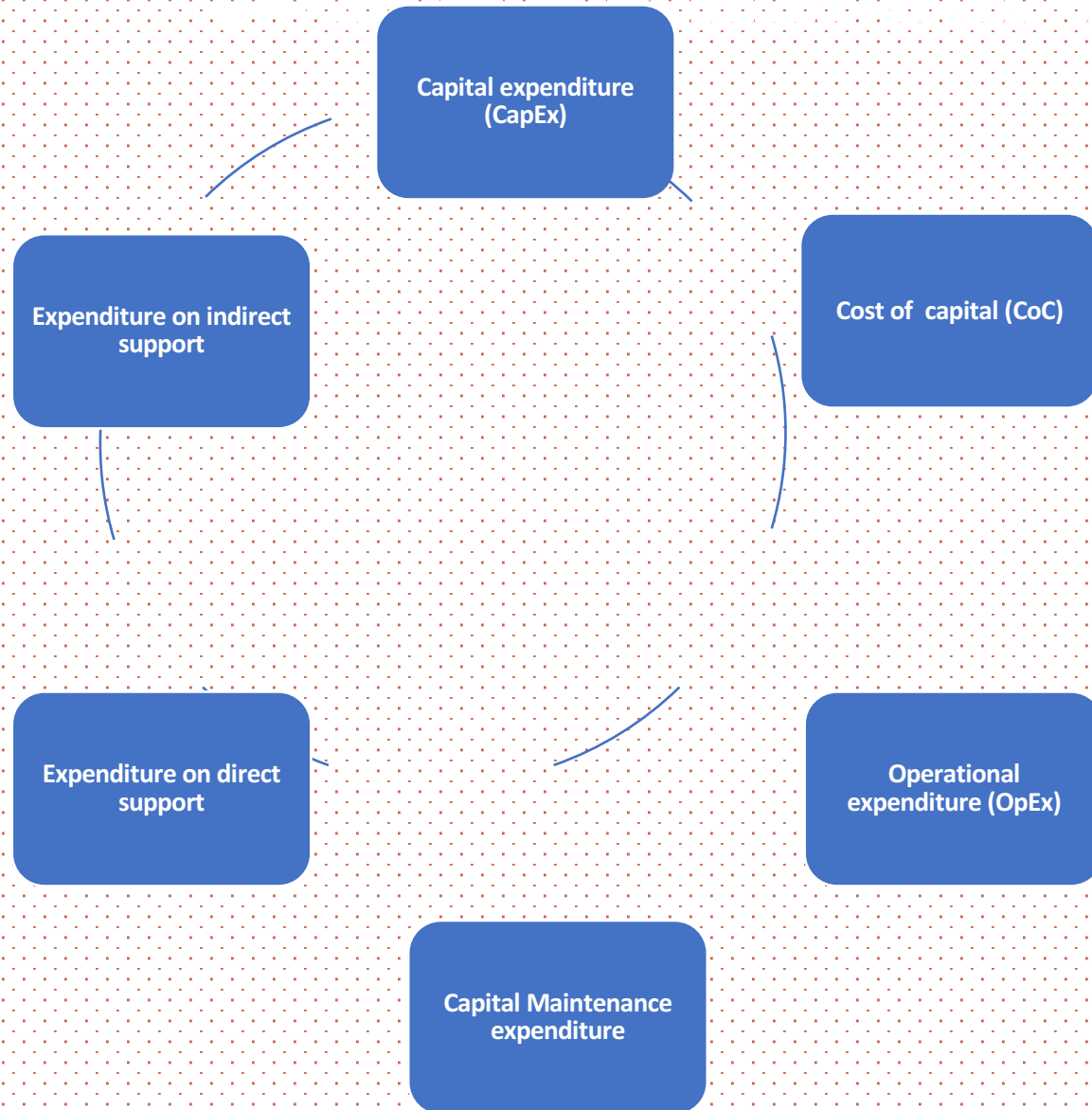


# Capital Maintenance challenge



- 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

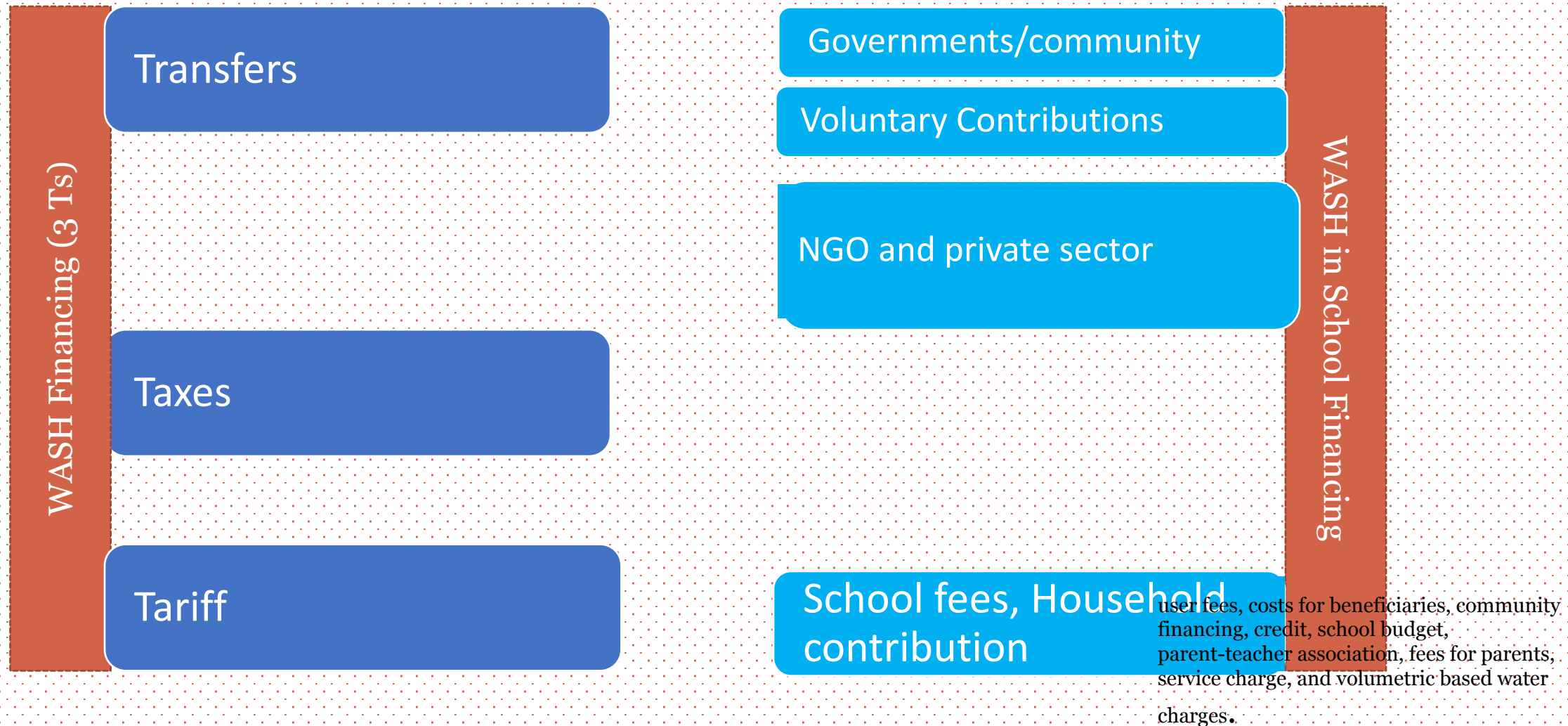


- **Capital expenditure – hardware and software (CapEx):**  
The initial investment in the development of a water or sanitation system, referring to both the investment costs into infrastructure as well as costs related to the mobilization of the community.
- **Cost of capital:**  
The rate of return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

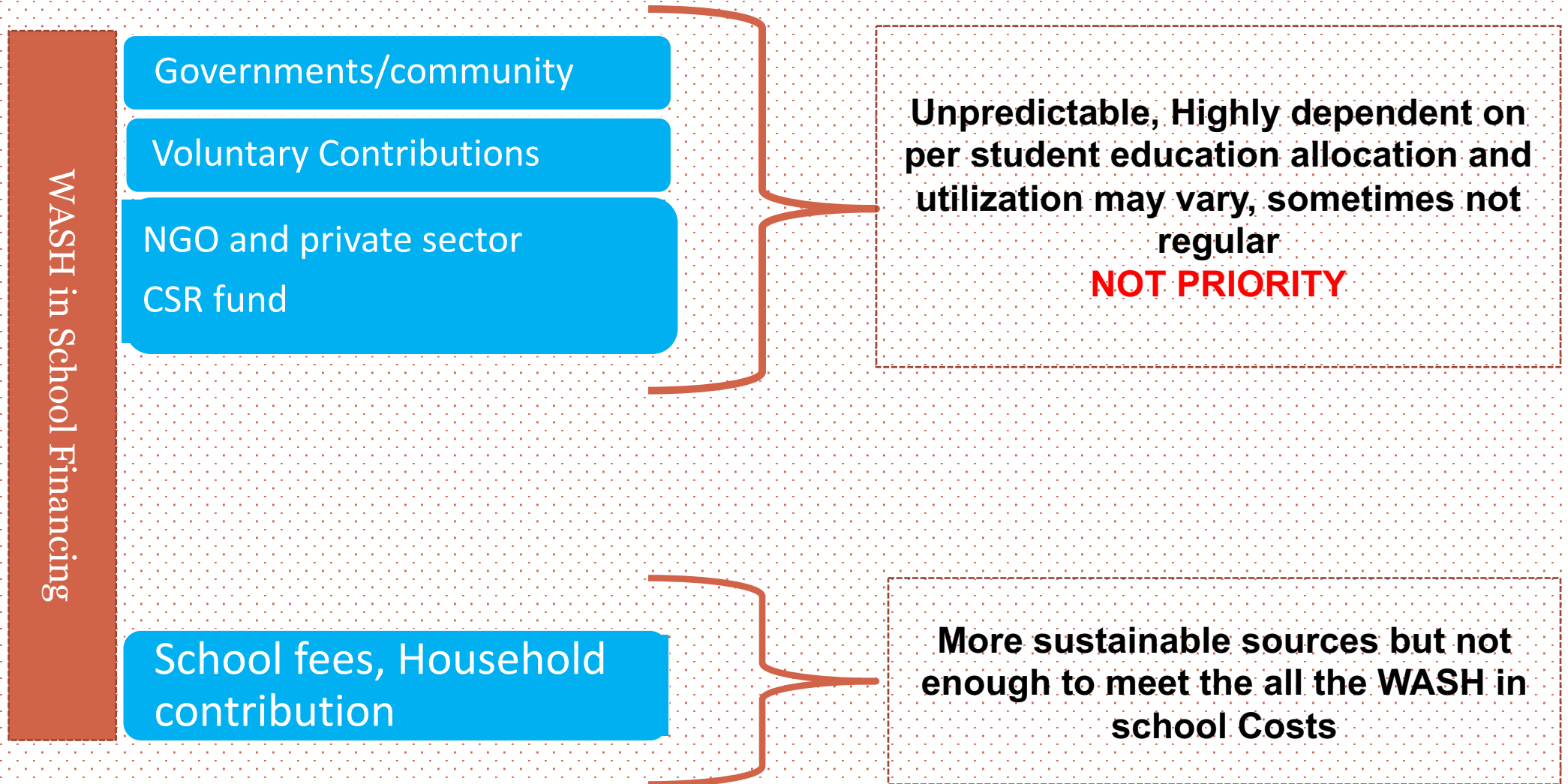
**Expenditure on indirect supports: (Exo IDS):** Macro level cost, policy development, capacity building, Monitoring



# Where the WASH in School Financing comes from?

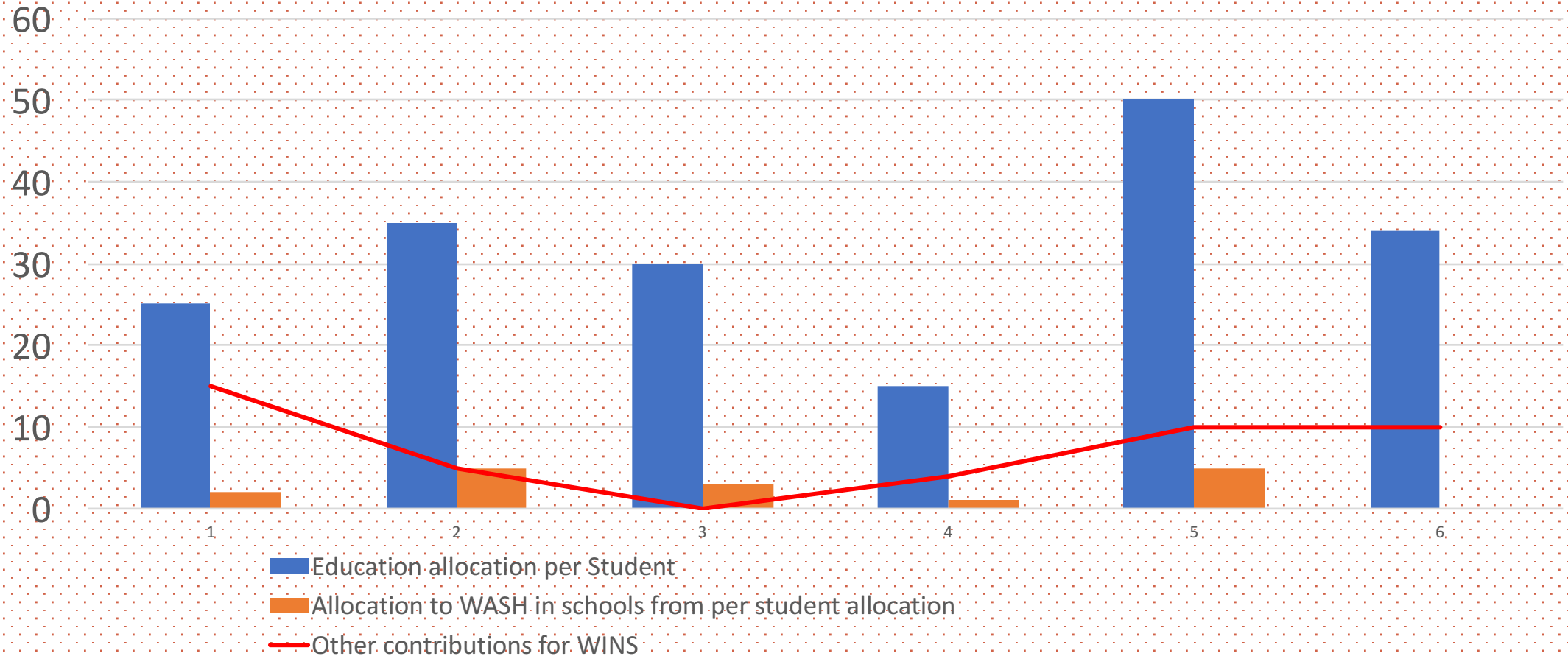


# Why WASH in School Financing is challenging?



# Financial allocation challenges

## WASH in Schools allocation compared to per Student allocation in 6 countries EAP in USD



# Data on few investments case in preparation

## **Cambodia:**

- Initial investment: **1.2 billion USD**
- Recurrent till 2030: **2.2 billion USD**

## **Laos:**

- Initial investment: **0.9 billion USD**
- Recurrent till 2030: **1 billion USD**

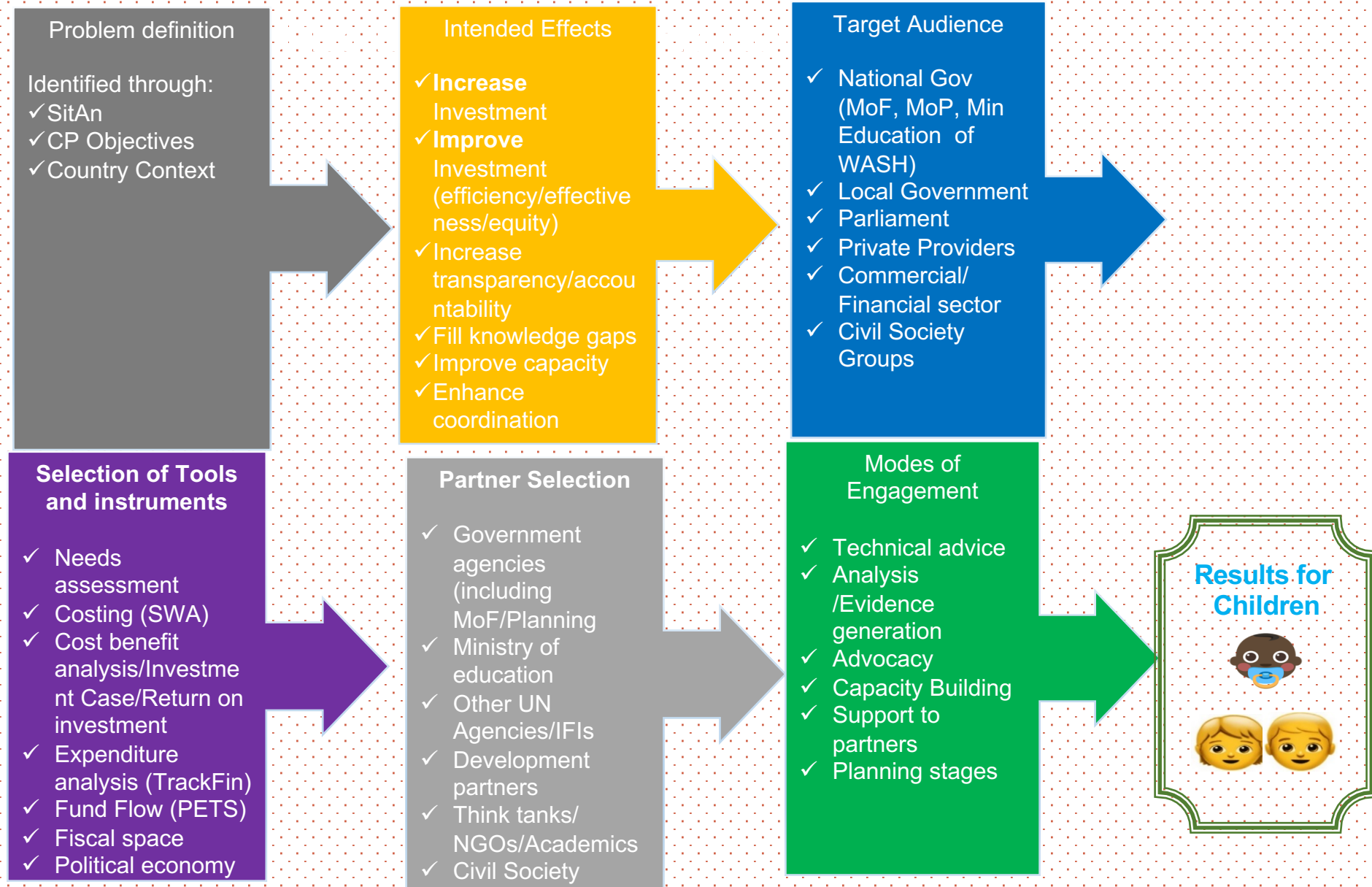
## **Myanmar:**

- Initial investment: **1.3 billion USD**
- Recurrent till 2030: **1.4 billion USD**

## **Option to support the WINS investments**

- **Link to new Education school construction programme**
- **Min Education dedicated funding**
- **More advocacy....**
- **Explore financial mechanisms:**
  - **Development impact bond (DIB)**
  - **PPP on WASH in district Wide WINS operation and management**

# Need Strong case For Support: leveraging Public finance

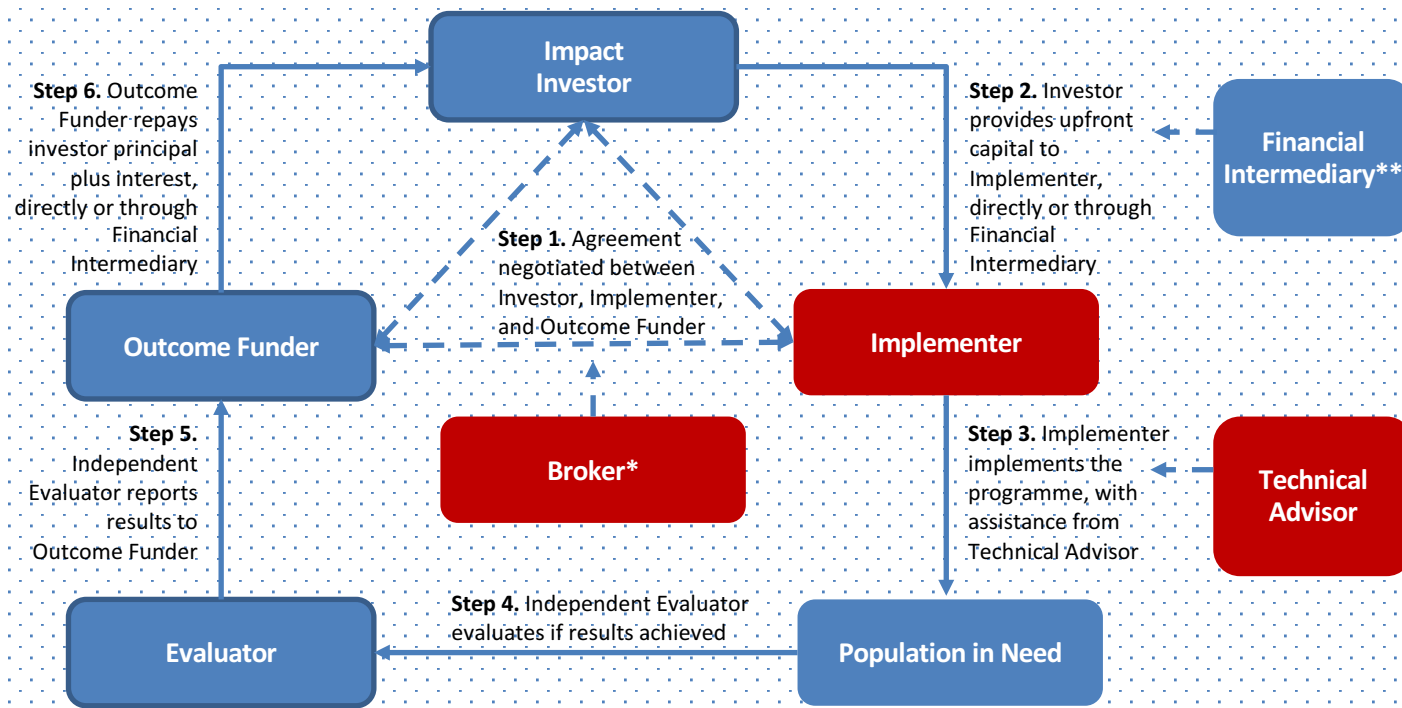


# Few examples:

## 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
2. Nepal Government investing in large scale WASH in schools; **Ms Sandhya Chaulagain – Water Aid Nepal**

# ODF Impact Bonds



**Notes**

\*A Broker may facilitate agreements.

\*\*A Financial Intermediary receives the upfront capital from the Investor, distributes the funds to the Implementer, and repays Investors using funds received from the Outcome Funder.