



# Strategic Directions for WASH Financing Thematic Area in the UNICEF Strategic Plan 2022-2025

## SUMMARY

Financial resources continue to be a bottleneck to achieve Sustainable Development Goal (SDG) 6 for almost all low- and middle-income countries. Leveraging financial resources is one of the six programming approaches in UNICEF's WASH Strategy 2016-2030. In the UNICEF Strategic Plan 2022-2025, WASH financing is the focus of one results area on the enabling environment, with two indicators – one on WASH financing strategies and one on how much UNICEF's actions and influence has managed to leverage from other financing sources.

Drawing on a number of publications and consultations with the global WASH network within UNICEF as well as with external partners, a number of key current challenges are highlighted in this paper, and a range of important solutions and activities are proposed to be implemented in the UNICEF Strategic Plan in 2022-2025 and beyond. Four pillars are introduced, with indicative activities to be implemented:

1. Financing and the enabling environment;
2. Closing the funding gap;
3. Service delivery models;
4. Exploring financing options.

Four ways in which these pillars are to be implemented are outlined. These include (1) global thought leadership; (2) demonstrating proof-of-concept of new models and approaches; (3) strengthening and convening partnerships at country, regional, and global levels; and (4) capacity development and technical assistance. Knowledge management and monitoring play key roles in all of these.

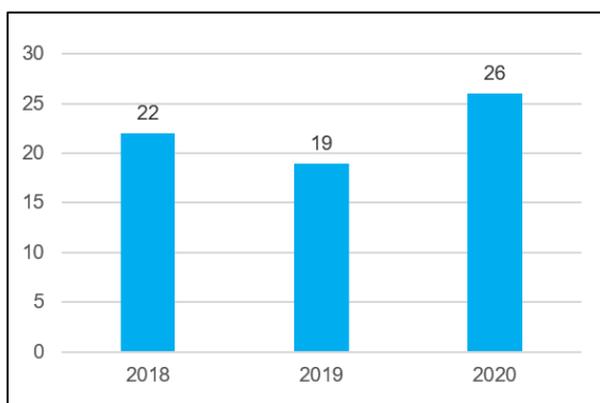
## Recent trends in WASH financing

Financial resources continue to be a bottleneck to achieve Sustainable Development Goal (SDG) 6 for almost all low- and middle-income countries (LMIC). According to GLAAS 2018/2019 country

survey, cost estimates from 20 countries and territories revealed a funding gap of 61% (UN-Water, 2019). This gap is supported by the World Bank global costing study on the SDG targets 6.1 and 6.2 which estimated that a three-fold increase in spending is needed to meet the capital spending requirements of the WASH targets from 2016 to 2020 (World Bank, 2016). Among 24

countries answering the GLAAS survey question, 15 countries reported budget increases<sup>1</sup>, while 9 countries reported budget decreases<sup>2</sup> in the past fiscal year (UN-Water, 2019, p. 33). International aid delivered through grants decreased despite the increased SDG ambition and humanitarian needs. OECD data indicate that 55% of official development assistance (ODA) in 2018-2019 was in ODA loan format (see Annex 1 Figure 1). Globally, ODA grant disbursements for WASH decreased from USD 2.4 billion in 2010 to USD 2 billion in 2019 (in constant dollars in 2018 prices) (OECD, 2021), as shown in Annex 1 Figure 2, Eastern and South Africa, South Asia and Latin American and Caribbean regions saw the largest decrease. On the other hand, ODA loans saw some growth, particularly for Middle East and North Africa and East Asia and the Pacific regions. The grant equivalent of global ODA loans<sup>3</sup> increased from USD 1.5 billion in 2010 to USD 2 billion in 2019 (see Annex 1 Figure 3).

**Figure 1: Number of countries reporting substantial new funding leveraged for the sector by UNICEF advocacy or support**



Source: Standardized Monitoring Questions, UNICEF

<sup>1</sup> Albania, Argentina, Bangladesh, Bhutan, Bosnia and Herzegovina, Costa Rica, Georgia, Maldives, Mali, Pakistan, Peru, and Serbia

<sup>2</sup> Afghanistan, Brazil, Eswatini, Liberia, Nepal, and Togo

<sup>3</sup> Defined as soft loans which are i) provided by official agencies, ii) each transaction of which a) administered with the promotion of the economic development and

Leveraging financial resources is one of the six programming approaches in UNICEF's WASH Strategy 2016-2030. According to standard monitoring question (SMQ) data, the number of countries leveraging additional donor funding, public finance, or repayable finance increased to 26 in 2020, as shown in Figure 1. In India, for example, UNICEF advocacy and technical assistance is reported to have leveraged or influenced USD 776 million of WASH investments in communities (Gram Panchayats and slums) and institutions (schools, health facilities) in 2020. Twenty-one country offices are currently pursuing or implementing initiatives to leverage repayable finance from development banks or commercial banks<sup>4</sup>.

In the [UNICEF Strategic Plan 2022-2025](#), WASH financing is the focus of one results area on the enabling environment, with two indicators – one on WASH financing strategies and one on how much UNICEF's actions and influence has managed to leverage from other financing sources. As a result, the WASH team is mobilizing to strengthen our programming around funding and financing in the future. A UNICEF discussion paper released in 2020 proposed a global vision for [leveraging repayable finance](#) in WASH (Zhao et al, 2020a). A second discussion paper explored the [different financing models that can work in contexts with protracted crises](#) to support long-lasting WASH solutions (Zhao et al, 2020b). There is emerging consensus across UNICEF regional offices about the potential and significance of funding and financing to achieve SDG 6.

Partnership with International Financial Institutions (IFIs) has been a key strategy of regional and country offices. In the global

welfare of developing countries as its main objective, and b) is concessional in character meeting DAC requirements.

<sup>4</sup> Bangladesh, Benin, Burkina Faso, Ethiopia, Ghana, India, Indonesia, Kenya, Madagascar, Malawi, Mozambique, Mozambique, Myanmar, Nepal, Niger, Nigeria, Pakistan, Philippines, Somalia, Timor-Leste and Uganda.

numbers, these partnerships do not yet show (see Annex 2 Figures 1 and 2). One exception is the funds received from the World Bank, the largest of which supports emergency operations in Yemen. A second example is from East and Southern Africa Region (ESAR) where a partnership has been developed with the German Development Bank (KfW). A project pipeline of USD 200 million has been developed for 11 projects, of which € 32 million has been secured to-date for 4 projects from 2020 to 2023 (Ethiopia, Sudan, Somalia and Uganda). A [Water Fiscal Diagnostic Study in East and Southern Africa with the European Investment Bank \(EIB\)](#) designed bankable projects in Malawi and Mozambique (Godfrey et al, 2020). There is also ongoing collaboration with the Asian Infrastructure and Investment Bank (AIIB) in South Asia. There has, however, only been limited collaboration with the World Bank so far on repayable finance.

There have also been successful experiences with consumer and Small and Medium Enterprise (SME) financing through microfinance institutions (MFI) associations or regulators. Results have been achieved in India and Nigeria at scale with partners such as [water.org](#): mobilizing \$190 million with more than 90,000 WASH loans in India; and leveraging six states in Nigeria to establish “State Pool Funds” which provide zero-interest rate capital to MFIs, lowering interest rates from 30-40% to single digits. Ghana and Malawi also have had successful experience with urban and rural revolving funds which leverage low-interest consumer and SME loans. The Philippines has a consumer-financing initiative connected to outcome-based subsidy.

Drawing on a number of publications and consultations with the global WASH network within UNICEF as well as with external partners, a number of key current challenges are highlighted below, and major solutions and activities are proposed to be implemented in the UNICEF Strategic Plan in 2022-2025 and beyond. Four pillars are first introduced, with indicative activities to be implemented:

1. Financing and the enabling environment;
2. Closing the funding gap;
3. Service delivery models;
4. Exploring financing options.

Table 1 provides a fuller listing of the challenges and proposed activities, by pillar. Given the global nature of this document, some tailoring is needed for different regions and countries that have different challenges and different opportunities. The paper concludes with some reflections on how these activities might be implemented.

## Pillar 1: Financing and the Enabling Environment

There are many weaknesses in the enabling environment that prevent financing from being spent efficiently and equitably and attracting new resource flows from both public and private financing sources. This is due to the underlying fact that there is inadequate investment in strengthening the enabling environment for strong and resilient WASH systems generally, but also more specifically, systems governance and investment opportunities that would be attractive for private sector participation.

One major issue that is often unaddressed is that major sector financiers do not coordinate their plans and do not put their funds behind the national sector strategy. Donors and other sector financiers continue to make their decisions about which country to support and which interventions to finance in a largely uncoordinated way, as evidenced by the tracking of SWA’s collaborative behaviors at [country level](#) and the [GLAAS external support agency profiles](#) (UN-Water, 2019).

Some LMIC governments are increasingly succeeding in aligning external support with their sectoral plans, such as Ethiopia under the ONEWASH National Programme. However, most countries are characterized by weak and unstable institutional capacity, especially in low-resourced

and fragile environments, making it difficult to exert leadership over a fragmented sector.

Furthermore, few countries have fully costed multi-year plans to meet sector targets or comprehensive financing strategies that encompass all major funding and financing sources. While some countries have implemented UN-Water's WASH Accounts methodology (implemented by WHO) or conducted [WASH sector public expenditure reviews](#), this is the exception rather than the norm.

Under the next Strategic Plan and beyond, UNICEF WASH will work on a several key actions to strengthen the WASH enabling environment:

- Promote the systems strengthening approach among key influential partners, including donors and host governments – with a view to systematically supporting systems strengthening efforts and removing key bottlenecks.
- Implement joint planning approaches that include strengthening of the enabling environment, such as the [WASH Bottleneck Analysis Tool](#) (WASH BAT).
- Promote coordination of financing and undertake pooled funding approaches, supported by sector-wide approaches (“SWAps”) and Joint Sector Reviews (JSRs).
- Promote locally owned financing initiatives and hubs, with focus on domestic resource mobilization (and not rely only on concessional finance).
- Capturing indirect results in UNICEF's own reporting and advocating for measuring the impact of systems strengthening and its advantages over seeking direct results.

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<sup>5</sup> All IFI loans need to be repaid by the national government eventually. How much a government can borrow is restrained by its taxes and foreign currency reserves. Too much government debt will put a burden on the future fiscal situation and may create downward pressure on the currency. The International Monetary Fund (IMF) also recommends an upper

- Providing and supporting training on financing, benefitting the broader sector.

## Pillar 2: Closing the funding gap

The fundamental weakness in most WASH sectors is that there are currently insufficient funds to meet SDG targets. Even when increases are achieved in public allocations, it is insufficient to fill the gap in any meaningful way, and often the allocations do not convert to actual expenditures due to intricacies of public financial management systems or lack of capacity. Furthermore, there is limited fiscal space in low- and lower-middle-income countries. Some upper-middle-income countries, notably India, have drastically increased their WASH budget and public expenditures. Nevertheless, this experience is not easily transferrable to low-income countries.

One constraint is that, however good the arguments for spending on WASH, Ministries of Finance need to balance competing funding needs from other priority sectors. In the 2018/2019 GLAAS Survey, public expenditure of seven out of sixteen low- and middle-income countries reporting, spent less than 0.1% of GDP on WASH. This also poses challenges for partnerships with IFIs where concessional loans repaid or guaranteed by the general budget<sup>5</sup>. COVID-19 may worsen the prospect for large-scale public finance in 2021 and beyond. Revenue shortfalls from output drops and a concurrent fall in commodity prices, combined with debt vulnerabilities, have forced many low-income developing countries to limit the size of fiscal support (IMF, 2021).

As countries prioritize pandemic control and emergency relief, advocacy for large public

limit for national government debt, which limits the overall envelope of IFI borrowing a government can have. Governments have competing priorities, so WASH may not always get prioritized when governments have multiple priorities or when IFIs are more aggressively pushing loan financing for other sectors.

investments in WASH will be more challenging in many countries. Recent years have also seen some of the most important WASH donors reducing their spending on WASH, such as the UK and Swedish governments.

Under the Strategic Plan 2022-2025 and beyond, UNICEF WASH will work on several key actions to lobby for increasing public expenditures on WASH:

- Bring increased attention to the sector by drawing on the major threats under a business-as-usual, such as water scarcity and WASH in fragile contexts. For example, under the leadership of UNICEF's Executive Director, the Water Security for All (WS4A) initiative has become one of UNICEF's four main priorities for the upcoming years.
- Lead or support investment cases which form the basis for convincing messages delivered to the right stakeholders. These may cover WASH generally, or specific aspects of WASH such as cholera control, WASH in schools and healthcare facilities, and private sector engagement.
- Engage in and coordinate evidence-based costed sector plans with a view to costing not only the infrastructure and other operational needs such as capital maintenance, but also the costs to strengthen systems and remove sector bottlenecks. UNICEF will continue strengthening sector planning methodologies and coordination mechanisms, bringing key evidence to make sectors more efficient, equitable and sustainable, using a range of tools such as sustainability checks, costing studies, financial tracking studies and WASH bottleneck analyses.
- Promote and contribute to realistic financing strategies, with coordinated support of key sector partners at country level and from global institutions (e.g., from the SWA work groups).
- Leverage funds using UNICEF funds or influence. This includes leveraging public funds as well as IFI funds for blended finance models. It also includes obtaining allocations from global funds such as the Green Climate Fund (GCF).

**Table 1: Challenges and priority activities under pillars 1 and 2 of the financing strategy**

<b>Pillar 1: Financing and the Enabling environment</b>	
<b>Challenges</b>	<b>Priorities for 2022-2025</b>
<p>Inadequate resources spent on strengthening the enabling environment and WASH systems</p> <p>Funding and financing partners do not work collaboratively to find joint solutions, and many programmes remain vertical</p> <p>Institutional strengthening in low resourced and fragile contexts and amid political changes remains challenging</p> <p>Lack of formalization of service providers, regulations and incentives</p> <p>Lack of influence of public sector on private institutions such as schools and healthcare facilities</p>	<p>Promote systems strengthening approach among key influential partners, including donors and host governments</p> <p>Implement joint planning approaches that include strengthening of the enabling environment, such as the WASH BAT</p> <p>Promote coordination of financing and undertake pooled funding approaches, supported by sector-wide approaches (“SWAps”) and Joint Sector Reviews (JSRs)</p> <p>Promote locally owned financing initiatives and hubs, with focus on domestic resource mobilization (and not rely only on concessional finance)</p> <p>Capturing indirect results in UNICEF’s own reporting, and promoting more broadly</p> <p>Regulatory instruments and incentives</p> <p>Training, linking up with partners (e.g., through SWA and multi-country grants)</p>
<b>Pillar 2: Closing the funding gap</b>	
<b>Challenges</b>	<b>Priorities for 2022-2025</b>
<p>Lack of public financing and limited fiscal space</p> <p>Long-term WASH donors reducing their spending on WASH, and other potential donors not convinced about WASH</p> <p>Quality studies are not conducted to understand the financing needs</p> <p>Financing strategies and plans – if done at all – are not comprehensive or collaborative to provide a pathway forward for sector financing</p>	<p>Develop and use evidence better to support financing and convince governments and partners to invest more</p> <p>Investment cases (costs of inaction, cost-benefits)</p> <p>Cost studies and investment plans</p> <p>Fiscal space analyses</p> <p>Develop sector financing strategies with concrete proposals</p> <p>Disseminate sector knowledge in convincing messages to the right stakeholders</p> <p>Engagement with IFIs and leverage public funds using UNICEF funds</p>

Under the Strategic Plan 2022-2025 and beyond, UNICEF will work on a number of key actions to develop and implement viable service delivery models for a range of contexts:

- Building on the market-based sanitation and consumer financing work, the priority for the next strategic plan is to improve the supply chains and distribution efficiency and effectiveness. UNICEF will leverage the public procurement done on behalf of governments and emergency programmes to build up the local supply chain.
- Pool projects to reduce transaction cost and spread risk. In project identification stage, seek solutions to keep costs down and promote basic WASH service levels for all, rather than adopting safely managed water and sanitation standards for few.
- Develop and implement approaches to improve efficiency and revenues. For example, solarizing water is a good opportunity for the sector. It can drastically reduce operating costs and reduce reliance on diesel fuel, which is difficult to get in some remote settings. The carbon savings are large as water supply/ wastewater services represent a significant proportion of energy consumed by municipalities, often representing more than 30% of total energy in small towns (United States Environmental Protection Agency, 2017). Climate finance also presents the opportunity to prioritize the issue.
- As part of service delivery model selection, tariff reform should be promoted, while implementing tariff structures that protect the poor and vulnerable. As part of this, affordability assessments need to be promoted and seeking responses measures that leave no one behind.

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<sup>6</sup> Collateral means physical assets that banks / lenders can take over when the borrower defaults. For example, for housing mortgage loans, the house itself is typically used as the collateral. This can be compared to "unsecured" loans such as credit card debt. Credit card

## Pillar 3: Service Delivery Models

There exists a whole array of different service delivery models, which can be selected based on their relevance for each context. However, these are not clearly defined and understood in many contexts and/or proper investments are not made in project analysis and identification – consequently there is a limited project pipeline of viable schemes (private sector or blended). Furthermore, regulatory frameworks are weak to support some viable service delivery models and incentivize the private sector. In many countries private sector engagement in the water sector is viewed with suspicion. This leads to considerable informal sectors in service provision, which does not protect the vulnerable.

A strong regulatory framework is essential, in particular in contexts where service provision is done by the private sector. Creating an enabling environment for WASH services operated by the private sector requires political will and integrity to negotiate concessions and contracts that are both feasible and protective of human rights to WASH. In this process, consultations with communities prior to the contract signing are critical.

In sanitation, there is a dominance of micro and small enterprises, which creates challenges for leveraging financing. First, micro and small enterprises often do not qualify for formal financing as they often lack collateral<sup>6</sup>, documentation and financial statements which are a prerequisite of qualifying for a loan. Second, efforts to support them will also incur significant transaction costs.

debt is usually decided on a person's credit history alone and does not have collateral. This also means that credit card debt interest rates are higher than a collateralized loan.

## Pillar 4: Exploring Financing Options

The main issue faced in the WASH sector in low- and middle-income countries is that of low-cost recovery. This is exacerbated by inflated costs due to an inefficient WASH sector. Few utilities or community-managed water systems are recovering operating and maintenance costs and are creditworthy for financing. The solution is more complex than increasing volume tariffs, as pricing could affect affordability to vulnerable groups. A better understanding of willingness and ability to pay is critical, but notoriously difficult to measure or model. Efforts are under way to [conduct better assessments of affordability](#) to inform tariff setting and subsidy delivery in a fair manner (UNICEF and WHO, 2021). Some consumer financing options show promise, but they depend on significant subsidies and/or external support, and few have successfully been targeted at the poorest households.

Consequently, there is a lack of willingness of financiers to engage in the sector, either through traditional or 'innovative' mechanisms. There are few real-life examples of credible financing models that will convince financiers to invest; and success stories are linked to certain pre-conditions that are not easily replicable.

UNICEF has organizational limitations in the use of some financing instruments. To date, UNICEF can apply two mechanisms. (1) Pre-financing unreceived commitments from public-sector donors with long-standing partnerships. This enables projects to be implemented on time, avoiding the delay caused by slow disbursements. (2) Pre-financing government procurement of vaccines and other commodities essential to child survival and development. This mechanism has rarely been used in WASH. Except for these two scenarios, UNICEF does not yet have a mechanism where it can borrow, lend, or be directly involved in a financing transaction for programme purpose. UNICEF's role has therefore been limited to coordination, match-making,

technical support, policy advice, and channeling capital grants to financial institutions.

Under the next Strategic Plan and beyond, UNICEF will work on a number of key actions to develop and implement innovative financing solutions:

- Develop and promote financing models and viable schemes for businesses, through consultation, dialogue and clear exposition. Take the most promising models into pilot phase in close cooperation with government and development partners.
- Develop relationships with IFIs, based on solid analytics (project Infrastructure Development (ID), fiscal space) with a clear vision for what partnership will lead to. For example, there is a gap in financing windows for projects between USD100,000 and USD1 million, particularly concessional loans in local currency. Transaction costs can be prohibitive. Depending on the local partnership landscape, UNICEF can support local development banks and rural banks to establish concessional financing windows targeting these areas. WASH teams can work closely with other UNICEF sections and divisions as well as National Committees to channel external resources to support these mechanisms in the form of grants, guarantees, first-loss windows, or co-financing.
- Engage private sector divisions of bilateral agencies, for example for loan guarantee facilities.
- Explore opportunities of accessing climate finance, in particular with GCF for the implementation of its [Strategic Framework on WASH Climate Resilience](#) programming and the [guidance on climate shifts](#).
- Further expand our work on Microfinance Institutions, and collaborate with global partners with country presence such as [water.org](#)

**Table 2: Challenges and priority activities under pillars 3 and 4 of the financing strategy**

<b>Pillar 3: Service delivery models</b>	
<b>Challenges</b>	<b>Priorities for 2022-2025</b>
<p>No project pipeline of viable schemes (private sector or blended)</p> <p>Weak regulation to support viable service delivery models</p> <p>Lack of economies of scale, especially in sanitation, leading to higher unit costs</p> <p>Small enterprise size and informal providers reduces leverage</p> <p>Lack of focus on basic WASH and those left behind</p>	<p>Develop service delivery models that work in different contexts</p> <p>Scale up successful models such as delegated management models</p> <p>Pool projects to reduce transaction cost and spread risk</p> <p>Develop and implement approaches to improve efficiency (e.g., solarizing, non-revenue water ...)</p> <p>Support tariff reform and implement tariff structures that protect the poor and vulnerable</p> <p>Promote basic service level for all (e.g. Basic+2) before giving 'safely managed' for some</p> <p>Conduct affordability assessments and promote responses that Leave No One Behind – targeted, smart subsidies</p>
<b>Pillar 4: Explore financing options</b>	
<b>Challenges</b>	<b>Priorities for 2022-2025</b>
<p>Low cost recovery in many contexts, especially rural and amongst urban poor</p> <p>Insufficient willingness of financiers to engage in innovative or different approaches</p> <p>Lack of credible financing models and real-life examples that will convince financiers</p> <p>Lack of consumer financing options for the bottom of the pyramid</p> <p>Need to develop stronger Limited partnerships with IFIs</p> <p>Some experiences of leveraging funds for the sector, but few cases that have brought funds to UNICEF</p> <p>Limited credibility of UNICEF in the financing space</p>	<p>Develop financing models and viable schemes for businesses, including for fragile contexts</p> <p>Clearly outline and demonstrate financing options</p> <p>Test financing models with close cooperation with partners and specialists</p> <p>Develop relationships with IFIs, plus solid analytics to engage (project ID, fiscal space) with a clear vision for what partnership will lead to – e.g. local currency concessional finance window</p> <p>Lessons learned and dissemination to start internal dialogue on where opportunities are</p> <p>Engage private sector divisions of bilateral agencies</p> <p>Promote access of climate finance to the sector</p> <p>GCF full accreditation</p> <p>Engage with MFI and partners such as water.org in micro-finance</p>

## The 'How?' of implementing the Strategy

The 2020 global vision for [leveraging repayable finance](#) outlines four key ways in which the pillars are to be implemented: (1) global thought leadership; (2) demonstrating proof-of-concept of new models and approaches; (3) strengthening and convening partnerships at country, regional, and global levels; and (4) capacity development and technical assistance. Knowledge management plays a key role in all these.

**Global thought leadership** is needed to demonstrate successes and failures to boost sector knowledge in repayable financing. Contributions should be made through the Sanitation and Water for All (SWA) global platforms to build the momentum and evidence base on financing and help orient SWA and partner activities at country level (see details on partnerships below). For example, UNICEF has been a key organization in the global and regional sector technical discussions, for example, helping define and implement the [SWA high level meetings](#) and chairing the SWA Systems and Financing Work Group (SFWG). Activities include:

- Global advocacy for systems strengthening,
- Evidence generation of effective financial mechanisms and enabling environment,
- Documentation of successful country cases and lessons learned,
- Foster exchanges among WASH staff such as cross-country and region learning and exchanges at global and regional WASHNET,
- Create a Community of Practice on the SharePoint platform.

**Proof-of-Concept** through initiatives supported by UNICEF country offices to demonstrate feasibility and to model for future programmes at scale. Explore a WASH Financing Incubator to accelerate WASH financing initiatives from countries and regions, together with regional

offices and the HQ WASH team and other sections or divisions (Social Policy, Office of the Executive Director, Innovative Finance team, Division of Financial and Administrative Management (DFAM), Public Partnerships Division (PPD) and Division of Private Fundraising and Partnerships (PFP)) to provide dedicated support for promising initiatives in the format of an incubator, including a help-desk, support accessing external expertise, seed funding support, and support accessing financing and operationalizing initiatives.

**Strengthening and convening partnerships** at country, regional, and global levels. A cross-sectoral approach is needed to measure and advocate for impact of WASH results on child development and human capital such as health, nutrition, and education. Linkages need to be made with broader positive externalities on agriculture, tourism, and other productive industries and economic development. Partnership needs to be deepened with development agencies and civil society organizations, for example, through engagement with the SWA Strategic Objective 3 on Financing. WASH platforms need to be broadened by engaging with financiers beyond traditional development finance providers.

**Capacity development and technical assistance** internally and externally for governments, WASH practitioners, and communities. To implement the strategy, the approach will draw on the skills and experiences with the extensive UNICEF WASH network of over 700 staff and encourage proactive initiatives at country, regional and global levels. Financing and economics should be included in more job descriptions, and expertise should also be hired from outside of UNICEF. Tailored training on WASH financing and its connection with the broader enabling environment needs to be made, including localized options for delivery that include

sector partners<sup>7</sup>. Together with the Technical Working Group on Innovative Finance in UNICEF, connection is needed with other UNICEF functions such as social policy, operations, and partnership.

Additionally, financing will have an important place in the **monitoring of the Strategic Plan 2022-2025**. One outcome indicator is “# of countries reducing the % of funding gap to reach national WASH targets”. Two SP output indicators for WASH will include implementation of costed financing plans in countries, as well as funds leveraged for the sector by UNICEF.

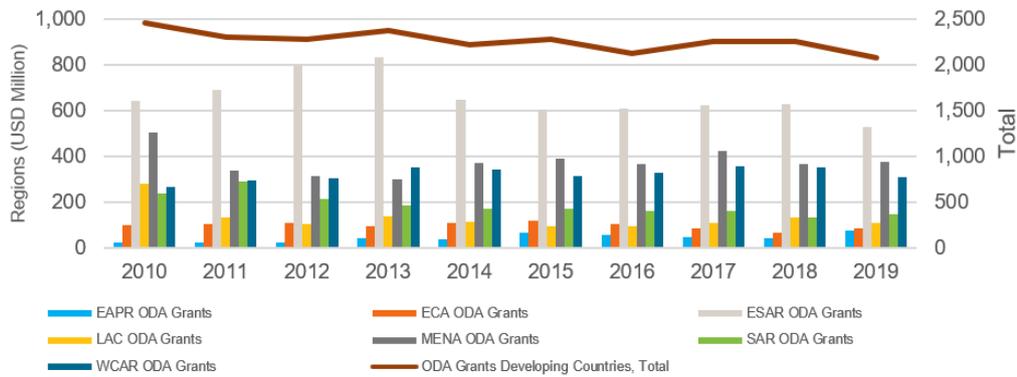
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<sup>7</sup> In a WASH staff survey conducted in December 2019, four of the top six self-identified needs for capacity build were topics related to financing: climate financing (81%), public finance for

children (78%), innovative / commercial finance (78%), and bankable project development (56%).

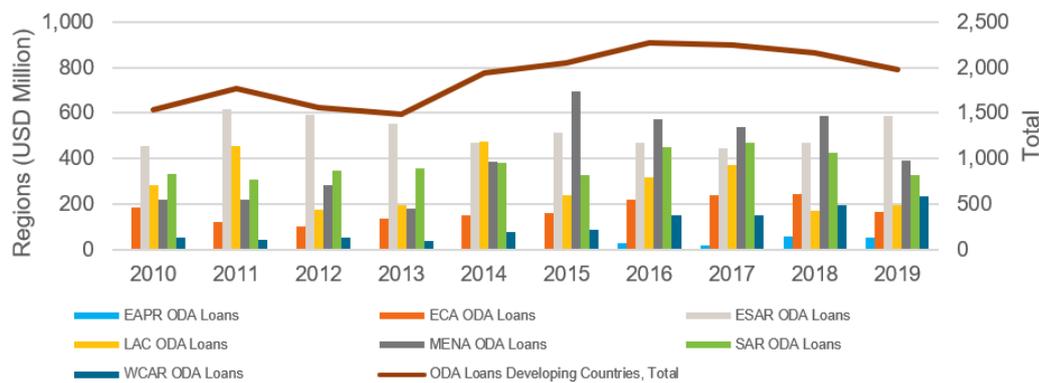
# Annex 1

**Figure 1: ODA Grants 2010-2019 (USD millions, constant 2018)**



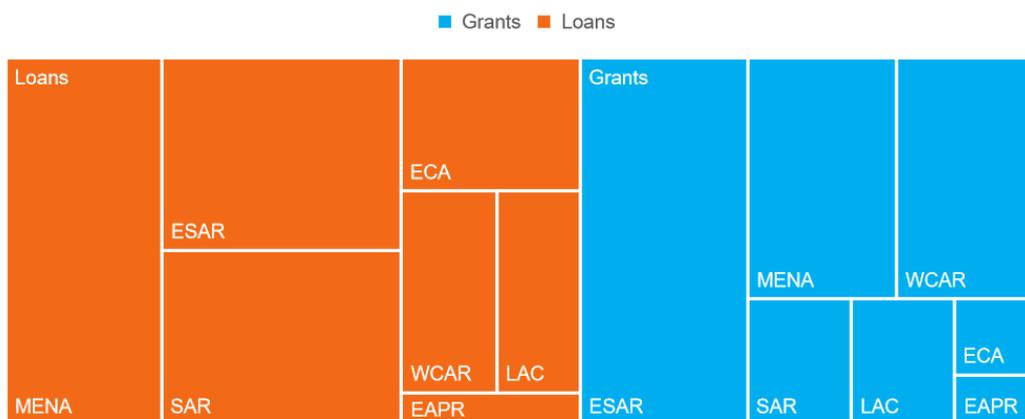
Source: OECD, 2021

**Figure 2: Grant Equivalent of ODA Loans 2010-2019 (USD millions, constant 2018)**



Source: OECD, 2021

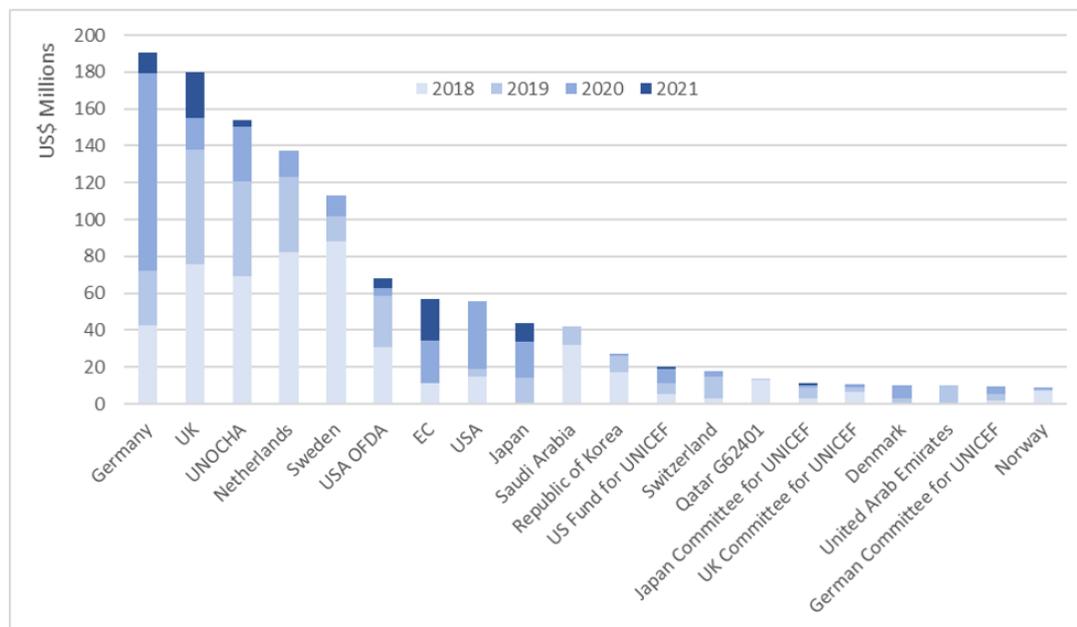
**Figure 3: Official Development Assistance (ODA) composition to WASH sector during the SP period 2018-2019**



Source: OECD, 2021

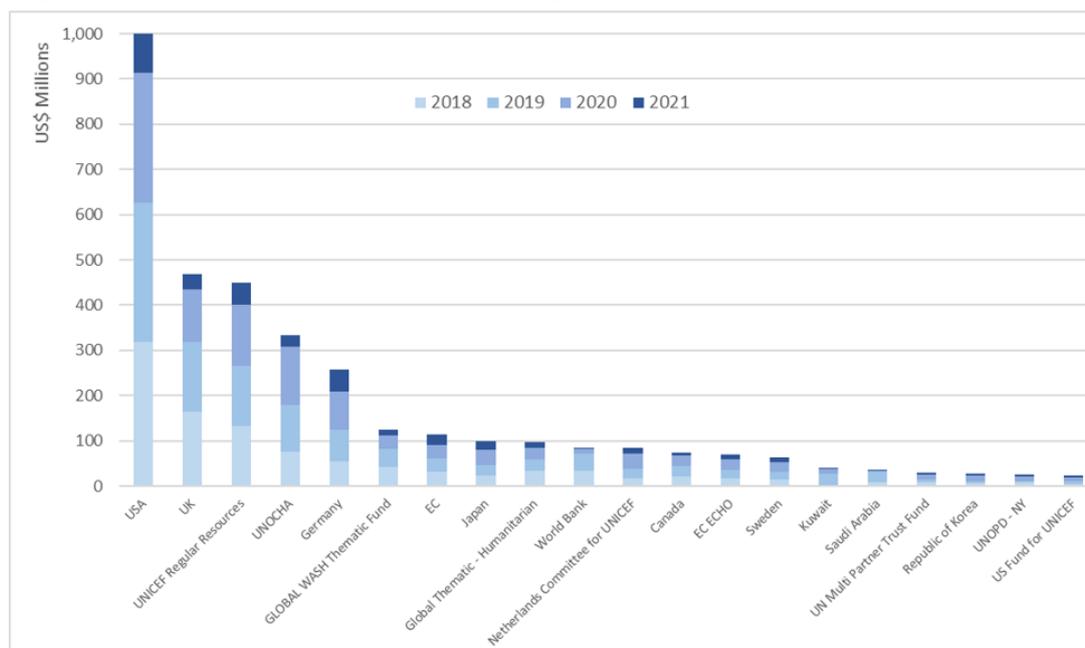
## Annex 2

**Figure 1. WASH Revenues received from Top 20 Donors from 2018 – 8 June 2021 (not including cross-cutting or core resources)**



Source: UNICEF

**Figure 2: WASH Expenses of Grants by Top 20 Donors from 2018 – 8 June 2021**



Source: UNICEF

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## Acknowledgements

We would like to thank all those that have engaged in the discussion on financing through various steps, including our development partners and UNICEF staff at headquarter, regional and country office levels.

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## About the Series

UNICEF's water, sanitation and hygiene (WASH) country teams work inclusively with governments, civil society partners and donors, to improve WASH services for children and adolescents, and the families and caregivers who support them. UNICEF works in over 100 countries worldwide to improve water and sanitation services, as well as basic hygiene practices. This publication is part of the UNICEF WASH Learning Series, designed to contribute to knowledge of good practice across UNICEF's WASH programming. In this series:

*Discussion Papers* explore the significance of new and emerging topics with limited evidence or understanding, and the options for action and further exploration.

*Fact Sheets* summarize the most important knowledge on a topic in few pages in the form of graphics, tables and bullet points, serving as a briefing for staff on a topical issue.

*Field Notes* share innovations in UNICEF's WASH programming, detailing its experiences implementing these innovations in the field.

*Guidelines* describe a specific methodology for WASH programming, research or evaluation, drawing on substantive evidence, and based on UNICEF's and partners' experiences in the field.

*Reference Guides* present systematic reviews on topics with a developed evidence base or they compile different case studies to indicate the range of experience associated with a specific topic.

*Technical Papers* present the result of more in-depth research and evaluations, advancing WASH knowledge and theory of change on a key topic.

*WASH Diaries* explore the personal dimensions of users of WASH services, and remind us why a good standard of water, sanitation and hygiene is important for all to enjoy. Through personal reflections, this series also offers an opportunity for tapping into the rich reservoir of tacit knowledge of UNICEF's WASH staff in bringing results for children.

*WASH Results* show with solid evidence how UNICEF is achieving the goals outlined in Country Programme Documents, Regional Organizational Management Plans, and the Global Strategic Plan or WASH Strategy, and contributes to our understanding of the WASH theory of change or theory of action.

*COVID-19 WASH Responses* compile lessons learned on UNICEF's COVID-19 response and how to ensure continuity of WASH services and supplies during and after the pandemic.

Readers are encouraged to quote from this publication but UNICEF requests due acknowledgement. You can learn more about UNICEF's work on WASH here: <https://www.unicef.org/wash/>

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