



Public Funding for WASH in Institutions: How Could COVID-19 Impact the Funding Streams?

SUMMARY

The COVID-19 pandemic is having an enormous direct and indirect impact on scaling up WASH in institutions. For the purposes of this note we focus on WASH in Schools and WASH in Health Care Facilities (HCFs). This Fact Sheet assesses the indirect impacts that COVID-19 is anticipated to have on WASH in institutions, via diminishing flows of public funding to WASH in institutions.

This fact sheet provides a snapshot of some of the most important knowledge on public funds allocated to WASH in institutions (i.e. schools and HCFs) at decentralized levels. As the Fact Sheet is brief, the main aim is to raise awareness on the risk of diminishing financial flows to WASH in institutions in light of the COVID-19 pandemic alongside other pressures. The Fact Sheet highlights some further resources on the topic of public finance for WASH in institutions to support further advocacy plans.

Background

The COVID-19 pandemic is having major impacts on health and on the economy. Immediate impacts on the health and education of children are apparent. However, the impact on national economies, which could then in turn lead to diminishing flows of finance to WASH in institutions, is less immediately visible. This Fact Sheet provides a brief synopsis of key issues relating to decentralized public funding of WASH in institutions – namely Health Care Facilities (HCFs) and Schools, by providing some facts on:

- Public financing for WASH in Institutions
- Potential impacts on funding to WASH in Institutions, post COVID-19

Finally, suggested first steps are outlined on how to build on opportunities for raising funding for scaling up WASH in Institutions through highlighting selected resources.

What is public funding and public finance for WASH?

UNICEF's WASH Public Finance for Children (PF4C) Course¹ describes financing as "repayable" finance, which can be derived from a range of loans from different sources (e.g. official development assistance or ODA loans, development bank bonds, treasury bonds etc.). However, funding is money that is provided without expectation for repayment. Domestic funding can be derived from a range of sources including transfers (ODA grants) and domestic taxes. Domestic taxes raised at both the national

¹ The course can be accessed on Sharepoint:
[https://unicef.sharepoint.com/sites/PD-WASH/SitePages/WASH-Financing-Course\(1\).aspx](https://unicef.sharepoint.com/sites/PD-WASH/SitePages/WASH-Financing-Course(1).aspx)

and local levels are a very important source of public finance.² WASH service delivery can also be supported by user payments (i.e. tariffs).

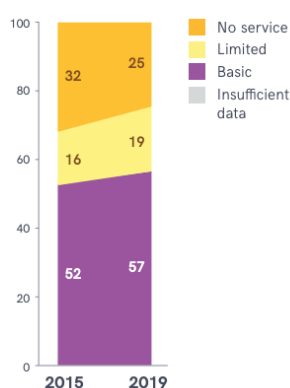
This Fact Sheet focusses on funding from national budgets that are allocated to schools and HCFs at decentralized levels.

Public Financing for WASH in Schools and HCFs

Despite the ambitious targets on WASH aiming at universal WASH access (SDG targets 6.1 and 6.2), which includes public institutions such as Schools and HCFs, the WHO/UNICEF Joint Monitoring Program (JMP) has recently reported that:

- Just under a third of schools do not have clean water, while a quarter of schools had no handwashing facilities at all in 2019 (WHO/UNICEF, 2020a).
- Globally, a quarter of all HCFs do not have basic water supply and one in three do not have adequate facilities to clean hands at point of care in 2019 (WHO/UNICEF, 2020b).

Figure 1: JMP figures for hygiene services in schools (2019)

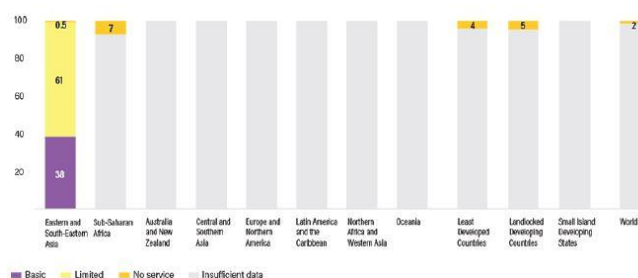


Globally, 57% of schools had a basic hygiene service in 2019

WHO/UNICEF Joint Monitoring Program (2020a)

² Adapted from the IRC's Finance Brief, 'Domestic public finance for WASH: What, Why, How? Available at: https://www.ircwash.org/sites/default/files/finance_brief_1_-_domestic_public_finance_for_wash.pdf with supplementary

Figure 2: JMP figures for regional and global hand hygiene services in health care facilities, by SDG region (2019)



WHO/UNICEF Joint Monitoring Program (2020b)

As shown in Figure 2, in the only region where a regional estimate could be made, Eastern and South-Eastern Asia, only 38% of health care facilities had hand hygiene facilities at points of care.

Mobilization of domestic public finance for WASH will therefore be needed at unprecedented levels to meet Sustainable Development Goals (SDGs), i.e. to achieve universal access of WASH by 2030. Investing in WASH provides benefits that reach beyond the WASH sector. Investments in health and education systems are part of generating economic growth and creating resilient societies. Providing strong education systems enables children to achieve educational opportunities, and to avoid illness while studying. In HCFs, scaling up WASH is part of wider health system improvements that are necessary to improve patient care, especially child and maternal care. This is especially important when the world is enduring a protracted global pandemic as COVID-19.

The health benefits of investment in water and sanitation are enormous, particularly for children: water-related diseases cause 443 million missed school days each year, and poor health reduces children's cognitive potential.³

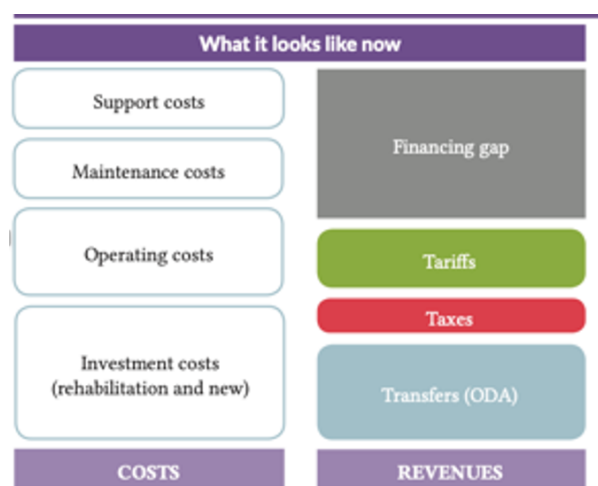
information from the IRC website: <https://www.ircwash.org/tags/taxes-tariffs-transfers>

³ Ibid, citing the UNDP Human Development Report, 2006.

Estimates by WHO and UNICEF indicate that the total cost to achieve universal coverage of WASH is considerable: in the 46 least developed countries' health care facilities is US\$6.5—9.6 billion over 10 years, with capital and recurrent costs representing 44–50% and 50–56% of the total, respectively (Chaitkin et al, 2021). A recent systematic review concluded a lack of costing data and large gaps in available costing data for scaling up WASH in schools (McGinnis et al, 2017).

Beyond public finance, the paper published by the IRC International Water and Sanitation Centre, The Netherlands “Domestic Public Finance for WASH: What, Why, How?” identifies other potential sources of finance for WASH, and makes the case for why public finance (accrued from taxes) is an important part of WASH sector financing, that should only grow in significance. Figure 3 provides a visual picture demonstrating how to reduce the financing gap.

Figure 3: WASH Sector Financing: what is looks like now and where it needs to go



Source: IRC (2015).

Further, the 2017 GLAAS report undertook an analysis of government budget allocations. The analysis found that very limited data was available for budget allocations concerning WASH in HCFs and schools in particular. Only 25 out of 75 countries reported to GLAAS on budget allocations for WASH (with less than US\$ 10 billion allocated), while none of the reporting countries could disaggregate budgets for WASH in institutions.

Figure 4: WASH government budget allocations

Disaggregated budget	Number of countries	Aggregate WASH budget (US\$ millions)
Drinking-water	25	5 574
Sanitation	25	3 979
Hygiene promotion	12	89
WASH in health care facilities	5	27
WASH in schools	6	225

Source: GLAAS 2016/2017 country survey.

Source: UN-Water GLAAS Survey (2017).

Domestic public finance is an important area, particularly in the case of schools and HCFs because there are very little means of collecting revenues (often known as “user finance”) from fees or household payments for services, particularly in lower income countries.

Furthermore, many budgets overlook the “soft” elements of providing WASH in institutions, such as the hygiene promotion and awareness activities that need to be provided alongside the hardware such as improving sanitation and handwashing practices. A cost estimate study of scaling up WASH in HCFs have demonstrated that costs of hygiene (as part of the overall WASH package) would be 10-11% of total costs (Chaitkin et al, 2021).

Government funding is also the main financing source for WASH (McGinnis, 2017) and decentralized institutions, including local governments, are often the main entity responsible for the delivery of WASH in public institutions. Despite this, a systematic review on costing financing of WASH in schools (Ibid) found that WASH programmes, especially in schools, are often not a priority for local governments due to other needs seen as higher priority, competition with other economic sectors, limited local resources, and public debt.

Mobilisation of public finance has also been a concern because aspects of funding for WASH delivery beyond infrastructure (including decentralised infrastructures, capital maintenance, monitoring, and promotion campaigns) is frequently minimal. Many UNICEF WASH programmes constantly struggle with the dilemma of funding O&M and cleaning of WASH facilities in schools and HCFs, demonstrating this problem.

Potential Impacts on Funding to WASH in Institutions, post COVID-19

As of 1 July 2021, there are over 180 million cases and nearly 4 million deaths from COVID-19 globally.⁴ Serious under-reporting exists in many areas, partly due to a shortage of testing facilities, e.g. in Sub-Saharan Africa. While immediately seen as a health crisis with a focus on treatment and containing the disease, the impacts are far-reaching. Analyses by UNICEF have shown that

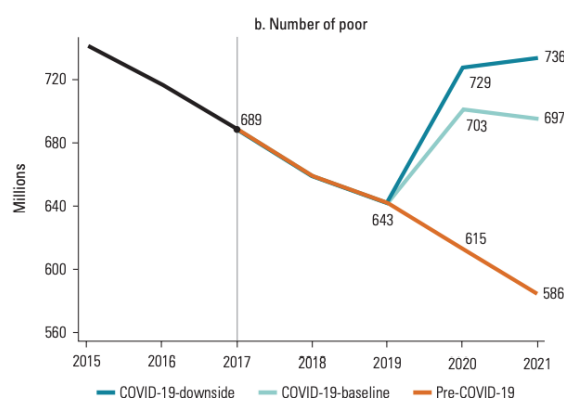
⁴ John Hopkins Coronavirus Resource Center: <https://coronavirus.jhu.edu/map.html>

the number of children living without access to education, health, housing, nutrition, sanitation or water may soar to approximately 1.2 million due to the pandemic (UNICEF, 2020).

The emergence of the pandemic has changed the global picture on SDG achievement. It is expected that financing for development will have an impact on WASH in schools and HCFs. Revenues will be hit in all countries as a result of reduced economic activity. This is despite the fact that there is now more reason than ever to improve WASH in institutions like schools, where children and teachers gather, so that easy access to handwashing facilities is available; and in HCFs because they help strengthen the resilience of health systems, allowing them to help prevent disease outbreaks and transmission by creating an effective response to emergencies and bringing them under control when they occur.

Economies in regions where progress is lacking are being hit by the global economic downturn, and by the effects of national measures to contain the spread of the virus. As Figure 5 shows, the pandemic has pushed more than 100 million people into extreme poverty (World Bank, 2020).

Figure 5: Millions of people being pushed into poverty (at the US\$1.90 a day poverty line)



Source: The World Bank Group (2020)

Estimates of economic impacts vary, but figures suggest that around a \$100 billion shortfall in sub-Saharan Africa, equivalent to 5.6% of GDP in 2018 (ODI, 2020). This impact is expected to have implications for WASH in middle- and lower-income countries. Foreign direct investment flows and supply chains have suffered from multiple shocks caused by COVID-19, with flows forecast to decrease by up to 45% in developing economies (UNCTAD, 2020). According to the OECD, inflows of external private finance are project to drop by \$700 billion compared to 2019 levels (OECD, 2020). Although no source of funding will cover the financing gap, domestic resource mobilisation will remain the only long-term viable source of financing for many public goods and services.⁵

Specifically for WASH, while many governments have increased their public expenditures to address the pandemic, WASH has often been missed (AMCOW, 2021). Even before the pandemic, estimates already pointed to a funding shortfall across WASH, particularly affecting sanitation and hygiene - where the service gap is greatest.⁶

Donor financing opportunities for WASH in Health Care Facilities

As described above, the focus of this Fact Sheet is to look at public finance as the most viable long-term solution for many public goods and services. However, opportunities are currently being scoped into donor support to WASH programming in schools and HCFs in the COVID-19 (and post COVID-19) context. A list of COVID-19 **funding opportunities** that would be applicable to WASH in HCF has been compiled and is being updated. The database is being updated with opportunities that support WASH in HCF activities more broadly (not COVID-19 specific), including Foundations, Global Funds and various Trusts and Grants.

⁵ Ibid.

These considerations are especially concerning for WASH in institutions, as financing is dependent on public budgets and ODA, as private finance is not an obvious option for the type of public services funded.

Opportunities and Further Resources

Notwithstanding the enormous economic impacts of the COVID-19 pandemic, public finance will continue to be an important source of financing to scale up WASH in schools and HCFs.

In light of the pandemic, many governments are rethinking how to deliver public services so they are more cost-effective. As described in UNICEF's publication '*Key activities to protect and promote public financing of ECD during the COVID-19 crisis*', programmes can provide opportunities to advocate for the integration interventions – such as WASH – into existing education, health and social protection services, as part of COVID-19 response (UNICEF, 2020).

Aside from tools which assess status of WASH, public expenditure tools also exist to assess budget-related data on WASH and to help to gain an understanding of financial flows to institutions, and the challenges that exist with public expenditures, even where funds are allocated from national budgets. Some of these challenges can include delays in receiving funds and unclear instructions relating to planning processes. Such tools can be useful for high-level planning and costing of WASH in institutions, especially where lack of data is a problem.

Public budgeting tools can analyze public spending at the national level or at the local level. At the national level, developing such data is a valuable first step to input to advocacy for increased WASH expenditures in government planning and budgeting. At the local level, developing a decentralized budget and financing

⁶ UNICEF '*Socio-economic effects of COVID-19 on water, sanitation, and hygiene: A comprehensive review*' (currently in progress).

arrangements for WASH services can help to lead to a better understanding of the situation with decentralized public and private finance, to input to policy and advocacy plans. Tools can help with monitoring and understanding any changes that might happen so that appropriate measures can be taken to ensure schools and HCFs are prioritized, and do not miss out on budgets. As described in the discussion paper 'UNICEF Vision for Leveraging Repayable Finance in WASH' (UNICEF, 2020), evidence-based advocacy is key for influence public funding in the WASH sector, for improved allocation, efficiency and equity in spending.

As the purpose of this note is to further an awareness of the potential of diminishing flows to WASH in institutions, as a result of COVID-19 but alongside other pressures, the following outlines resources available to learn more about public funding in WASH, and requirements for institutions (schools and HCFs). The focus is on data generation activities to input to advocacy plans:

1. UN-Water and WHO 2017 GLAAS report on "Financing Universal Water, Sanitation and Hygiene Under the Sustainable Development Goals" sets out the status of financing needs for WASH, and covers the full range of financing sources:

<https://apps.who.int/iris/bitstream/handle/10665/254999/9789241512190-eng.pdf?sequence=1>

2. Although targeted at the wider WASH sector, UNICEF's Guideline on 'Choosing Public Expenditure Analytical Tools for Use in the WASH Sector' provides an overview of the different tools to examine public expenditures for WASH:

<https://www.unicef.org/sites/default/files/2019-12/WASH-Guidelines-Choosing-Public-Expenditure-Analytical-Tools-Use-in-WASH-Sector-2017.pdf>

3. The IRC's and WSUP website "Public Finance for WASH" contains a number of briefing papers and resources that describe why and how governments need to invest more money to achieve the SDGs on water:

<https://www.publicfinanceforwash.org/about>

4. The IRC's and WSUP website, the SWASH+ research-and-advocacy project details how they were able to mobilise substantial increases in central government finance for WASH in schools in Kenya:

https://www.publicfinanceforwash.org/sites/default/files/uploads/FB007_-_Kenyan_School_WASH.pdf

5. UNICEF Eastern and Southern Region has produced guidelines for developing a WASH Budget Brief, including templates for analysing expenditure trends and equity of WASH spending:

<https://www.unicef.org/esa/sites/unicef.org.esa/files/2019-04/Guidelines-Developing-a-WASH-Budget-Brief-March-2019.pdf>

6. A range of projects track public finance for institutions at the local level, which have produced policy and practice learning papers. For instance, in Bihar and Odisha states in India, WaterAid, IRC CBGA and partners have completed a programme that tracks public finance at the local level. Specific reports tracking finance for schools and health centres. All reports for the project can be found at:

<https://www.cbgaindia.org/study-report/decentralised-public-finance-for-wash/>

7. Some resources promote investing in WASH. For example, the SWA has a handbook for Finance ministers: 'Water & Sanitation: How to Make Public Investment Work':

<https://www.sanitationandwaterforall.org/handbook-finance-ministers-how-make-public-investment-work>

8. For repayable finance, a number of sources exist. A UNICEF discussion paper 'UNICEF Vision for Leveraging Repayable Finance in WASH' describes why repayable finance (alongside public funding) is an important tool for the WASH sector, to fill funding gaps and accelerate progress. The report is currently accessible internally on UNICEF [SharePoint](#).
9. To support a broader knowledge on financing for WASH, the UNICEF WASH Financing [SharePoint](#) (internally available for UNICEF staff) has a range of useful resources, including a course 'WASH Financing'.

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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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United Nations Children's Fund
3 United Nations Plaza, New York, NY 10017, USA

For more information, please contact: WASH@unicef.org