Why Public Finance?

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inadequate water and sanitation has massive negative impacts...
... but let’s not talk about the problem, let’s talk about solutions
solutions can be...

- things that communities do
- things that governments do
- things that donors do
Nairobi

3 or 4 million people...

maybe half a million with decent water and sanitation...
… but not these people…
… and not these people…
imagine €20 million…

how to spend it?
we could the €20m directly on services...
...or we could spend it on business start-up...
...but this wasn’t built by markets alone!
...it was basically built with TAXES
so let's spend our €20m supporting the government of Kenya to raise €200m of domestic public finance

= Domestic Resource Mobilisation
Domestic Resource Mobilisation = lobbying and technical support for…

- more taxation
  (general taxation, or earmarked for WASH)
  (national or local levels)
- more equitable taxation
- greater allocation to WASH
- more equitable allocation to WASH
- more efficient allocation to WASH
so let’s spend our €20m supporting the government of Kenya to raise €200m of domestic public finance.

We need to make this SEXY!
Taxes

Markets!
e.g. Bangladesh 2014 – “we will increase govt budget for WASH by 5% annually”
The mechanics are complex!

- National government level
- Local government level
- Central to local transfer
Just one example…

WSUP is supporting institutions in Mozambique to develop local sanitation taxes collected via the water bill.
Domestic Public Finance is the critical missing piece
1) How can we convince development ministries to pay more attention to DRM?
2) Can the private sector support development of domestic public finance systems?
3) What can the WASH sector learn from other sectors?