Message by IRC at the UN SDG summit 2023 side event on Accelerator Actions and Innovative Financing to deliver on the SDGs by 2030, 19th September 2023

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Your excellencies, representatives of presidents here present, members of the diplomatic corps, permanent representatives of Missions, heads of institutions, ladies, and gentlemen.

I am excited to be invited to be part of this important dialogue.

IRC is an independent, WASH organisation that works with state and non-state partners to strengthen WASH systems to make the sustainable development goals for universal WASH a reality.

I want to reflect on some key issues about innovative financing - an imperative to accelerate the progress of achievement of the SDGs- from the water, sanitation, and hygiene delivery perspective.

The International High-Level Panel on Water Investments in Africa Report: Africa's Rising Investment Tide asserts that the delivery of water investments across Africa falls short of the continent's growing needs. It is estimated that at least US$30 billion per year in investment is needed to meet the Sustainable Development Goal (SDG) 6 target on water and sanitation. Currently, only US$10-US$19 billion is invested each year. To accelerate the actions on resource mobilisation, a five-point action plan, including mobilisation of new sources of funding and innovative finance, has been proposed. This can be accomplished by supporting matchmaking with a special focus on climate resilient, blended public-private finance, and gender transformative approaches.

In my thinking, innovative financing should start from efficient use of available funds before we explore the options of creating new ones. In the WASH sector for example that comes down to having effective and efficient service providers, who at least cover their costs. Urban water utilities have been set up to be professionally managed and thus can meet credit worthiness benchmarks. Contrarily, the rural water subsector remain largely charity and voluntary driven with little clarity on service delivery and management models. And as long as this unclarity persist, there is little scope to talk about innovative financing beyond the traditional sources.

The current discussion on the SDGs is one of interconnectivity rather than individuality of the goals. This shift in discourse re-echoes the need to adopt a systems approach to pushing the SDG agenda and a reflection on our choices of investments. There is need to focus on smart investments that yield greater synergistic effects. Countries that are successful in growing their economies and lifting their populations out of poverty do so by investing in basic/fundamental public services. While the temptation is, understandably, to focus on "economically productive" parts of the economy (such as agriculture or industry), these are wholly reliant on a healthy and well-educated people.

Governments have sourced external funds to invest in the WASH sector for far too long. It is time they looked within as well. For example, the innovative potential of local public development banks could be tapped. It is important for governments to consider the roles that these banks or Infrastructure Investment Funds can play in mobilizing capital to invest in WASH infrastructure and services. Though this process may potentially take some time, the Ministry of Finance can kickstart a conversation around it.

Strong performing institutional systems are pre-requisite in attracting sustained and innovative finance. Elements of the system includes clear policies, strategies, and investment plans; regulation; clear financing flows and enhanced mutual accountability mechanisms; and strong institutional capacity and clarity of roles; and a learning and adaptive measures through reform.

Above all, what is required, is a powerful and visionary systems leadership – that sets and enthuses people towards a vision of equitable, inclusive, and resilient growth- and a strong cross-sectoral political leadership at the highest level, with commitment to substantially increase public budgets and investments.

Civil society organisations can be an ally in resource mobilisation, joint sector reviews and in keeping government and private sector accountable. This will require timely delivery of financial information. There is the need for more investment in national monitoring systems to track the investments for improved sector-wide/intersectoral coordination for development effectiveness.

As a CSO, we are excited to be part of this partnership and pledge our support to building strong WASH systems to deliver the SDGs for a just world where no one is left behind.

I look forward to an engaging dialogue on this very important subject.

Thank you.