Ensuring availability and sustainable management of water and sanitation for all: domestic resource mobilization and innovative finance

Summary of a side-event at the Third International Conference on Financing for Development

July 15th 2015, Addis Ababa, Ethiopia

The Government of the Netherlands and a strong field of co-conveners1 convened a well-attended side-event at the Third International Conference on Financing for Development to highlight perspectives on how the planned Sustainable Development Goal 6 on water and sanitation could be financed to reach the target by 2030.

The session featured insights from outstanding high-level speakers from several of the major global agencies in water; showcased the successful scale-up in financing in two country case studies presented by ministers from Ethiopia and Kenya; hosted a panel discussion from a wide range of agencies involved in finance mobilization, moderated by the Executive Director of the global partnership, Sanitation and Water for All; and the session concluded with a significant statement of commitment by H.E. Mrs. Lilianne Ploumen (Minister for Foreign Trade and Development Cooperation of the Kingdom of the Netherlands). The session was well documented and a video of the session will be posted on the SWA website; summary documents and the key messages are to be shared and presented at the Stockholm World Water Forum.

Main messages

It's a chance in a lifetime to do away with extreme poverty by 2030 and the focus on water and sanitation in SDG 6 is highly instrumental to reach this overall goal. The session highlighted how domestic resource mobilization was critical to achievement of goal 6 and to fill the substantial gap between current levels of finance and that required to meet the goal. Taxes (and higher budgetary allocations to water) and user tariffs are likely to remain the primary source of additional finance, but strategies and new ideas will be needed to leverage resources from all sources. Development assistance still plays a critical catalytic role to target resources to the neediest and build local systems and to help countries prepare “bankable” investments. Private sector water investments lag well behind other sectors: the perceived risks of private sector finance remains high for water and considerable effort by both governments and lenders is needed to improve the enabling environment to attract higher levels of private sector investment. Blended finance provides considerable potential to reduce the risks and encourage larger flows of private capital. The improved credit-standing of many countries with high growth rates enables them to issue local currency bonds. At root, improving the governance of water service providers, shifting from loss-making, inefficient, and poorly governed entities to utilities with a steady stream of user revenue remains the keys to service growth and sustainability. Building service demand and smart tariff policies, which offer a range of services to address affordability, yet generate sufficient revenue stream to manage services and encourage a continuing investment stream, are fundamental to closing the capital and

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maintenance financing gap. The meeting came out with: 11 core ideas on how to address financing SDG number 6; leading donor agencies announced significant new sector financing initiatives including increased aid, the development of up to 10 country ‘Water Financing Facilities’, and a multi-donor trust fund; and a private agency announced an intention to develop a large global water fund, leveraging finance from the bottled water industry.

What is the problem?

The 2015 Global Risks report of the World Economic Forum identifies the occurrence of ‘Water Crises’ as the number one global risk in terms of impact and number eight in terms of likelihood. The water sector has not had the prioritization it deserves. The fact that there is a stand-alone water goal is a reflection of its importance in the post-2015 era: both with respect to water resources and water, sanitation and hygiene services and behavior change.

The World Water Forum in Korea this year estimated water and sanitation investment needs at $6.7 trillion by 2050. Current government investments, development aid, user revenue and private sector finance together fall way short of the levels needed. The water and sanitation challenge to meet the SDGs is about moving from billions to trillions.

Target 6 is one of the most expensive of the SDG targets, since it implies not only rapid institutional reform and behaviour change, but also huge increases in investment and financial flows to manage water resources and water and sanitation services and a major change towards sustaining services. Significant attention to financing will be key to achievement of the water SDG.

A fundamental question posed by the side-event was how to finance the water and sanitation sector differently. Angel Gurria, Secretary General of OECD put it: “There is a lot of liquidity in the water sector, and no shortage of capital, but there is a very difficult challenge for water to fit to available finance. So how do you shape water to make it attractive not only to attract not only of ODA, but also to flows of private capital, flows of both credit and equity and mixes so that we will have sustainable water systems”. How does the water sector break out of a mind-set in which “growth is constrained by available public sector and donor finance” (Bertand Badre, Managing Director of the World Bank Group) to shape water to attract new sources of finance? (Angel Gurria).

Case studies of progress made

Ethiopia (case study presented by H.E. Mr. Ato Alemeyu Teganu, Federal Minister of Water, Irrigation and Energy Federal Democratic Republic of Ethiopia) is an example of a poor country that has made major progress in recent years. In 2015 Ethiopia celebrated the achievement of reaching the water MDG (38 million Ethiopians were reached with water and 25% of the population were able to access improved sanitation). His Excellency the Minister Ato Alemayehu Tegenu, Ministry of Water, Irrigation and Energy and Chairman of the National WaSH Steering Committee attributed this success to leadership by the Ethiopian government, consistent support from development partners, a move away from a project-based approach, adoption of a sector wide approach and the One WASH National Programme. Ethiopia has developed a seven-year program, underpinned by agreements with all the relevant ministries, with a target to raise a fund of $2,4 billion
from all resources. Rural water and sanitation development will probably have to rely on grant resources for some time to come. Ethiopia’s urban population is projected to double to 40 million people by 2030 and there is a great need and opportunity for blended finance solutions in urban areas (especially medium and small towns).

Kenya is similarly making innovative inroads into a large financing gap. The Vision 2030 for Kenya seeks universal water access. The national water budget has been around US$420 million annually in recent years of which 40% is through development partners. The financing gap for the water and sanitation sector to achieve the universal access is about $600 million annually. Together with the Government of the Netherlands, Kenya is preparing to set up a Water Financing Facility to attract capital from the domestic capital markets to finance water and sanitation infrastructure. The fund will target Kenya service providers that have sound management processes and strong governance. With devolution Kenya has created an Equalization fund, which together with the Water Services Trust Fund provide additional support for the most vulnerable groups in Kenyan society.

What are some solutions?

Many speakers pointed to improved governance as the critical starting point to attract increased investment. Nobody wants to finance, far less to lend to, loss-making, inefficient, and poorly governed entities. Transforming sector institutions needed to well-governed, well-managed, institutions is fundamental to attracting further finance. This requires making the hard yards on sector policy and institutional reforms, building capacity, tackling corruption and improving information to reduce the risks that create barriers to private investment.

Secondly, increased user revenue. Investment from both the public and private sector will not make the shift required unless water services generate a consistent revenue stream. The UK is for example helping governments increase revenue streams both through improved tax collection as well at improved cost recovery from tariffs. Digital technology, such as GPS mapping of water points, imbedding microchips in water pumps, cell phone payments and smart meters can dramatically increase revenue streams when services work better and users are better tracked and their water use monitored.

Thirdly, improving efficiency in service delivery and financial management. There is a great deal of experience from utilities and local governments that have had significant performance improvements on how to accomplish this. Key points in the “science of water and sanitation service management” are: utilities must be autonomous and accountable; revenue streams must reflect service quality, recover costs, and be predictable; management must focus on satisfying customers rather than politicians; and information systems must be used to benchmark and track performance and make information available to lenders. A focus on results has demonstrated improved and more transparent delivery against targets.

Fourthly recognize that countries need a range of financing strategies to support different situations. The water market is segmented: not every utility is ready for private investment, and not every financial market is ready to lend to sub-national institutions. Different financing options are needed for different parts of the market, wherever they fall on the financing ladder. Some situations require grants and these work best when subsidies are well targeted to reach the poor. Concessional finance can provide incentives for efficiency and should be used to leverage commercial
financing. Where possible, grants and subsidized finance should be framed in terms of clear **results**, such as output-based aid, which seek to improve the efficiency and effectiveness of the investment. **Equity finance** can be used where utilities cannot self-finance the large outlays of capital needed to expand services. Where utilities have high capacity and consistent revenue streams we can encourage **debt financing** on the back of financial surpluses. Such utilities need the fiscal space and transparent measurement of their creditworthiness to borrow from the market.

Fifth, **tapping local markets** is essential to achieve the SDGs. Project design needs a greater focus on being bankable, and account for profitability as well as affordability. But it’s not only the water sector that needs to change their behaviour. Water needs better to fit finance and finance better fit water. Commercial lending should move beyond the high perceived risks of water lending to understanding the real risks and jointly mitigate these risks to stimulate market growth on the supply side of domestic finance. With the right market structure, longer-term investments from pension funds and insurance companies, for example, can be mobilized to align with the needs of the water sector.

Sixth, **improved coordination and a new approach to aid**: the water sector is by its nature fragmented and realizing these new instruments will require finance and water sector ministries to work together jointly to develop a sector financing strategy towards a common goal of meeting the SDGs, work out a reform program that allows utilities to increase their proportion of domestic private capital and to jointly improve local investment agencies appetite to invest in the sector. This requires a mind-set change from the current model where service growth is constrained by available public and donor funds. We will not meet the water SDGs with the blinkered thinking of the current model. Aid must reflect this new thinking and redouble its commitments to harmonize action, and de-projectize its approach. Aid-effectiveness means using grant finance to offset risks and leverage in large-scale public and private finance.

Seventh, **focussing on the poor** and most disadvantaged can give the best and largest investment return. Achieving an impact on the poor and addressing the high inequity of service access requires strong regulation to enforce targeting of services to the poorest, affordable service options, significantly improved capacity in the systems and personnel managing these services and robust monitoring mechanisms.

Eighth, **taxes and water banks**. The Dutch water management system provides a rich set of experiences that could help other countries achieve sustainable and financially sound solutions. All Dutch water management expenses are financed directly from regional water authorities income from local levies: a water management and flood protection tax, where the more you use the more you pay; and a waste-water management tax, where the more you pollute the more you pay. Managing water through regional management structures: makes for more responsive management, can be modified to local concerns and enables local people to know what they are paying for. Longer-term investments are made by loans from access to the international investment markets. To facilitate this, the regional water authorities set up their own water bank to access this capital. The water bank has been so successful that it now lends to many other public services in the Netherlands and has maintained a very high credit rating and can access cheaper money. The Dutch experience of the water bank shows that with innovative approaches the cost of international investment capital can be kept low which benefits all water users and
prepares the boards for the major water challenges, such as climate change, which they may face in the future.

Ninth, sanitation requires a specific focus and is essential to the sustainability of water and other health, water and education investments. Sanitation has been one of the most off-track of the MDGs but many lessons have been learnt about what makes for successful investment. In sanitation and hygiene, investment in collective behaviour change is as important as investment in the infrastructure itself. Sanitation needs specific targets with clear and accountable leadership and specific sanitation coordination mechanisms. As the case of India illustrates, creating the demand and the space for improving sanitation presents a huge opportunity for private entrepreneurs to enter the sanitation market bringing significant resources to household sanitation. Public sector investments in collective behaviour change can both trigger investment from household savings, as well as attract private sector investment.

Tenth, the private sector can also be a strong partner in creating and financing hygiene and sanitation behaviour change at scale. UNILEVER is a case in point where their focus on behaviour change has created hygiene behaviour change in 300 million people “the world’s largest hygiene behaviour change program” (Jeff Seabright). The private sector motive to sell soap is fully aligned with the public sector objective of promoting handwashing with soap, enabling private finance flows to leverage household budgets to improve hygiene and save lives.

Eleventh, maintenance. The financing gap is not only an infrastructure investment gap, there is also a substantial gap in finance to maintain services. One third of all African water sources are estimated to be broken at any one time. Putting in place an effective maintenance system and having a reliable revenue stream to pay for maintenance is a critical factor to improve coverage. The more services offered and facilities built, the more there is to maintain.

What are some new initiatives presented at the session

The establishment of Sanitation and Water for All provides a platform to catalyse political leadership and improve accountability to achieve the SDG vision of water, sanitation and hygiene for all everywhere in the world. The SWA High-level meeting provides an opportunity to stimulate the dialogue between Ministers of finance and Ministers responsible for water and sanitation. SWA is responding to the challenge of the SDGs by increasing its partnership to be truly global and working with its partners to offer coordinated support to change mindsets and assist countries plan, implement and monitor the SDGs.

The new UK government has recently agreed to set a new target of achieving another 60 million people with water and sanitation over the next 5 years.

The US government is likely to commit 400 million dollars for water and sanitation and to increase its loan guarantee facility to water utilities.

The Civil Society Organization, Global Ethics, announced their intention to establish a Global Water Fund leveraged from the global bottled water industry. For example, a 1c/litre levy would provide 3-4 billion dollars a year investment.

The Government of the Netherlands made three important announcements of commitments to financing the water sector and using their ODA to leverage other
sources. Firstly Minister Lilianne Plouman announced that the Netherlands will contribute to the financing of SDG number 6 with a new initiative that aims to make more effective use of ODA and ensure sustainable development of the water sector in the long term. The Netherlands wants to work together with interested partner governments, the World Bank Group, UNICEF and other international and local financial institutions and organizations to set up local currency denominated ‘Water Financing Facilities’ in partner countries in the coming 4 to 5 years. These so-called ‘Water Banks’ can offer ‘pooled’ investment opportunities to private institutional investors and make the water sector an appealing partner for financing by the local domestic capital market. Already started by a mission to Kenya the Netherlands is intending to undertake scoping of 10 water banks in partner countries.

Secondly, the Netherlands also announced that they would sign a Memorandum of Understanding with the European Investment Bank for a strategic partnership on water. This partnership will enable us to make more effective use of ODA by making use of ‘blending’, which is to say combining loans and grants, and will involve setting up a multi-donor trust fund specifically meant for SDG number 6 investments.

Thirdly, ten years ago the Netherlands has set itself a target to provide 50 million people with access to safe water and sanitary facilities. In the context of the upcoming SDG’s, The Minister recently announced in Washington that the Netherlands will set itself another target: by 2030, we will have provided another 30 million people with access to safe water and another 50 million people with clean sanitary facilities. In addition, implementing partners will have to commit themselves to sustain the functioning of the installed water and sanitation facilities for at least 15 years. With this target and sustainability clause, the Netherlands is committing itself to work towards reaching the SDG water target.
Quotes from the session

Christiaan Rebergen (Director General for International Cooperation of the Ministry of Foreign Affairs of the Netherlands)

“The World Health Forum in Davos identified water as the number 1 global risk in terms of impact and number 8 risk, in terms of the likelihood of occurrence in the coming 10 years.”

“We have to keep up existing levels of development assistance, but we can’t just rely on this: we have to find new sources of finance.”

H.E. Mr. Ato Alemeyu Teganu (Federal Minister of Water, Irrigation and Energy Federal Democratic Republic of Ethiopia)

“36 million Ethiopians have gained access to safe water supply since 1990, and in March 2015, Ethiopia celebrated the achievement of reaching the water supply MDG”

“For many years Ethiopia has had a project based approach to water and sanitation without harmonized funding from development partners. Such approaches not only create high transaction costs and more workload on the government, but it also hinders the possibility of achieving results at scale. The government has since adopted a sector wide approach and launched the One WASH National Programme with one plan, budget and one means of reporting.”

“The Government of Ethiopia’s One WASH National Program, launched in September 2013, has a total budget of USD $2.4 billion, which, if fully funded, would make it the largest ever Water Sector sector-wide approach.”

H.E. Mr. Eugene Wamalwa, (Cabinet Secretary, Ministry of Water and Irrigation of Kenya)

“We are pleased to announce that the Government of Kenya, together with the Government of the Netherlands, are working together with interested partners to set up a local currency denominated ‘Water Financing Facility’ to leverage public and private finance”

“Coverage in Kenya is only 56% and for the country to attain its targets Kenya will need to fill a financing gap of $600 million annually. The first scoping mission for the Water Financing Facility found wide interest from all parties, including national authorities, utilities, pension funds and international partners to establish a water investment fund to provide financing for the better performing utilities.”

Angel Gurría, (Secretary-General of the OECD and Co-chair of Global Dialogue on Water Security and Sustainable Growth)

“A diversified economy is more resilient to changes in water availability”

“One has to take a look at water from the risk point of view: it about knowledge, its about institutions, its about partnerships and its about getting water financing right”

“The good news is that we are improving our understanding of how water can finance itself: the improved credit standing of many countries, including here in Africa, allow countries to issue bonds in their own home current which eliminates the cross-border risk”
“Whilst there is a lot of liquidity in the water, nor an apparent shortage of capital, but there is a very difficult challenge for water to fit to finance. So how do you shape water to make it attractive not only to attract not only of ODA, but also to flows of private capital, flows of both credit and equity and mixes so that we will have sustainable water systems. How do you shape water to finance?”

“Financing water is a question of dealing with water itself, of the pricing issues and of the governance of water.

“Anything you get for free, you don’t take good care of. If you provide it for free it becomes the most expensive for the poorest?

“Putting water at the heart of development would help us track the SDGs”

“Build better water policies for better lives”

**Bertand Badre (Managing Director and Chief Financial Officer of the World Bank)**

“The question is: how do we transform water flow into cash flow and cash flow into water flow? This is at the heart of the water dialogue and critical in moving from billions to trillions.”

“Local capital markets are successfully financing ICT, energy and transportation projects in countries like Brazil, South Africa, and Mexico. Yet by and large, water projects remain a rarity. Private participation in water in 2013 was $3.4 billion, just 7% of that committed to telecoms or energy”

“No-one want to send to loss making, inefficient, and poorly governed entities – in any sector, including water”

“There is no lending if there is no information that is reliable”

“The World Bank water portfolio amounts to 22 billion dollars. At the WWF it was estimated that the water sector needed 6.7 trillion by 2050.”

“There is a science to good water supply and sanitation provision.”

“Local finance is absolutely critical”

“All partners now recognise that infrastructure is no longer a bad word: so lets surf on this in the water sector”

“If you have good policies you can attract money”

“Clearly we need a paradigm shift if we are to move from billions to trillions. This will require commitment and coordinated action – between multi and bilateral donors, public and private, national and sub-national.”

**Yoka Brandt (Deputy Executive Director UNICEF)**

“Goal 6 is an expensive goal, but we need to realize that the costs of inaction are also enormous, both in economic terms but also in human and social terms”

“There are so many competing priorities for finance. We must be more innovative in how we generate and use funds: business as usual will simply not work”
Summary of DGIS-led side event on financing water and sanitation for all at FFD

“In the Philippines, support from UNICEF in testing an effective model for ending open defecation was taken up by local and national government financing and rolled out across the province”

“Key question is how can we work better together, government, private sector, UN agencies, international financiers to get the right balance between national and international resources, including aid so that services become more sustainable”

“New financing approaches should seek the greatest impact amongst the poorest.”

“Two issues must guide our efforts: achieving the greatest impact by focussing on the those most in need; and mobilizing communities to get involved in water and sanitation provision.

Making investments in water and sanitation can save the lives of millions through preventing malnutrition and water-borne diseases and adults will lead longer healthier and more productive lives, school attendance will improve and there is greater safety especially for women children and the elderly and all achieve a greater sense of dignity”

“Goal 6 is an expensive investment, but its one that we cannot afford not to make, for moral reasons, for practical reasons and for economic reasons. It will give every child everywhere have a fair start in life, a stepping stone to a sustainable future and opportunity for her and for us all”

Chris Williams (Executive Director, WSSCC/Global Sanitation Fund)

“The sustainability of the water goal can only be achieved by equally focussing on sanitation”

“Hardware and software needs to be in balance. As India has shown, collective behaviour change needs to accompany infrastructure investment”

“Sanitation needs clear and specific targets with clear leadership and specific sanitation coordination mechanisms”

“Sanitation presents a huge opportunity for private enterpreneurs as is the case in India. If governments can create the demand and create the space, this can trigger significant private sector investment at the household level”

“Direct implementation in sanitation is key: its one thing to have a policy and a strategy, another to implement village by village, district by district”

“The GSF has the experience of leveraging 5 to 1, and in some cases up to 10 to 1 from grant investments by mobilizing household to invest in their own sanitation facilities”

Gerhard Doornbos (Vice President of the Board of Dutch Waterboards)

“The Dutch water management system is not a blue print for all situations but has many elements that many other authorities could learn from”

“Dutch regional waterboards which manage regional water resources and services are fully self-financed from local taxes”

“All Dutch water management expenses are financed directly from regional water boards income from levies from the inhabitants and companies in their own region:
this pays for water management, flood protection, environmental management, water quality, including waste water treatment”

“Dutch water taxes have 2 levies: the water management and flood protection tax constitutes approximately one half of board’s income and is spent on flood protection and environmental management. Payment is on the principle of: interest – pay – save. The higher the value of your real estate, the more taxes you pay but the greater influence you have on the board. The other levy is for waste water management, the basis for which is that the polluter pays. Larger more polluting companies and larger families pay more.”

“Long term investment are made by loans from access to the international investment markets, to avoid large fluctuations in local taxes, as for example after the II World War when much of the water infrastructure had to be rebuilt”

“The water bank established by water authorities to access international capital has achieved a high credit-rating, attracts cheap money and now invests in many public services in the Netherlands and has a very efficient operation (only 40 employees)”

“The water bank offered green bonds in order to raise 500 million Euros. The offering was totally oversubscribed and the bank raised 1.8 billion Euros. The water bank is a model that can be very successful”

“The are many challenges ahead in water management, but the system of taxes and the bank is very useful”

“If water is such a valuable asset people will have to pay for it”

“A large part of water management should be in regional management structures: it stays close to the region, can be modified to local concerns, invests in their own backyard and people know what they pay for”

“The experience of the water bank shows that with innovative approaches the cost of international investment capital can be kept low which benefits all water users”

**Catarina De Albuquerque** (Executive Chair Sanitation and Water for All)

“The SWA biennial High-level Meeting is an important forum for debate with Ministers of finance and to catalyse finance for the sector. In 2014 over 60 commitments were made by sector partners on sector financing”

“The 2015 progress report on high-level commitments shows that good progress has been made on one third of financing commitments, but shows that much more effort is needed to fulfil al commitments”

**Lawrence Simitu** (Director Water Services Ministry of Water and Irrigation)

“National government supports the poorer county governments in water development through an created an Equalization fund, which together with the Water Services Trust Fund provide additional support for the most vulnerable groups in Kenyan society”

“Every water project funded by national government fro loan finance has oversight from county authorities: so the two levels of government play complementary roles in financial governance”
Summary of DGIS-led side event on financing water and sanitation for all at FFD

**Jeff Seabright** (Chief Sustainability Officer Unilever)

“The founder of UNILEVER’s vision 130 years ago was to make: cleanliness common place and to lessen work for women”

“UNILEVER partners with many agencies, PSI, USAID, CIF, UNICEF, DFID and civil society in what is effectively the world’s largest behavior change program for handwashing which has reached over 300 million people with tangible results”

“Our goal is to reach 1 billion people”

“This is not philanthropy: we want to sell soap”

**Clive Harris** (Manager of the Public Private Partnerships Cross Cutting Solutions Group, The World Bank Group)

“The investment flows into the water sector is a very small fraction of the total private sector flows in other sectors and less than had been hoped for

“Looking at IDA private sector investment in infrastructure the last 5 to 6 years and water investment was less than 1% of the total”

“The low investment reflects a basic fact that investments have to be paid back: there are only 2 main sources, users and tax payers. Water is a sector in which users contribute the least. This is not just a private investment issue, but public sector investment will only really increase when user payment behavior changes.”

“The bulk of the World Bank water portfolio is supporting, and will continue to support urban infrastructure utilities”

Whilst the private capital flows have been lower than hoped, the private sector has done a good job in increasing efficiency, reducing unaccounted for water

“The experience with PPPs has developed a diverse set of tools and approaches; the challenge now is to scale these up”

“A fundamental issue to attract more finance is to increase the revenue flows”

**Nick Dyer** (Director General DFID)

“A focus on results is important for everyone: the UK government committed to reach 60 million people with water and sanitation. We have reached that. We did so by focusing on this achievement: we realized we were falling short, so we reinvested resources to make sure we hit the target”

“Unless you know what you are trying to achieve and what its costing, you are unlikely to reach targets”

“There are two financing gaps: one is the investment gap, for example Ethiopia’s 600 million dollar gap; the other is a maintenance gap. Africa is literally littered with failed water projects”

“There are 1 million water pumps in Africa serving 2 million people, a third of which are broken: leakages in water utilities are up to 50%; many utilities fail. So its not only about raising money, its using the money properly”

“What is the UK doing differently: 1 Help governments to improve revenue collection, including from taxes; 2 Using aid funds to improve the enabling”
environment to create more bankable projects and so encourage private sector investment; 3 How can we use digital technology to improve water payments, for example by imbedding microchips into water pumps to inform authorities when the pump is broken and reducing the downtime”

“It's the greater willingness to pay that will sustain services better and attract further investment”

**Calvince Odera**, K-Rep Bank

“The challenge to replicating K-Reps success in more countries is to both to stimulate the demand from Water Service Providers

**Apollos Nwafor**, Regional Advocacy Manager-West Africa, Water Aid

“A study of 45 poor countries shows that ODA remains critical for many countries”

“The current approach to institutional reforms has not built the capacity of local institutions and addressed fundamental issues, including corruption”

**Alex Their**, USAID

“This sector has the best acronym of any sector, WASH, because it embodies what is needed”

**Ismail Shaiye**, CEO WSTF, Kenya

“A grace period is essential to be able to generate the income to repay loans”

“Seed money is required to off-set the risks of the entry of commercial banks to the water sector”

**H.E. Mrs. Lilianne Ploumen** (Minister for Foreign Trade and Development Cooperation of the Kingdom of the Netherlands)

“We are all in agreement that ODA will not deliver goal number 6, but that we need other financing mechanisms”

“It's a chance in a lifetime to do away with extreme poverty by 2030 and target 6 is very instrumental to reach this overall goal”

“To get there we need all our energy, all our resources and to work more closely together”

“Today we launch a new initiative to make the best use of the resources that we have to set up local-currency denominated Water Financing Facilities or Water Banks in partner countries
Summary of DGIS-led side event on financing water and sanitation for all at FFD

Programme

I Opening
10.00 Opening and welcome by chairman of the meeting, Christiaan Rebergen (Director General for International Cooperation of the Ministry of Foreign Affairs of the Netherlands)

10.10-10.20 Keynote address: H.E. Mr. Ato Alemeyu Tegamu (Federal Minister of Water, Irrigation and Energy Federal Democratic Republic of Ethiopia)

II High-level speakers
High-level speakers on financing of the water sector in the future:

10.20-10.30 H.E. Mr. Eugene Wamalwa (Cabinet Secretary, Ministry of Water and Irrigation of Kenya)

10.30-10.40 Angel Gurría, (Secretary-General of the OECD)

10.40-10.50 Bertand Badre (Managing Director and Chief Financial Officer of the World Bank)

10.50-11.00 Yoka Brandt (Deputy Executive Director UNICEF)

11.00-11.10 Sanitation and hygiene delivery mechanisms: pooled finance/blended finance through the Global Sanitation Fund, Chris Williams (Executive Director, WSSCC/Global Sanitation Fund)

11.10-11.20 Taxes, Gerhard Doornbos (Vice President of the Board of Dutch Waterboards)

III Panel Discussion
11.20-12.10 Introduction of the panel by moderator and SWA Commitments Catarina De Albuquerque (Executive Chair SWA)

Panel members:
Mr. Lawrence Simitu (Director Water Services – Ministry of Water and Irrigation)

Jeff Seabright (Chief Sustainability Officer Unilever),

Nick Dyer, Director General DFID,

Clive Harris (Manager of the Public Private Partnerships Cross Cutting Solutions Group, The World Bank Group).

Calvince Odera, KRep Bank

Plenary questions and answers

IV Closing Statement
12.10-12.30 Closing statement H.E. Mrs. Lilianne Ploumen (Minister for Foreign Trade and Development Cooperation of the Kingdom of the Netherlands)