



FINANCING WATER
AND SANITATION



A radical increase in water and sanitation investments is required to finance the Sustainable Development Goals, according to the UN-Water GLAAS report released in 2017. The current level of WASH (water, sanitation and hygiene) financing is not sufficient to meet SDG targets to achieve universal access to safe and affordable drinking-water, adequate sanitation and hygiene.

New sources of finance, and better use of existing sources, are a critical element of the enabling environment we urgently need to create if we are to meet our promises. As the world begins its journey towards 2030, the current financing challenges are thrown into sharp relief.

The three Ts: forms of finance

There are three major sources of funds for water and sanitation. Taxes from individuals and businesses; transfers such as overseas aid, remittances or market interest rate lending; and tariffs paid by households, businesses and governments. The provision of good

services depends on effective planning of how these funds are raised, in what proportions, and how they are implemented.

Financing to achieve universal access – challenges and opportunities

There are significant financing, policy and governance gaps between aspiration and the current reality with respect to reaching every citizen with safe and affordable drinking water, adequate sanitation, and hygiene, and to eradicating the practice of open defecation. To meet these targets, as set out in the SDGs, global capital financing – mainly for the physical service infrastructure – would need to triple, and that is without considering operating and maintenance costs. Of course, the financing picture varies across regions and countries but there is a clear, overarching need for financing strategies based on evidence and realistic proposals for how to fill the following gaps.

Facts and figures

- 80% of countries report insufficient financing to meet national WASH targets. ([GLAAS 2017](#))
- Over 50% of countries say that household tariffs are insufficient to recover operation and maintenance costs, leading to an increase in disrepair and service failure. ([GLAAS 2017](#))
- While international aid spending on WASH increased from US\$6.3 billion to US\$7.4 billion between 2012 and 2015, future commitments declined from US\$10.4 billion to US\$8.2 billion in the same period. ([GLAAS 2017](#))
- Over 70% of countries use data when deciding how and where to allocate funds, though only one-third have financial plans that are defined, agreed and consistently followed. ([GLAAS 2017](#))
- 70% of countries have specific plans to reach low-income communities with WASH. However, only 25% of WASH aid was spent on basic systems, which is a proxy for aid targeted to the unserved, particularly in rural areas. ([GLAAS 2017](#))

FINANCING WATER AND SANITATION FOR ALL: THE CURRENT GAPS

Targets in the Sustainable Development Goal 6 (SDG 6) - to reach everyone with WASH (water, sanitation and hygiene) by 2030 - are ambitious. But they're crucial to the overarching aim to eradicate extreme poverty. Today, there are gaps between aspiration and reality.

NATIONAL WASH BUDGETS ARE GROWING TOO SLOWLY



80%

of countries report insufficient financing to meet national WASH targets, let alone the higher levels of service that are the focus of SDG 6.

WASH INFRASTRUCTURE IS NOT RECEIVING ENOUGH INVESTMENT

> 50%

of countries say that household tariffs are insufficient to recover operation and maintenance costs, leading to an increase in disrepair and service failure.

FOREIGN AID COMMITMENTS FOR WASH HAVE DECLINED

While international aid spending on WASH increased from **US\$6.3 BILLION TO US\$7.4 BILLION** between 2012 and 2015, future commitments declined from **US\$10.4 BILLION TO US\$8.2 BILLION** in the same period.



DATA USE IS INCREASING BUT IMPERFECT

> 70%

of countries use data when deciding how and where to allocate funds, though only



1/3

have financial plans that are defined, agreed and consistently followed.

VULNERABLE GROUPS ARE STILL BEING LEFT BEHIND

70%

of countries have specific plans to reach low-income communities with WASH.

However, only an estimated

25%

of WASH aid was spent on basic systems for unserved people, particularly in rural areas.



glaas

UN Water Global Analysis and Assessment of Sanitation and Drinking Water



World Health Organization

The UN-Water Global Analysis and Assessment of Sanitation and Drinking-Water (GLAAS) helps decision-makers extend and sustain water, sanitation and hygiene services and systems to more people. It is produced every two years by the World Health Organization on behalf of UN-Water. The GLAAS 2017, "Financing universal and sustainable WASH under the SDGs", analyses data from 75 countries and 25 external support agencies *.

Find out more:

WHO (2017): [UN-Water Global Analysis and Assessment of Sanitation and Drinking-Water \(GLAAS\): Financing universal water, sanitation and hygiene under the Sustainable Development Goals](#)

The World Bank Group: [Overview of water](#)

World Bank Group Water and Sanitation Program : [The Costs of Meeting the 2030 Sustainable Development Goal Targets on Drinking Water, Sanitation, and Hygiene](#)

IRC: [Financing universal access: the role of Water Financing Facilities](#)

