National WASH Multi-Stakeholder Forum 9
Hilton Hotel, June 12-13, 2018

"Resourcing and Increasing Commitment for the One WASH and WRM Programmes"

Resourcing WASH

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Objectives and Results of OWNP Phase I

ONEWASH objectives (2013-2020)

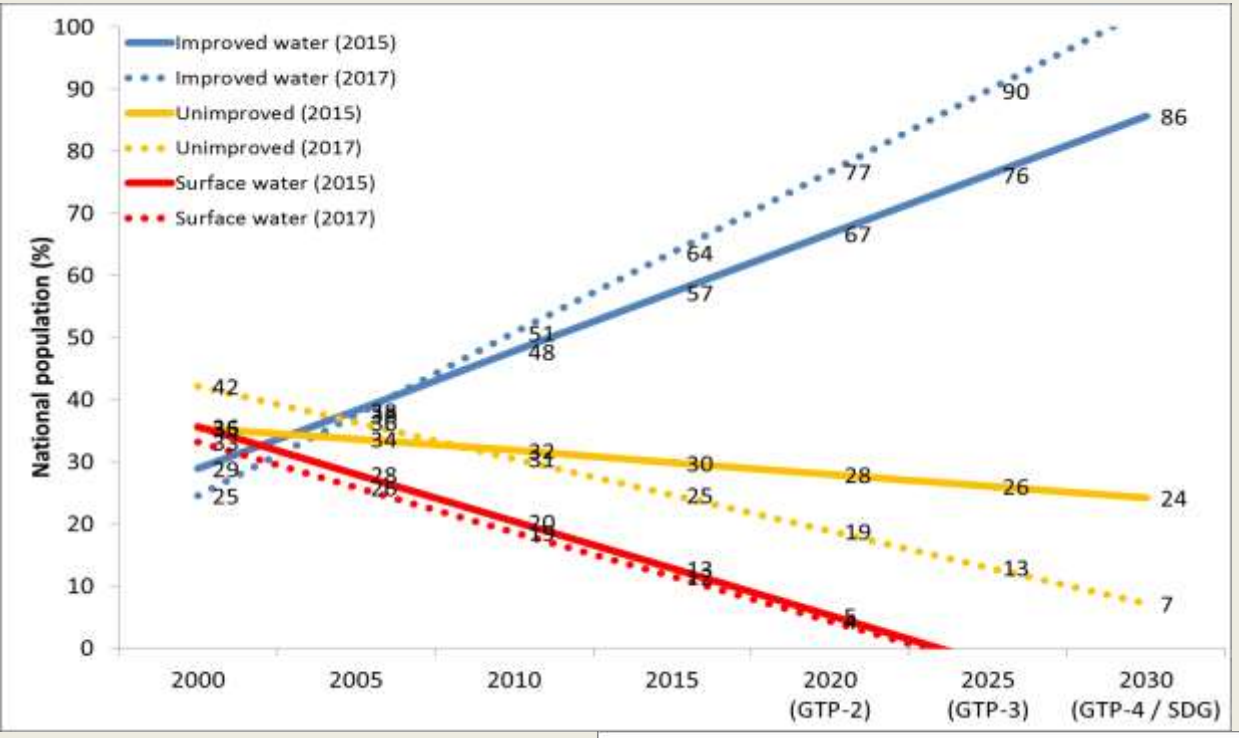
Achieving GTP-1 targets and universal coverage mean that

- In **water** supply, an **additional 26.6 million rural and 4.4 million urban inhabitants** in 6,284,000 households will gain access to safe drinking water. Increasing national water supply coverage to 98.5% from the current 67.1% requires the provision of 55,865 new conventional and 20,010 rehabilitated water points in rural and peri-urban areas, respectively, and 777 new, or expanded pipe systems in towns.
- Increasing **sanitation** coverage from 65.8% to 100% requires the construction of 6,724,676 household latrines and the extension of the sewerage system in Addis Ababa.
- **Institutional WASH**. New water supply in 22,342 primary schools, 643 secondary schools and 7,772 health posts/centers. Construction or rehabilitation of sanitation facilities in 15,122 schools and 7,141 health posts will also be undertaken.

ONEWASH – "phase 1" results (2013/14-2016/17)

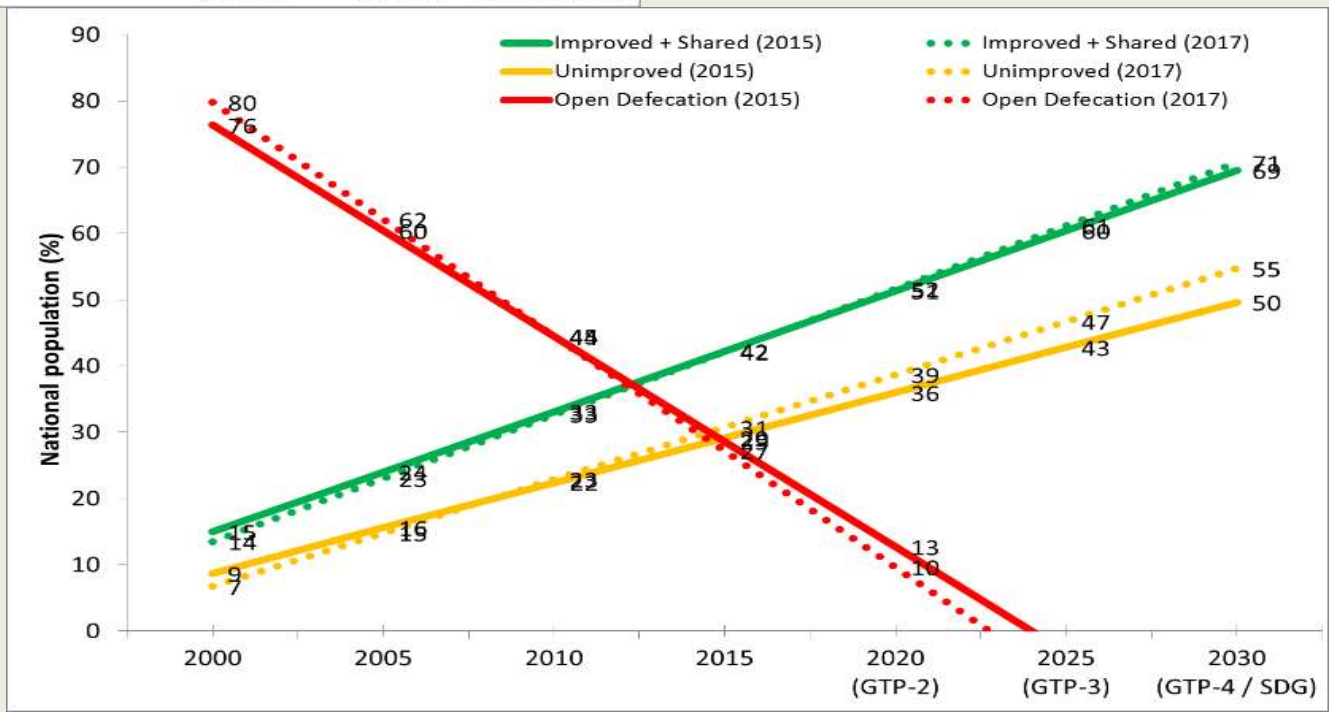
After 4 years of programme implementation

- **Water Supply** – **18.7 million** people gain access to water supply through the construction of 38,336 different types of water supply schemes
- **Sanitation** – 11 million people became Open Defecation Free and Open Defecation reduced from 44% to 29%. OWNP-CWA total beneficiaries from improved HH latrine have reached 7,201,858.
- **Institutional WASH** - The Consolidated WASH Account (CWA) constructed 1,775 school WASH facilities, and reached 1,987 health care facilities.
- Results have been better in water than sanitation or institutional WASH so far.

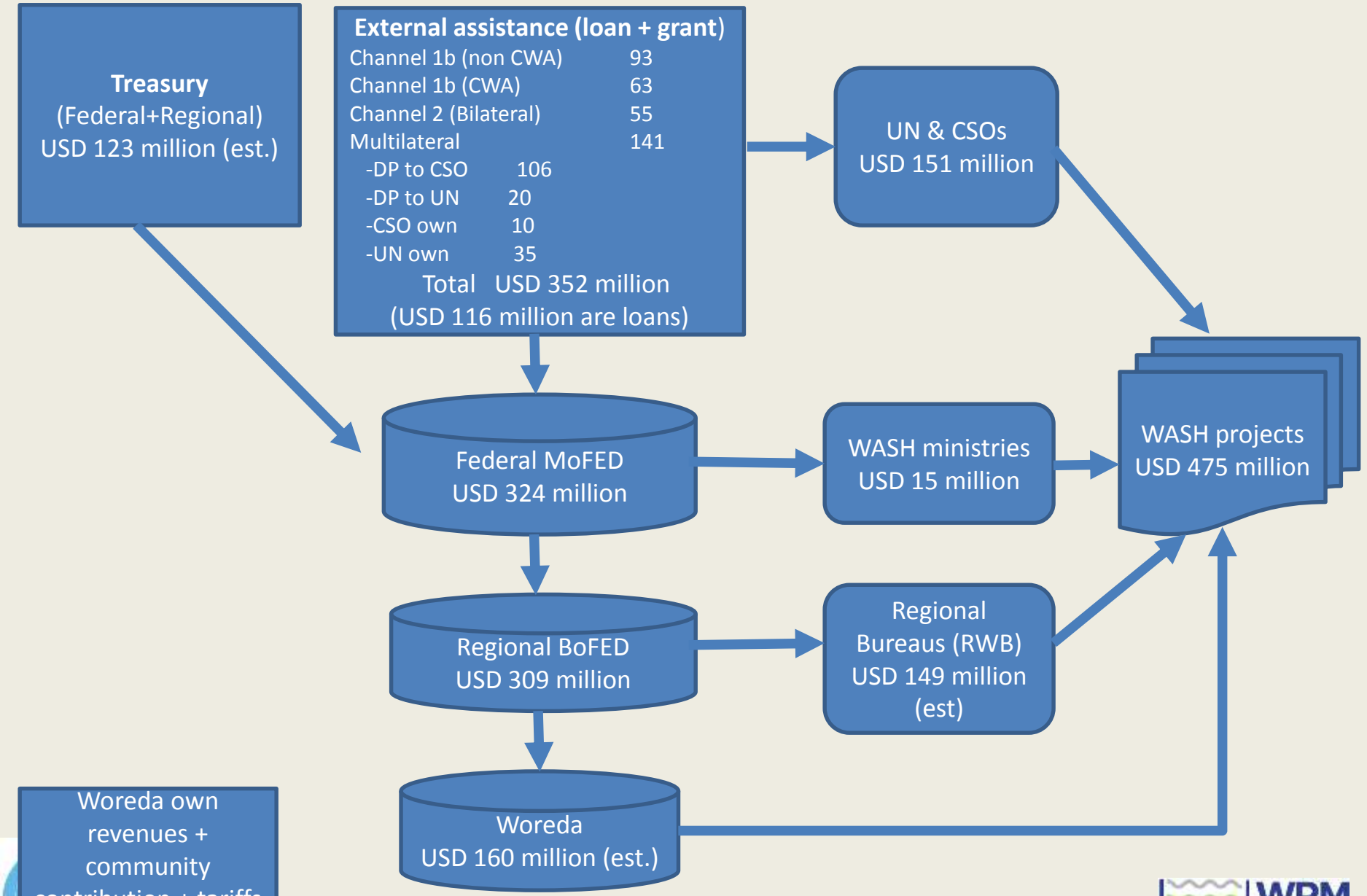


Results of OWNP Phase I

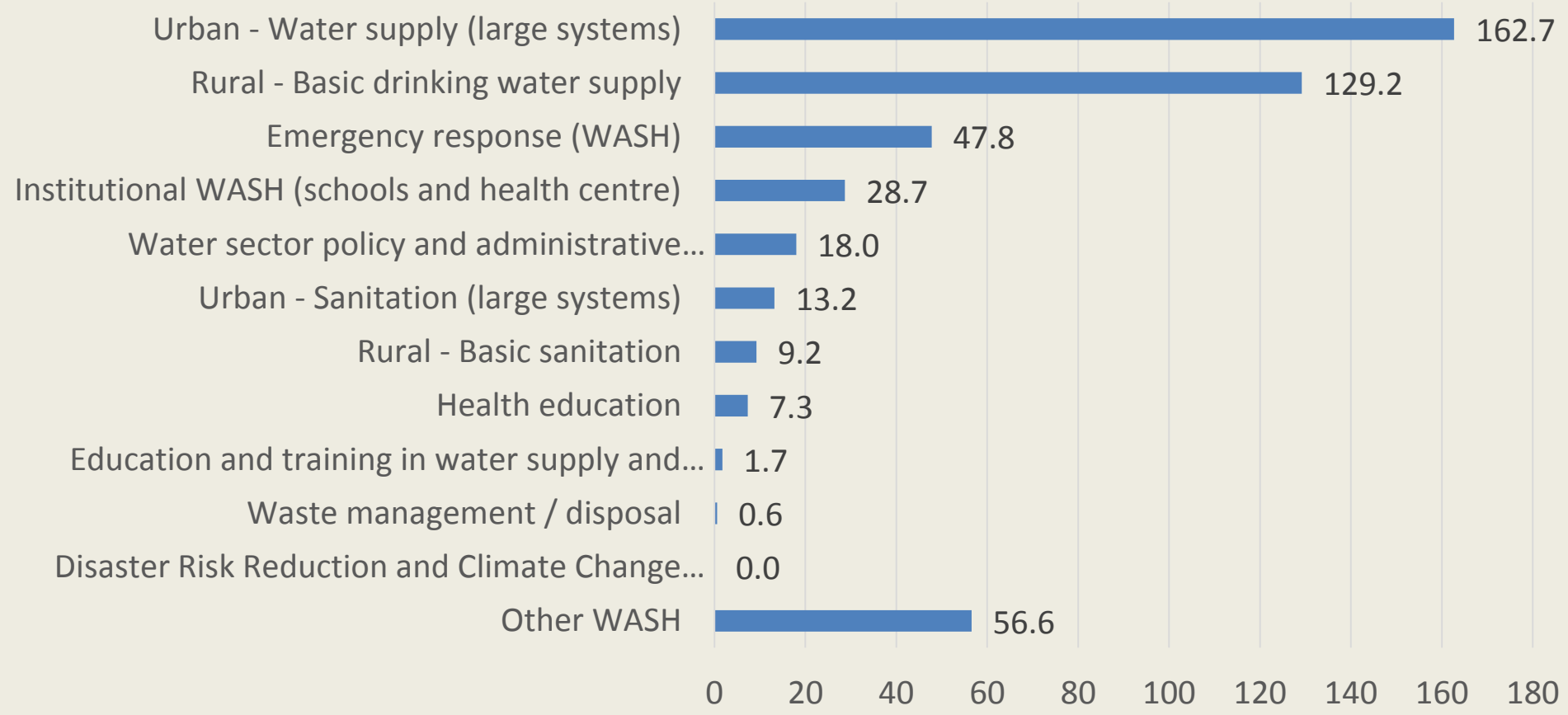
Overall an acceleration towards the SDGs, which is on top of good progress previously.



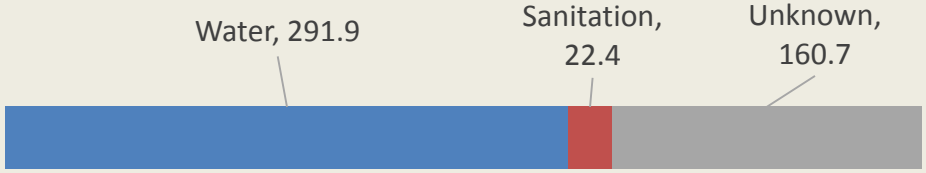
Source and flow of funds to water supply and sanitation sector



Utilization of the funds by sub-sector (million USD)

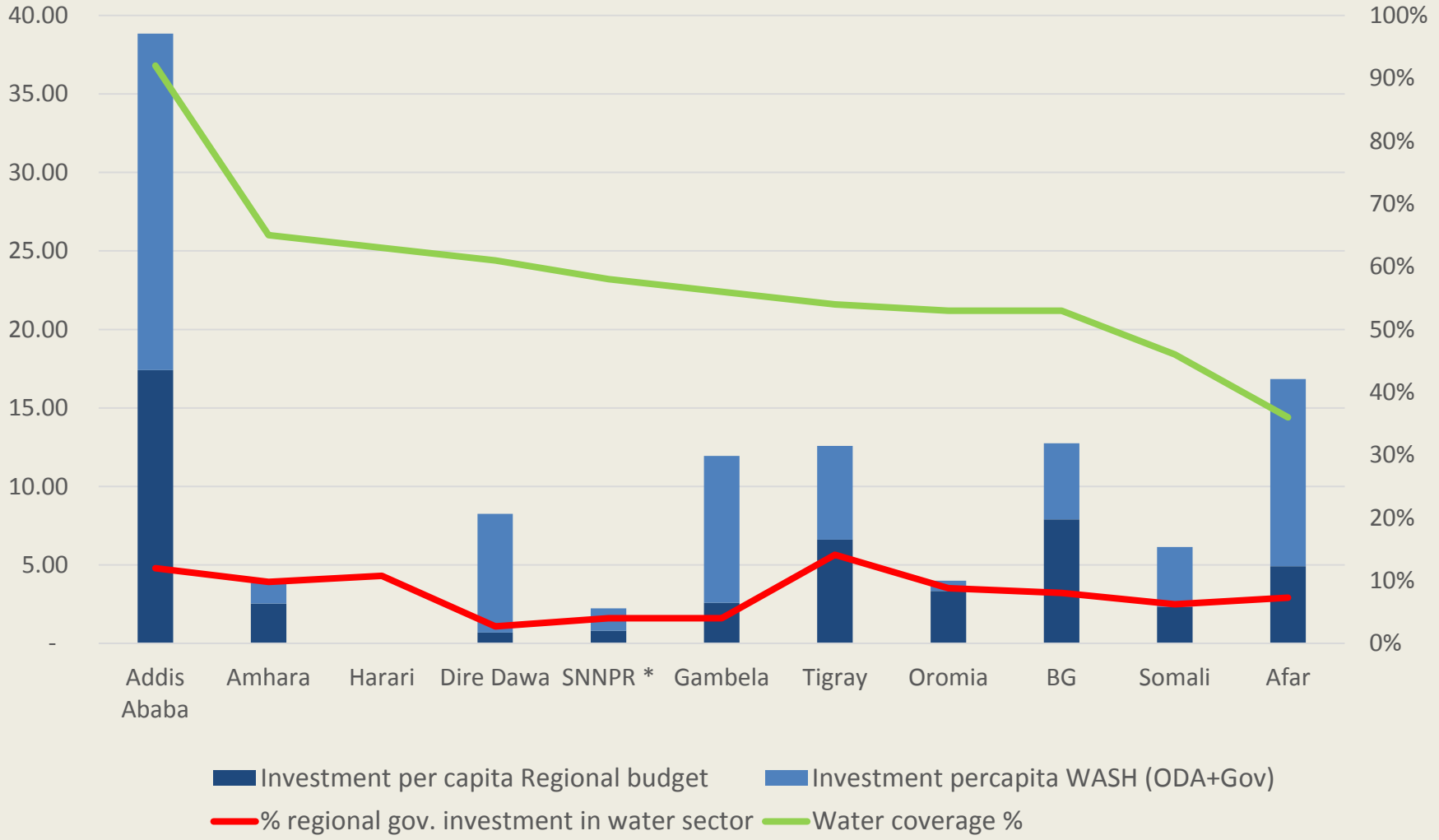


Investment water supply vs. sanitation



Investment urban vs. rural

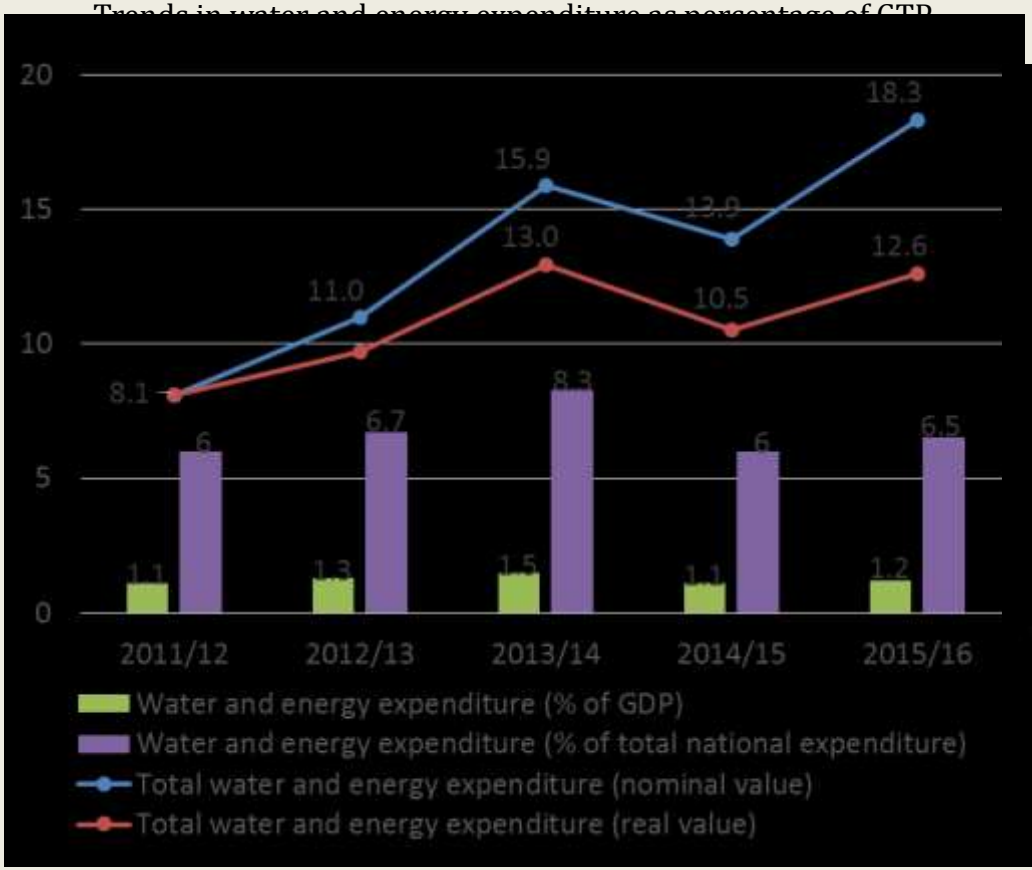
Level of investment (USD/capita) per region



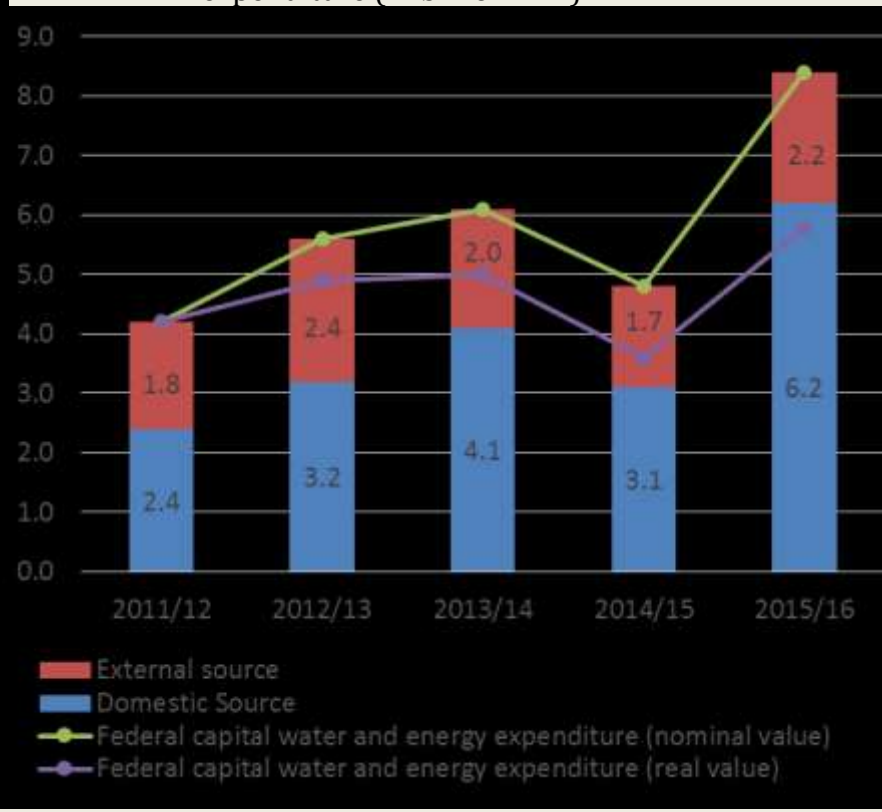
Notes: SNNPR per capita investment seems very low. Water coverage estimated.
Harari investment per capita 95 USD in 2006EFY due to urban waster supply program
Estimations based on available information from DPs and Regions (some nationwide interventions not included)

Trends in water and energy expenditure

Trends in water and energy expenditure as percentage of GTP



Sources of federal capital water and energy expenditure (in billion Birr)



Funding status of OWNP phases I and II

		ONWP (EFY2005-EFY2012 /2013-2020) 7 years		Estimated budget for Phase I (EFY2005-EFY2009) 4 years	Estimated investment for Phase I (2013-2017) 4 years	New budget Phase II (EFY2010-EFY2012 /2017-2020) 3 years (preliminary estimates)		Estimated mobilization (including anticipated investments and CR-WASH contributions)	Gap
Rural and pastoral WASH	Water	1,130	1,528	873	1,268	2,096	2,491	1,296	1,195
	Sanitation	398				395			
Urban WASH	Water	786	881	503	731	1,013	1,564	814	750
	Sanitation	96				551			
Institutional WASH			545	311	452		784	408	376
Programme management and Capacity Building			182	104	151		1,096	570	526
TOTAL		**2,410**		**1,377**	**2,300**	**5,935**		**3,088**	**2,847**

Water sector investment as percentage of GDP

	Investment	% of GDP	Comment
Water sector (WRM+WASH)	USD 763 million	1.1 %	Based on projected GDP estimates for 2016 (USD 66.83 billion). In 2010 it was 1.1.% (WB, 2016)
WASH	**USD 475 million**	0.71 %	
Water Resources Management	USD 288 million	0.43 %	

WASH funding gap estimation (based on GDP investment)

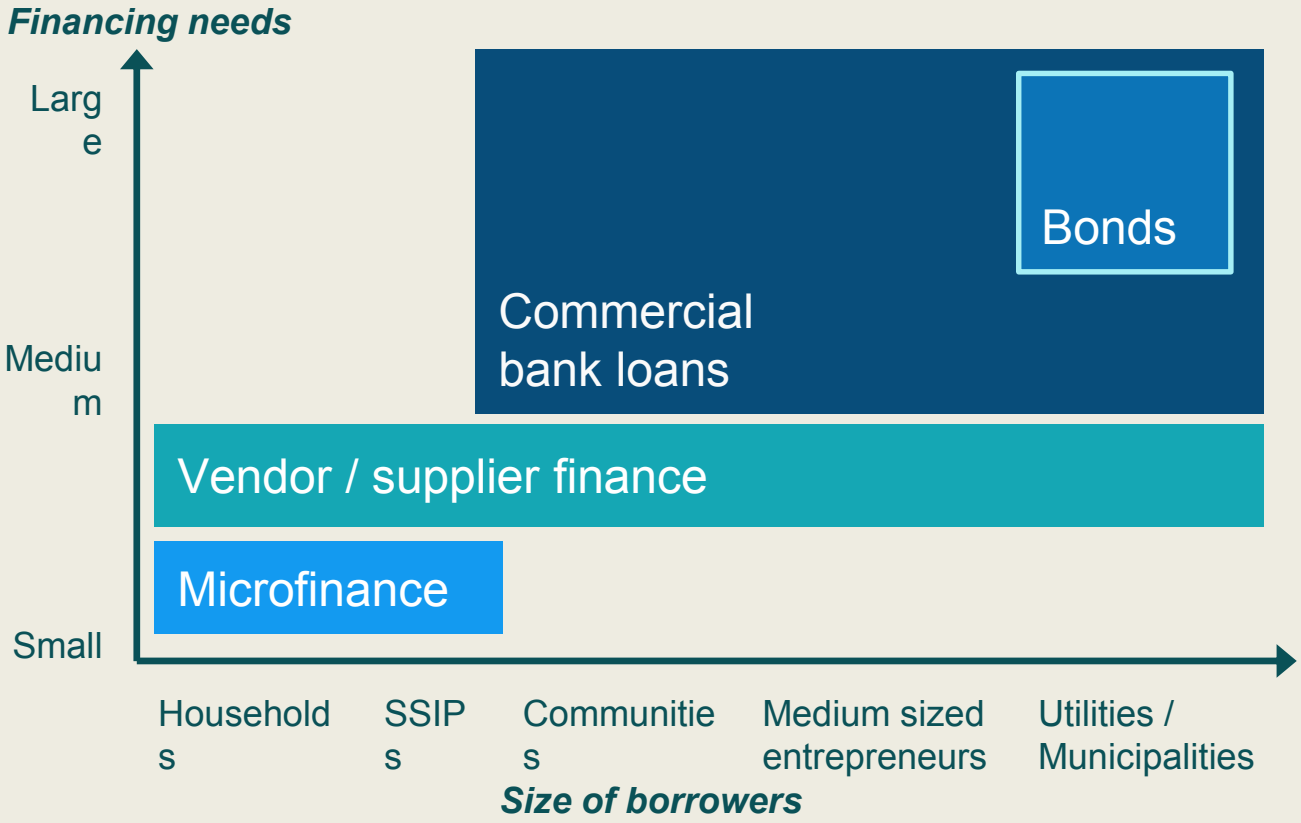
Criteria	Amount needed (mUSD/year)	Funding gap (mUSD/year)	% of gap	% of GDP needed
OWNP phase I (2,41 billion in 7 years)	344	No funding gap*	0%	0.51%
OWNP phase II (5.9 billion in 3 years)	**1,978**	**949***	**50%**	**3.7%**
HDR (Human Development Report) recommends 1% GDP investment/year (globally)	668	193	29%	1%
WB (AICD, Africa Infrastructure Country Diagnostics) recommends 3.5% of GDP investment/year	2,339	1,764	75%	3.5%
WB (achieving SDGs in SSA would require 3 times the amount needed for MDG targets)	~2,000	1,525	76%	3%
SDG costing tool (preliminary analysis)	~3,200	2,725	85%	4,8%

Resourcing WASH

There is a significant funding gap that will require:

- Improving **efficiency** of the funds (making sure that funds are allocated to priority areas and sub-sectors) and synergies between interventions (i.e. cross-sectoral)
- Identifying **fiscal space** into Government funding (both federal and regional)
- **Changing** the way the sector is financed
  - Making **Utilities** Creditworthy to access commercial finance
  - **PPPs** for ring fenced transactions
  - **Innovative financial engineering**: blended finance, guarantees, loans, bonds,
  - Mobilizing **domestic resources** (tariffs, taxes, transfers) and microfinance
  - Identify **other funding instruments** (i.e. climate funding) or actors (i.e., China or Gulf countries)
- Setting up a more structured way of **collecting financial information** from different stakeholders (i.e. update DPs database) and alignment through OWNP

Thinking outside – scale and scope of varying types of finance



Microfinance

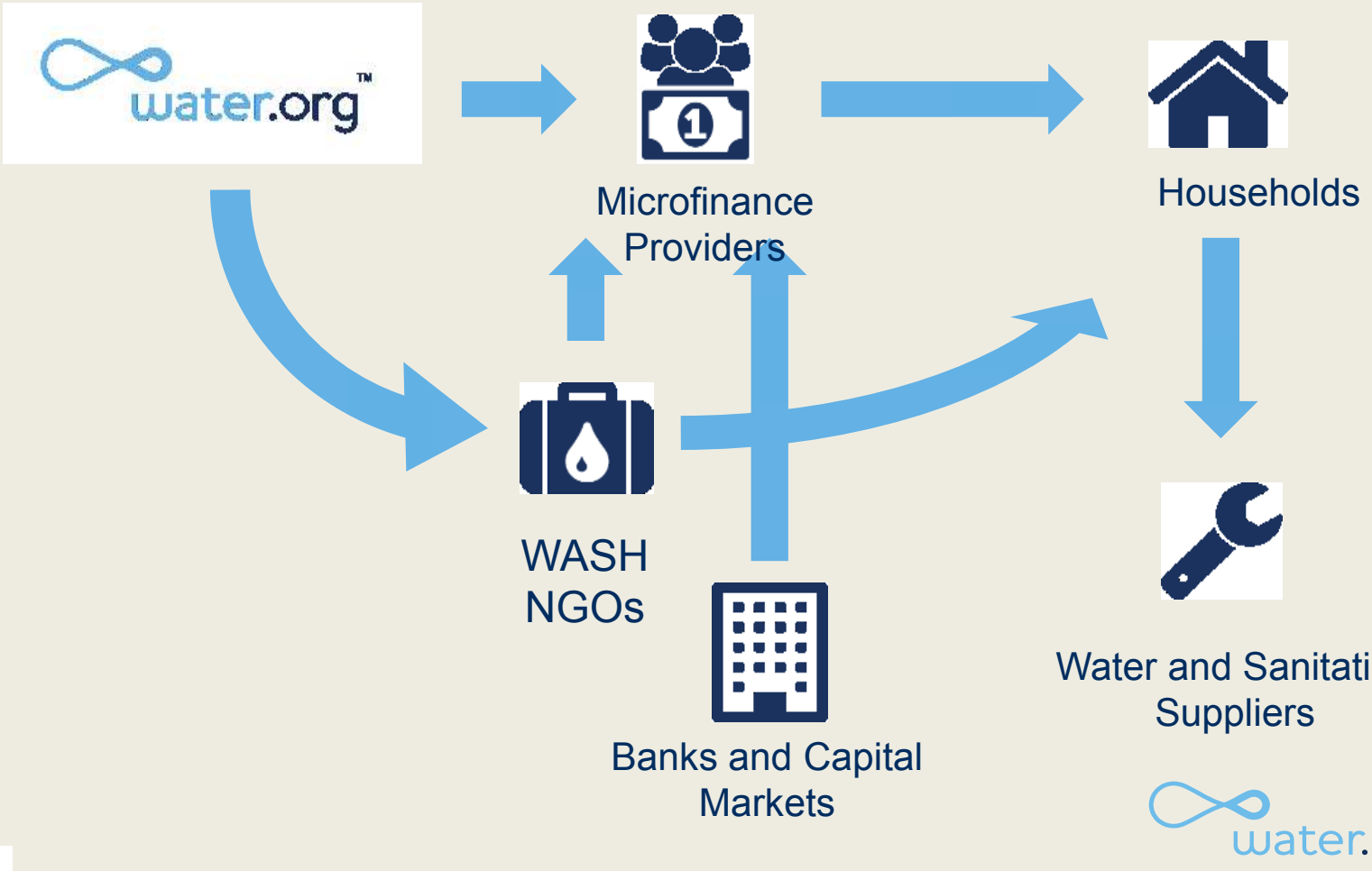
Microfinance will not be appropriate for all households.

There is a risk of heavy indebtedness – which we are already seeing amongst the poorest in Ethiopia.

UNICEF will partner with experts on Markets for the Poor approaches, and those already working in this space, to ensure we are guided by best practice.

Initially, we believe the middle of the pyramid, may be suitable for sanitation microfinance.

Case study: water.org WASH Microfinance. Operational Modality



Household Finance

Microfinance Institution

water.org

MFIs provide pre-signed loans for sanitation product range including installation costs.

Pool households together under collective agreement to create an attractive market for lenders.

Financing is for whole toilet including superstructure.

Case study water.org : List of Water Supply and Sanitation Products

Sanitation	Water
Pit latrine with slab	Borehole well with overhead tank
Composting Toilet	Public stand post
Sanitation renovation	Kiosk - private vendor
Sewer infrastructure extension	Spring catchment
Biogas Toilet	Water filter
Ecosan Toilet	Borehole well with pump
SanPlat/ latrine slab	Water renovation
Ventilated Improved Pit Latrine (VIPL)	Hand dug well with hand pump
Toilet with septic tank	Water infrastructure extension
	Household water connection
	Rain roof harvesting
	Water tank

Thank You