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Donor/public sector roles in financing hygiene improvement

World Bank/WSP
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WSH is a good Investment

	Construction cost (US\$ per capita)	Lifetime (years)	Amortized annual cost (US\$ per capita)	Operation and maintenance (US\$ per capita)
Basic sanitation	60	5	12.0	n.a.
Water supply (house)	150	20	7.5	10
Water supply (shared)	40	20	1.0	1
Hygiene	1.6	5	0.3	n.a.

Source: Disease Control Priorities in Developing Countries, 2nd Edition; Water, Sanitation and Hygiene Chapter; Cairncross and Valdamanis, 2006



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Cost-Benefit is high

	Water	Sanitation
Cost:Benefit ratio of meeting MDG targets	1:4	1:9

Source: Hutton, Bartram & Haller, WHO 2007

***Seek ways to invest
resources **strategically and effectively*****



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Types of financial support

- Grants
- Loans
- Global Development Alliances
- **Development Credit Authority** - allows USAID to utilize the full-faith backing of the United States Government to provide a partial guarantee on loans made by private sector banks or microfinance institutions



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Stakeholder mapping

- **Level of resources available**
- **Type of resources (financial, technical assistance)**
- **Strategic priorities (geography, sectoral)**
- **Analysis of banking system**
 - **Loan repayment time**
 - **Collateral requirements**
 - **Financial information (quantity and quality)**

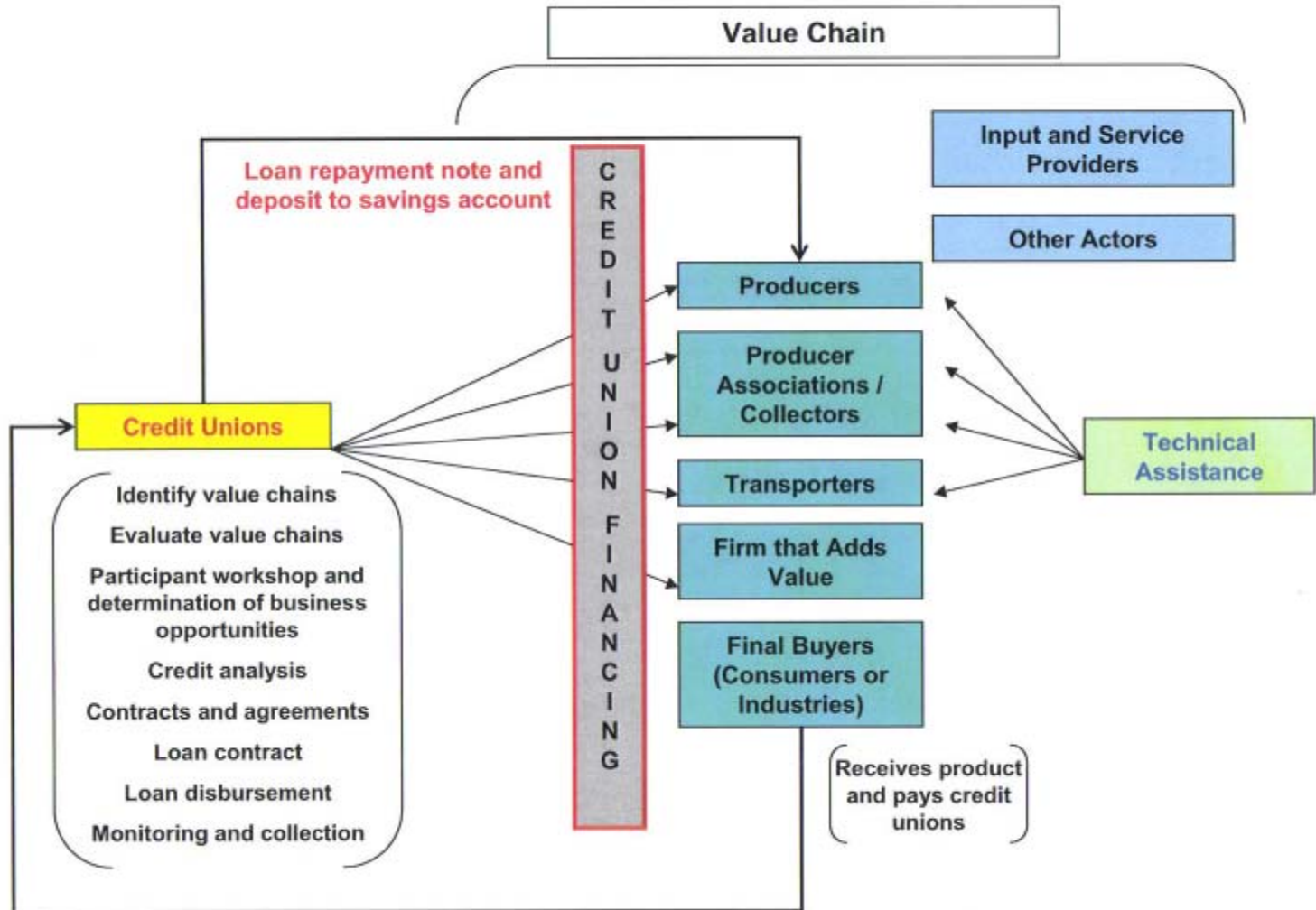
Where can DCAs help?



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Example of Finance Value Chain

WOCCU Value Chain Finance Methodology





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DCA In Action! Kenya

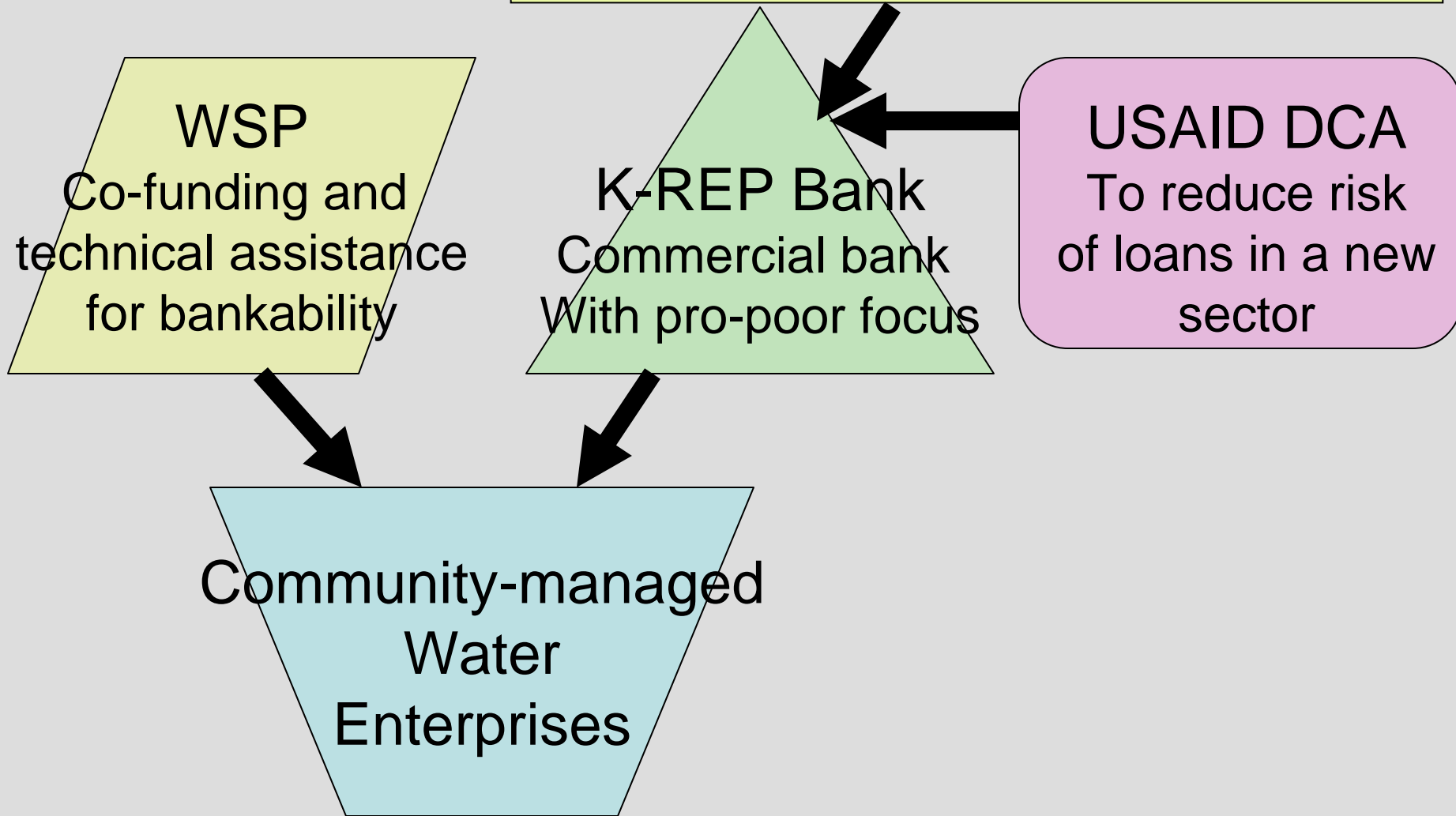
Global Partnership for Output-based Aid

WSP
Co-funding and
technical assistance
for bankability

K-REP Bank
Commercial bank
With pro-poor focus

USAID DCA
To reduce risk
of loans in a new
sector

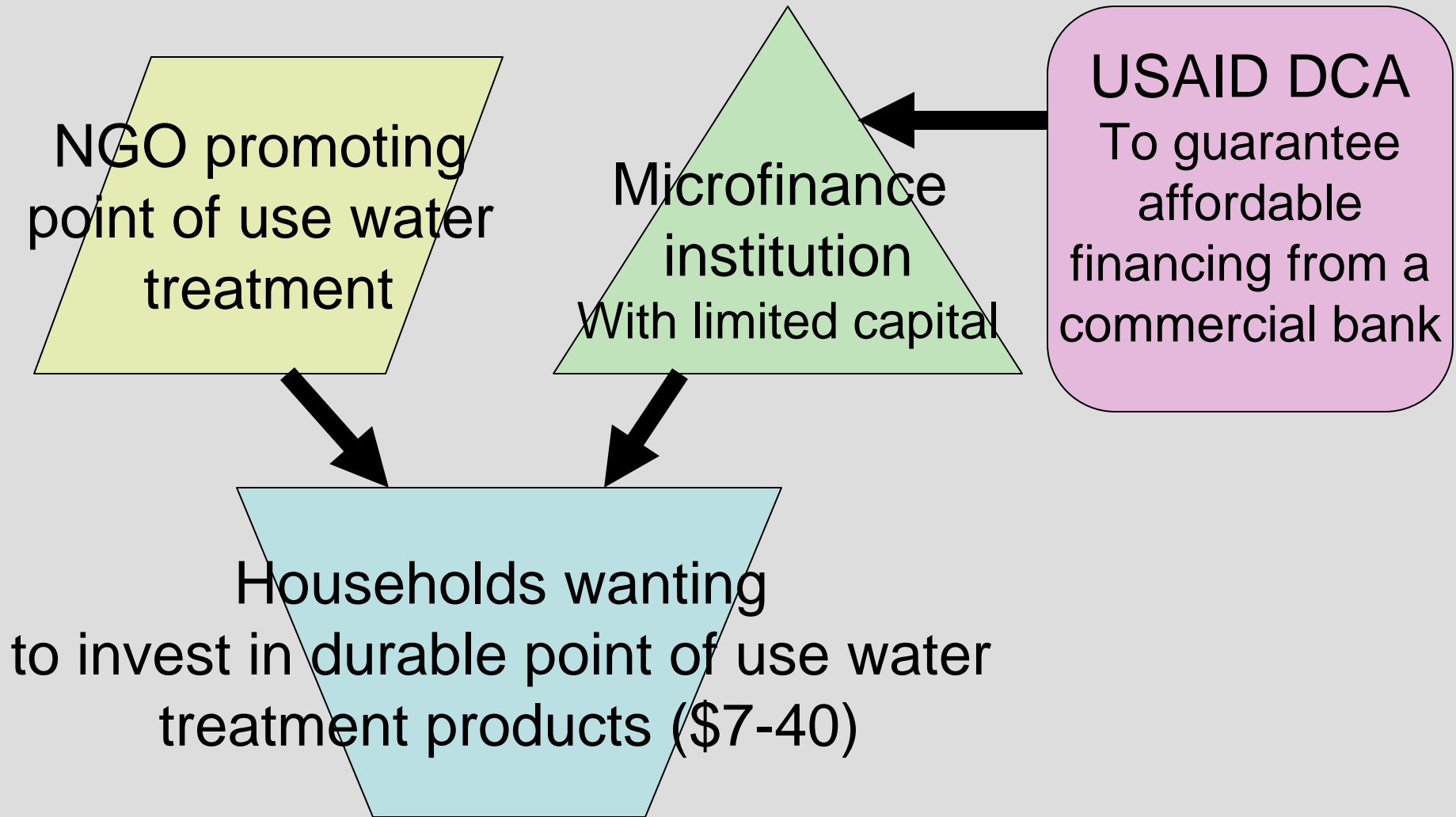
**Community-managed
Water
Enterprises**





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Another application





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Address ALL aspects of sustainability



- *Financial*
- *Technological/Behavioral*
- *Governance*
- *Environmental*



When NOT to use a DCA!





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Questions?

Thank you for your time

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