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# **Donor/public sector roles in financing hygiene improvement**

World Bank/WSP  
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## WSH is a good Investment

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

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



## 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)**

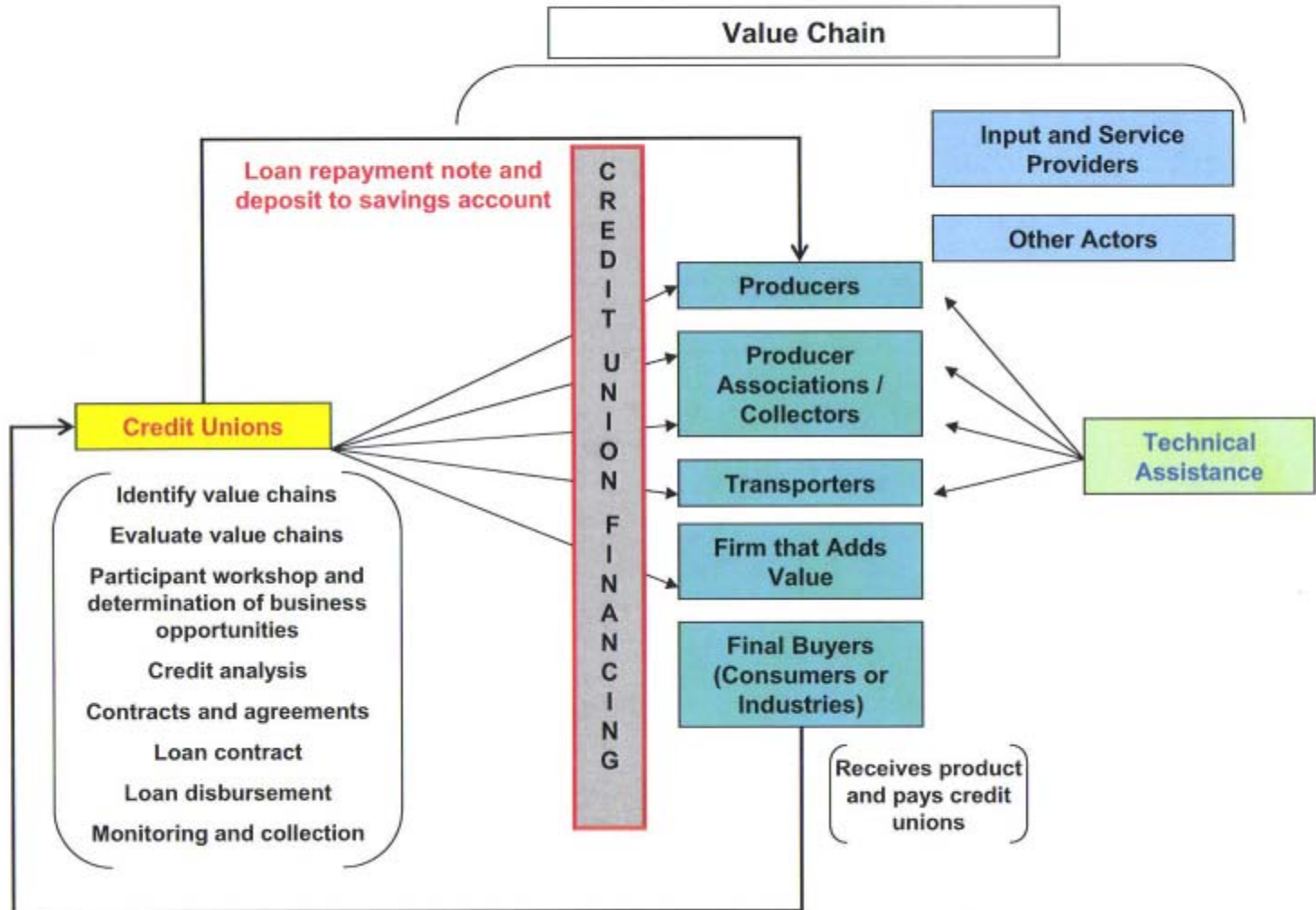
**Where can DCAs help?**



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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

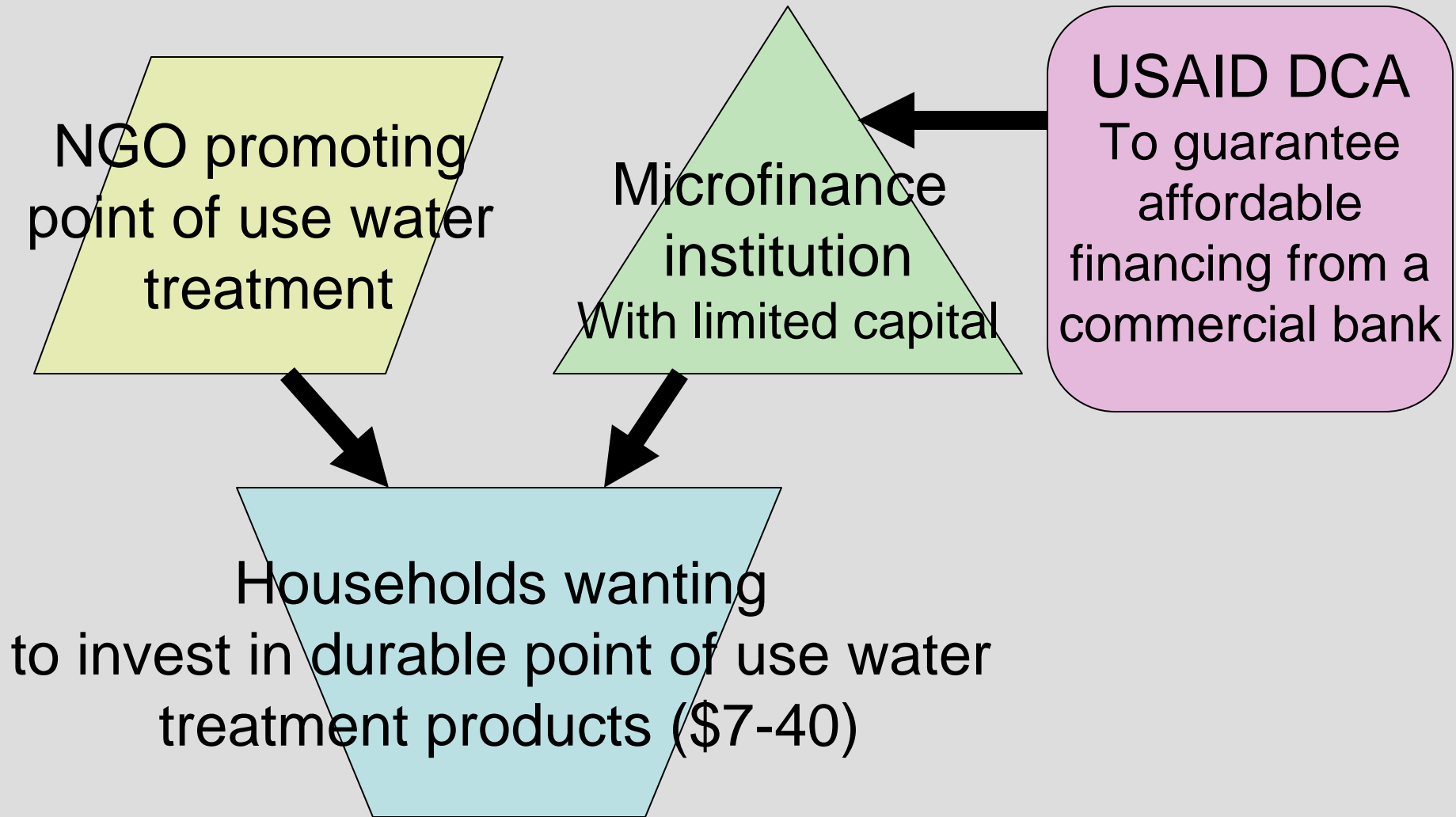
**Community-managed  
Water  
Enterprises**





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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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