

Mobilising private investments for sustainable sanitation

Financing Aspects

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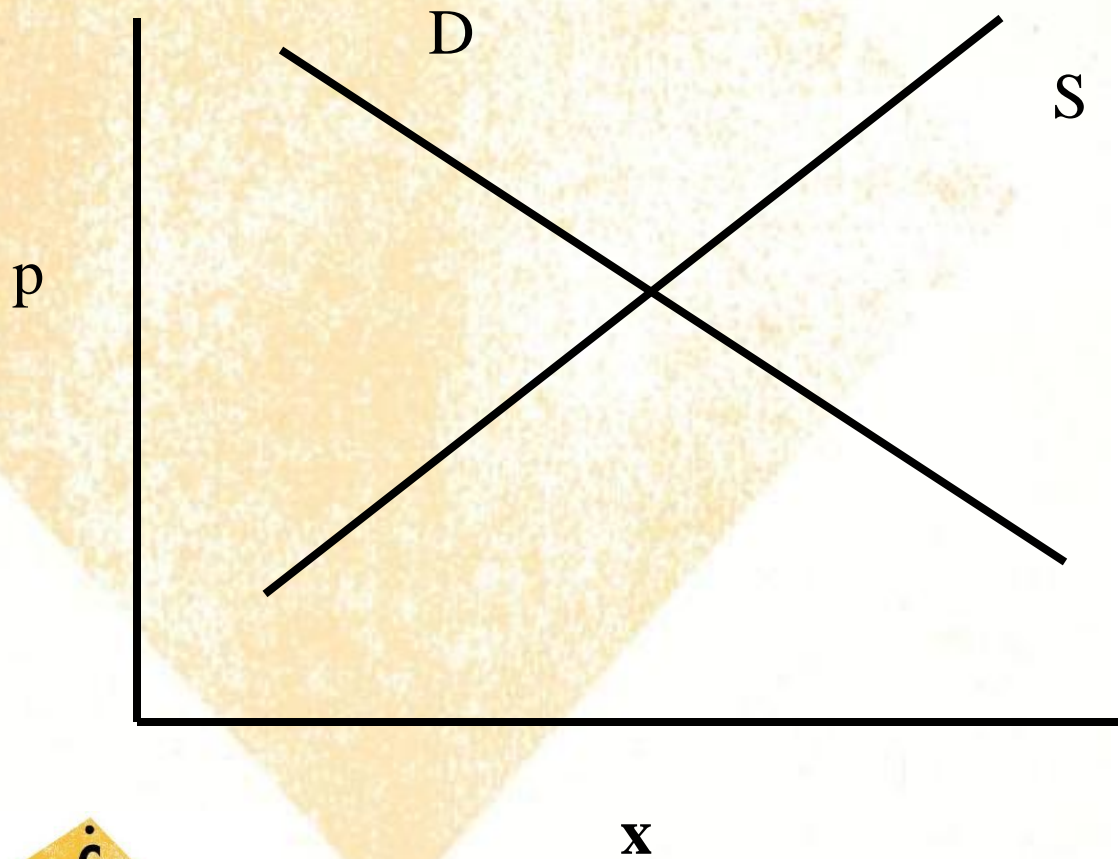
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WASTE facilitator and adviser

- Integration of solid waste and excreta waste management
- Decentralised management and implementation
- Support to local private sector / sustainable livelihoods
- Financing of Sanitation with SNS Reaal Bank
- Sustainable waste management based on a mix of approaches
- Resource and nutrient cycling within (urban) districts.

Supply or Demand



WASTE multi-annual sanitation programmes

ISSUE 1 2003 – 2006

ISSUE 2 2007 – 2010

TRUST 2007 – 2010

ISSUE 2003 - 2006

(4,5 mill. Euro)

- ◆ Philippines, India, Kenya, Mali, Costa Rica
- ◆ Local programme consortia
- ◆ Enabling environment
- ◆ Developing sustainable sanitation options for urban areas
- ◆ Municipal Strategic Sanitation Planning
- ◆ **Convincing local banks to invest through provision of guarantees**

Waste ventures guarantee at local banks

Country	City	WVF Amount (Euro)	Local bank	External financing	Increase in volume
Costa Rica	San Jose	84,000	Banco Popular	168,000	
Mali	Niono	8,330	CVECA-ON	91,670	
Kenya	Nakuru	67,480	Family Finance	450,000	
Philippines	San Fernando	0	FSSI	20,800	
India	Musiri	44,400	Indian Bank	20,500	
		204,210		750,970	368 %

Lessons learned

- ◆ Sanitation in urban areas has to be responsibility of a legitimate institution that is accountable to its clients
- ◆ Simultaneous projects provide generic experience
- ◆ Sufficient local funding
- ◆ Capacity to make projects bankable need to be developed
- ◆ Demand needs to be financially harnessed

Reflection CASE 2 – India

- ◆ *Rural area*
- ◆ *Indian Bank – GoI (profit last fin. year Euro 145 mill.)*
- ◆ *Existing micro finance scheme*
- ◆ *Subsidised eco-san linked with micro-finance*

- ◆ **What do you think??**

ISSUE 2 2007 - 2010

(14 mill. Euro)

Enable local stakeholders, to develop
and implement practical sustainable
solutions to meet the Millennium
Development Goals

ISSUE 2 scope

- ◆ I7 “districts” in the South, consisting of (an) urban centre(s), surrounded by peri-urban, and adjoining rural areas, presenting environmental, social, and economic dependency.
- ◆ The Philippines, Vietnam, Sri Lanka, Bangladesh, India, Kenya, Tanzania, Malawi, Zambia, Mali, Benin, Peru, Nicaragua, Suriname.

ISSUE 2 Characteristics

- ◆ Implementation by **joint action of public and private actors**, to benefit an average of 5.000 households per district. In total servicing 85,000 household
- ◆ **Mix of technical approaches**, rather than on one large technical system
- ◆ Managing the **resource and nutrient cycling** within cities and districts
- ◆ Exploring the synergies from **integration of solid waste and excreta waste streams**
- ◆ **50% co-financing agreement with SNS-bank** and involving local banks to finance hard investment to supplement grant resources
- ◆ **Decentralised management**, done by a partner board at programme level and with management in the field at district level.

TRUST in Africa 2007 - 2010

(7 mill. Euro)

- ◆ Ethiopia, Kenya, Mali, Zambia, Malawi
- ◆ 50% co-financing by SNS Reaal Water Fund
- ◆ Stakeholder guarantee lending base
- ◆ Sanitation service provision mandate for WSS utilities
- ◆ Revolving facility within WSS utility
- ◆ Strategy for total sanitation in the cities

Prognosis

- ◆ Until 2011: 62,500 sustainable sanitation facilities (52,500 on investment + 10,000 on return on investment) can be achieved till 2011
- ◆ until 2017: estimated annual construction of almost 6000 toilet facilities (incl. supporting systems) as result of strengthened capacities and return on investment.
- ◆ **Total until 2017: construct 100,000 toilets reaching 500,000 people (appr. 13.50 euro per capita)**

Why a partnership with SNS Reaal?

- ◆ Increased confidence of local financial investors
- ◆ mobilise the resources private sector
- ◆ challenge and opportunities of a PPP
- ◆ strengthen focus on (financial) sustainability
- ◆ (to demonstrate) the advantage of a stakeholder approach (beyond lip service)

Key ingredients to convince investors

- ◆ Local institutional capacity
- ◆ Sustainable sanitation service provision
- ◆ Perspective on cost recovery (local demand)
- ◆ **Market of scale based on demand**

Reflection 3

In your own country

- ◆ Who is responsible for on –site sanitation?
- ◆ Who does the transport?
- ◆ Do you know something about money flows?

Thank you



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