

Report to the plenary session

“Action to be Taken” for Mobilizing Financing in Sanitation (Draft)

Co-chair of Session3

Key questions toward Action

- (1) How to encourage national government to allocate more budgets on Sanitation?**
- (2) What are the barriers to mobilize financing sanitation, and how to solve them?**
- (3) How to promote investment in Sanitation by household and community?**

(1) How to encourage national government to allocate more budgets on Sanitation?

- 1) Disseminate information to policy makers on quantitative benefits of action or cost of no action. The economic impacts of poor sanitation range from 2% - 7% of national GDP. A 1\$ investment in sanitation could yield of economic return of \$3-\$34.**
- 2) Institutional change/reform including setting up a mechanism to coordinate among relevant ministries/agencies on strategy, planning, budget allocation and implementation in sanitation. Or, incorporate sanitation into the existing development plans.**

(2)What are the barriers to mobilize financing Sanitation, and how to solve them?

- 1) Cost recovery, specifically O&M cost**
 - Promotion of willingness to pay**
 - Targeted subsidy to fill the gaps between affordability/willingness to pay and cost recovery requirements, and cross-subsidization of services**
 - Choice of appropriate type of technology and level of service to make it financially affordable and viable**
 - Promotion of co-benefits of sanitation and sustainable agriculture through Eco-san, composting toilets or reuse of treated wastewater and sludge**
 - Promotion of co-benefits of sanitation and energy through biogas digesters, anerobic treatment technologies, etc., and potential for carbon credits**

**(2) What are the barriers to mobilize financing Sanitation, and how to solve them?
(Continuation)**

2) Private sector participation

- Enabling conditions for private sector involvement, including;
Provide a coherent set of policy directions and regulations that address the allocation of roles, risks and responsibilities between public and private.
Set up the framework conditions necessary to provide reasonable incentives for private sector such as, tariff adjustment mechanism.**

**(2) What are the barriers to mobilize financing Sanitation, and how to solve them?
(Continuation)**

3) Capacity of local governments to plan and develop bankable sanitation projects

- Provide assistance to local governments to develop their capacity to plan and implement sanitation and wastewater management facilities, including developing innovative financing mechanisms and engaging the private sector**

(3) How to promote investment in Sanitation by household and community?

- 1) Engage communities and NGOs as active partners for awareness raising activities, creating demand for improved sanitation and wastewater treatment facilities & services, and increasing the willingness to pay as well as in project planning, implementation, and monitoring.**
- 2) Secure access to financing. Special financing mechanism for especially the poor, including conditional cash transfer, output-based aid, micro-financing or revolving fund.**