FINANCING

EASING THE TRANSITION TO COMMERCIAL FINANCE FOR SUSTAINABLE WATER AND SANITATION

Author(s): Goksu, Trémolet, Kolker, Kingdom | Focus: Water Supply and Sanitation

This report brings together the current state of knowledge on water sector finance and sets out the World Bank’s vision for how countries can finance their water and sanitation goals. It calls for countries to place a greater priority on leveraging commercial finance into the sector while at the same time bolstering public funds.

AID FLOWS TO THE WATER SECTOR: OVERVIEW AND RECOMMENDATIONS

Author(s): Winpenny, Trémolet, Cardone, Kolker, Kingdom, Mountsford | Focus: Water Supply and Sanitation

This report, created for the High-Level Panel on Water, provides data and insights on the role of grant funding and concessional financing and recommendations on how to mobilize financing to achieve the water SDG. It includes an inventory of more than 225 institutions that contribute financing and/or technical assistance to the water sector in developing countries.

INTRODUCING COMMERCIAL FINANCE INTO THE WATER SECTOR IN DEVELOPING COUNTRIES

Author(s): Bender | Focus: Water Supply and Sanitation

This guidance note offers borrowers, lenders and government officials a holistic approach on how to build a market for commercial finance in the water sector. It takes readers through a step-by-step process for scoping, designing and building the market, and executing, monitoring, and evaluating the deal.

ACHIEVING UNIVERSAL ACCESS TO WATER AND SANITATION BY 2030: THE ROLE OF BLENDED FINANCE

Author(s): Leigland, Trémolet, Ikeda | Focus: Water Supply and Sanitation

It is essential for service providers to mobilize up-front financing from both private and commercial sources in order to meet SDG 6. This paper lays out common situations in which financial markets and commercial sector finance opportunities can be structured in different countries. It explains how providers offering concessional finance can best use their grant funding to catalyze commercial sector financing through the blending of resources.
FINANCING OPTIONS FOR THE 2030 WATER AGENDA

Author(s): Kolker, Kingdom, Trémonet, Winpenny, Cardone | Focus: Water Supply and Sanitation

This paper was created in preparation for a meeting of the High-Level Panel on Water. The water sector is repositioning itself toward the Sustainable Development Goals (SDGs). With the advent of the SDGs the agenda is much broader covering all aspects of water, water resource management, and irrigation and their sustainability. The water sector is not well equipped to face these new financing challenges. Achieving the new financing paradigm requires a more collaborative approach with all stakeholders playing an active role.

SANITATION AND WATER FOR ALL: HOW CAN THE FINANCING GAP BE FILLED?

Author(s): World Bank Group, UNICEF | Focus: Water Supply and Sanitation

This discussion paper was created in preparation for the Sanitation and Water for All (SWA) High-Level Meeting. It provides a financial framework for country-level dialogue to help governments meet the SDGs. It outlines a range of proposals for using existing financial flows more effectively, including improving the efficiency of existing funding sources (tariffs, taxes, transfers), and mobilizing domestic commercial finance—a largely untapped financial resource to the sector.

SANITATION AND WATER FOR ALL: PRIORITY ACTIONS FOR SECTOR FINANCING

Author(s): World Bank Group, UNICEF | Focus: Water Supply and Sanitation

UNICEF and the World Bank lay out priorities for governments to help leaders create a new financing model to leverage public funds and attract commercial finance. This note covers policies on how to make more efficient use of existing resources, use public funds in a more targeted manner, attract domestic commercial finance, and reduce risk exposure.

BLENDED FINANCING FOR THE EXPANSION OF THE AS-SAMRA WASTEWATER TREATMENT PLANT IN JORDAN

Author(s): Water GP | Focus: Water Supply and Sanitation | Country: Jordan

Many players contributed to a diverse blend of financing to expand a treatment plant for growing populations in Amman and Zarqa. This paper gives an overview of the financing package that included a blend of donor and public funding (viability gap funding), commercial debt, a grant from the Millennium Challenge Corporation and a Build-Operate-Transfer (BOT) contract.
**FACILITATED ACCESS TO FINANCE FOR DOMESTIC PRIVATE WATER OPERATORS IN CAMBODIA**

Author(s): Water GP | Focus: Water Supply and Sanitation | Country: Cambodia

Limited access to finance was preventing private operators in Cambodia from expanding and improving services. This case study shows how a blend of non-sovereign concessional lending, guarantees, grants, and technical assistance was used to leverage local commercial finance and equity investments of US$24 million to accelerate access to piped water supply.

**POOLED MUNICIPAL BOND ISSUANCE IN TAMIL NADU (INDIA)**

Author(s): Water GP | Focus: Water Supply and Sanitation | Country: India

To address the inability of small and medium-sized utilities to access financing, the Government of Tamil Nadu created a fund to help towns finance their water and sanitation services by raising capital market resources on a pooled basis. This example demonstrates how pooled financing vehicles can play a critical role in attracting repayable finance to smaller providers, reduce risk, and achieve economies of scale.

**SCALING UP BLENDED FINANCING FOR WATER AND SANITATION IN KENYA**

Author(s): Water GP | Focus: Water Supply and Sanitation | Country: Kenya

Kenya has experimented with different ways of using blended finance to leverage commercial financing from domestic banks. This case study explains how years of output-based aid support has paved the way for scaling up by utilities through the Kenya Output-Based Aid (OBA) fund that provides grants to water service providers to access commercial loans from domestic lenders for investment projects.