

Chair's Statement Following the 2017 HLMs: Summary and Call to Action

In April 2017, the Sanitation and Water for All global partnership gathered together 60 ministers responsible for finance, water, sanitation and hygiene, as part of a cycle of regular High-level Meetings. The meetings also involved representatives from civil society, development partners, academia and the private sector. Together, participants addressed the challenges of achieving the Sustainable Development Goals, exchanged learning and solutions, and agreed concrete actions for developing and implementing robust national programmes, suitable for the investment of public funds as well as for domestic and international commercial finance. In total, 59 countries were represented.

The Sector Ministers' Meeting was convened by UNICEF, on behalf of the SWA partnership, and hosted by the Pan-American Health Organization (PAHO) and the Finance Ministers' Meeting was convened by the World Bank, as part of its official programme of Spring Meetings, in Washington DC.

Ministers' discussions were anchored in the Sustainable Development Goals (SDGs): achievement of sustainable, safely managed water, sanitation and hygiene for all. They noted that the SDG targets are indeed ambitious and go beyond the basic level of service associated with the MDGs, but that they are achievable. They agreed that the focus should be on prioritizing the most vulnerable and moving everyone immediately to at least a basic level of service, with quality – what could be called “Basic Plus”¹. This should be the priority, while progress is made towards the higher benchmark of safely managed services defined under the SDGs. Ministers also noted that capital costs to meet the sanitation and water targets of the SDGs are estimated to be around \$114 billion per year up to 2030. This does not include the cost of replacing existing infrastructure or broader water resource management ambitions set out in the SDG 6.

Ministers considered the reasons that underlie the current inadequate investment in water, sanitation and hygiene. Acknowledging that progress has been made over the period of the Millennium Development Goals, particularly on improving access to drinking water, ministers recognized that achieving universal and sustainable water, sanitation and hygiene (WASH) services will require concerted action on:

- Strengthening the effectiveness of national systems for strategic planning, implementation and monitoring;
- Scaling up efforts to end open defecation, while also ensuring support to help maintain this status and move households up the sanitation ladder towards the SDG standards;

¹ For water, a “Basic plus” level of service is basic water that is not only available when needed, but also free from bacterial or chemical contamination. For sanitation, a “Basic plus” level of service is a private toilet that separates waste from human contact, with handwashing facilities available.

- Maintaining progress in the face of risks and vulnerabilities, including climate change and disasters;
- Engaging a range of stakeholders including civil society, development agencies, academic institutions and the private sector:
- Using existing funds flowing to the sector institutions more efficiently; and
- Raising new funds from domestic and external sources.

Accordingly, Ministers recognized the need to:

- i) Strengthen the WASH sector by putting in place the fundamental Building Blocks² for efficient and effective service delivery: policy, finance, institutions, capacity, planning, monitoring and review.
- ii) Develop realistic Sector Financing Strategies for achieving the SDGs which link existing and future increases of domestic public finance to aid transfers, tariffs and commercial finance in the WASH sector. These strategies would be used to: a) clearly target the poorest and most marginalized; b) increase the efficiency of the sector and improve investor confidence; c) leverage new sources of financing.
- iii) Address inefficiencies in current systems and institutions of service delivery, to better use existing funding and improve the credit-worthiness of service providers so that they are in a better position to borrow from domestic sources of commercial finance for expansion and improvements in quality of service.
- iv) Seek ways to actively attract more commercial finance from both domestic and international sources, building on experience that already exists and learning from both successes and failures.

Other stakeholders supported ministers in identifying the importance of an ongoing system of mutual accountability that consists of regular, voluntary, partner-driven, inclusive reporting to each other, and that supports peer-to-peer learning and is relevant to all countries. Aligned with the global SDG follow-up and review, this accountability system should also monitor progress against the policies and processes (the SWA Building Blocks and Collaborative Behaviours³) needed to facilitate achievement of the SDGs.

Call to action by the SWA Chair

The SWA Chair, the Hon. Kevin Rudd, called on **countries** to:

A. Develop Sector Financing Strategies that set out:

- The parameters of who will pay for: capital and recurrent costs of service delivery; sector reform;

² The Building Blocks are: 1) sector financing; 2) capacity development; 3) planning, monitoring, and review; 4) sector policy and strategy; 5) institutional arrangements

³ The SWA Collaborative Behaviours are: 1) Enhance government leadership of sector planning processes; 2) Strengthen and use country systems; 3) Use one information and mutual accountability platform built around a multi-stakeholder, government-led cycle of planning, monitoring and learning; and 4) Build sustainable water and sanitation sector financing strategies that incorporate financial data on all 3Ts (taxes, tariffs and transfers), as well as estimates for non-tariff household expenditure.

- Targets for sector efficiency gains in recurrent and capital costs;
 - How available public funding (taxes and transfers) will be used to ensure the poorest and most vulnerable have access to services and to leverage commercial finance to bridge the financing gap.
- B. Assess and strengthen the Building Blocks of an effective sector, improve the efficient use of existing funding.
- C. Streamline disaster prevention and preparedness into sector coordination, policies and financing strategies.

In parallel, the Chair called on **participants representing other constituencies**, including bilateral donors, development agencies, the private sector and civil society, to support these countries in their efforts in line with SWA's Collaborative Behaviours.

The Chair called on members of SWA and the convenors of both the Sector Ministers' and Finance Ministers' Meetings – UNICEF and the World Bank respectively – to document the experiences of national governments and partners in these efforts.

Participants agreed to reconvene in 12 months, at the next SWA Sector Ministers' Meeting, to assess progress.

The Hon. Kevin Rudd
Chair, Sanitation and Water for All

30 April 2017