



USAID's Water, Sanitation,
and Hygiene Finance 2
(WASH-FIN 2)

Activity launch during USAID Kenya
and East Africa's WASH Week

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USAID's Water, Sanitation, and Hygiene Finance 2 Activity

- 5-year program from October 2022 to September 2027
- Focus on Kenya, India, and Ghana with potential for another 7 countries
- Builds upon the successes of USAID's WASH-FIN activity (2016-2022) across 10 countries in Africa, Asia, and Latin America
- Works with service providers to improve climate resilience in support of the Presidents Emergency Plan for Adaptation and Resilience (PREPARE)
- Goal is to leverage partnerships to mobilize \$375 million for climate-resilient water and sanitation services by 2027

WASH-FIN 2 Team

Tetra Tech : A leading provider of high-end consulting and engineering services with 40 years of experience working with USAID to expand access to water and sanitation services.

Castalia : Experience strengthening sector financing strategies, designing regulatory frameworks, leading utility reform, providing transaction advisory services, and securing access to climate finance.

Environmental Incentives : Leaders in communications and knowledge management, adaptive management, and global learning.

Planet Partnerships : Expertise improving WASH public-private partnership (PPPs) policies and designing viable PPP investments.

SEGURA : Skilled in legal and regulatory support, capacity building, and improving WSSP governance, budgeting, and financial performance.

USAID's WASH-FIN 2 will:

- Work with government and local stakeholders on legal, regulatory, and other governance structures to improve the enabling environment for service provider performance
- Work with select water service providers on performance improvements to increase profitability, creditworthiness, and customer satisfaction
- Work with financial institutions and service providers to increase access to sustainable sources of capital for climate-resilient WASH infrastructure

Objective 1: Strengthen Governance



WASH-FIN 2 works through government, civil society, and service providers to strengthen governance and increase public funding for the water and sanitation sector

Strengthening Governance

WASH-FIN 2 will provide targeted technical assistance in:

- Carrying out an Enabling Environment Assessment (EEA)
- Supporting operationalization of the Intergovernmental Water Sector Coordination Framework (IGWACF) for improved coordination
- Defining framework for MO W S&I to strengthen sanitation management for greater private sector engagement
- Streamlining tariff application process to enable improved revenue collection and W SP financial resilience

Objective 2: Improve Performance of Service Providers



WASH-FIN 2 provides on-demand technical assistance to increase the reliability, sustainability, and profitability of service providers, including identifying adaptation strategies, pursuing climate resilient designs, and linking these planned investments with viable climate and other financing options

Improving Performance of Service Providers

WASH-FIN 2 will assess select utilities on willingness to reform, existing baseline indicators, and set realistic performance improvement targets for a two- to three-year engagement.

- Support service providers to design improvement measures – customer management software, billing and revenue collection, energy cost reduction activities.
- Provide limited catalytic grant funding to selected service providers to help optimize funds and maximize impact.
- Provide hands-on training and coaching to implement performance improvements and data management.

Objective 3: Mobilize Finance



WASH-FIN 2 provides project preparation and transaction advisory services for public and private finance

Mobilizing Finance

WASH-FIN 2 will...

- Provide on-demand transaction advisory services to water and sanitation service providers for investment-ready projects.
- Partner with counties to identify opportunities to access climate targeted and other sources of finance, such as the Financing Locally Led Climate Action (FLLoCA).
- Explore the feasibility of bundling multiple projects to create necessary scale for publicprivate partnerships for small dams.
- Support finalization of the Water Sector Trust Fund feasibility study for a revolving loan facility and develop an operationalization plan.

Mobilizing Finance: A focus on sanitation

WASH-FIN 2 will build on WASH-FIN's work to continue the success around sanitation and expand impact to more stakeholders.

- Continue the design and implementation of sanitation fees and connection policies.
- Continue supporting improvement of private sanitation service providers' businesses.
- Assist investor-ready sanitation service providers to access finance and funding.

Objective 4: Advance Global Learning and Partnerships



CREDIT: WASH-FIN

WASH-FIN 2 focuses on coordination and knowledge sharing across the sector

Advancing Global Learning and Partnerships

Through the development of working partnerships, WASH-FIN 2 will...

- Collaborate with stakeholders across Kenya to explore how to help sector actors strengthen governance, improve service provider performance, and mobilize finance.
- Document progress and results and share practical tools and guidance with stakeholders in Kenya and globally to enable adoption and scale up of good practices.

WASH-FIN 2 Intermediate Results

1. Improved governance and management capacity of national and sub-national (county) institutions
1. Improved service provider operational performance, financial management and climate resilience at national and/or county levels
1. Public and private financing effectively mobilized
1. Increased dissemination and communication of actionable findings, experiences and lessons learned



THANK YOU

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