



Water, Sanitation, and Hygiene Finance 2

2022 - 2027 | IMPLEMENTER: Tetra Tech | PLANNED BUDGET: \$72.5 Million

Globally, 771 million people do not have access to basic drinking water and 1.7 billion people lack access to basic sanitation.¹ While the United Nations' Sustainable Development Goal 6 on water and sanitation sets ambitious universal access targets for the year 2030, success requires unprecedented mobilization of funding for WASH. The cost to achieve SDG 6.1 and 6.2 is estimated at US \$264 billion per year, approximately five times current funding levels, and this cost will rise even higher in a changing climate.^{2,3}

Investing in water security is essential to building health, prosperity, and climate resilience. In 2021, the U.S. Government launched the coordinated, whole-of-government [President's Emergency Plan for Adaptation and Resilience](#) (PREPARE) to help countries adapt to and manage the impacts of climate change, including supporting the mobilization of \$1 billion in climate-resilient water and sanitation services by 2030.

Aligning with this plan, the U.S. Agency for International Development's (USAID) global flagship program, the Water, Sanitation, and Hygiene Finance 2 ([WASH-FIN 2](#)) activity, aims to mobilize \$375 million by 2027 for climate-resilient water and sanitation services and strengthen at least 165 sector institutions and service providers. This program will mobilize funds from a mix of private investments, government appropriations, and user fees, and implementation will focus on addressing bottlenecks in the enabling environment, including policy, legal, and regulatory challenges. India, Ghana, and Kenya are the initial focus countries with additional buy-ins expected.

1 [WHO/UNICEF Joint Monitoring Programme](#) (2020)

2 World Resources Institute (2020) [Achieving Abundance: Understanding the Cost of a Sustainable Water Future](#)

3 World Bank (2016) [The Costs of Meeting the 2030 Sustainable Development Goal Targets on Drinking Water, Sanitation, and Hygiene](#)

KEY OBJECTIVES

USAID's WASH-FIN 2 will work in collaboration with government, development partners, financial institutions, service providers, and local stakeholders to close financing gaps and improve governance structures. This will enable targeted countries to access reliable sources of capital for sustainable, climate-resilient water and sanitation infrastructure. The activity builds upon the successes of [USAID's WASH-FIN](#) programming from 2016-2022 across 10 countries in Africa, Asia and Latin America, which mobilized over \$118 million in public and private finance. WASH-FIN 2's key objectives include:



Strengthening governance focuses on working through government, civil society, and service providers to strengthen governance and increase public funding for the water and sanitation sector. Through a collaborative and data-driven approach that aligns with existing strategies and programs, USAID will assist integrating water and sanitation into National Adaptation Plans and Nationally Determined Contributions and pursue water and sanitation investments with Nationally Accredited Entities.



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



Mobilizing finance provides project preparation and transaction advisory services for public and private finance. The program also includes options for catalytic grant funding, de-risking, and yield enhancements to attract additional financial partners.



Advancing global learning and partnerships focuses on improved coordination and knowledge sharing across the sector. WASH-FIN 2 occupies an important place in the USAID global research and learning agenda and the outcomes of each country-level engagement will be promoted in global forums and through online publications.

For more information, contact Ella Lazarte at mlazarte@usaid.gov or visit <https://globalwaters.org/wash-fin-2>

