

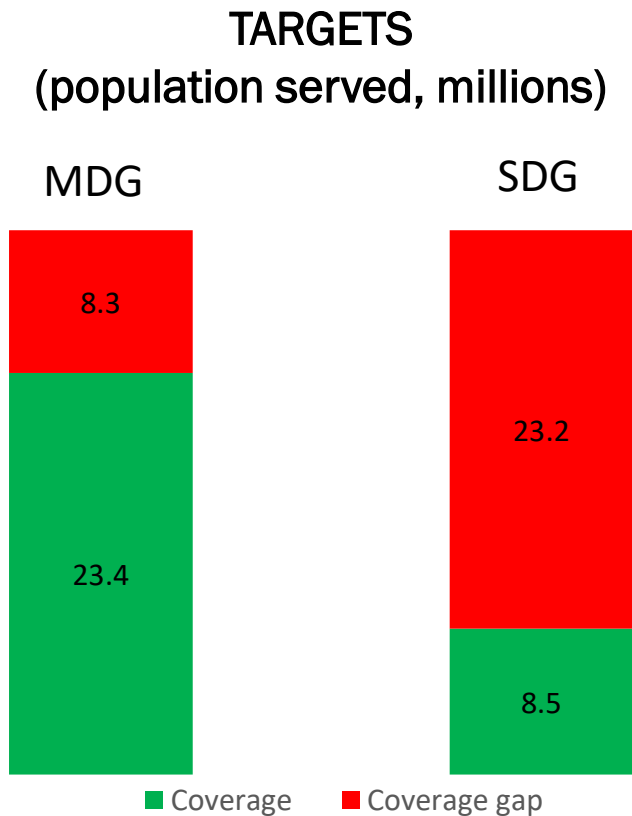


ATTRACTING FINANCING FOR SDGS

The Role of Small Water Enterprises

MARKET NEED AND FINANCING GAP

>23 million lack safely managed drinking water on premises
7x increase in current funding to meet the need



ANNUAL SDG FUNDING GAP (USD millions)

Annual Funding Required:	946
Current Funding:	114
<hr/>	
Annual Funding Gap:	833

A photograph of a rural water pump in a field. The pump is a vertical white pipe with a hand-operated lever on top. It is surrounded by a concrete base and some vegetation. In the background, there is a white house with a tiled roof and some trees. The image has a blue tint.

Despite the billions spent on water projects...

...30-50% of rural water systems fail at any given time.

Why do water systems fail ...

***...lack of cash flow &
servicing capability***



WHAT IS A SMALL WATER ENTERPRISE?



WHAT IS A SMALL WATER ENTERPRISE?

EDUCATION AND OUTREACH

Consumer demand created through promotional, educational and outreach programs

MOVES CUSTOMERS UP THE SERVICE LADDER WITH

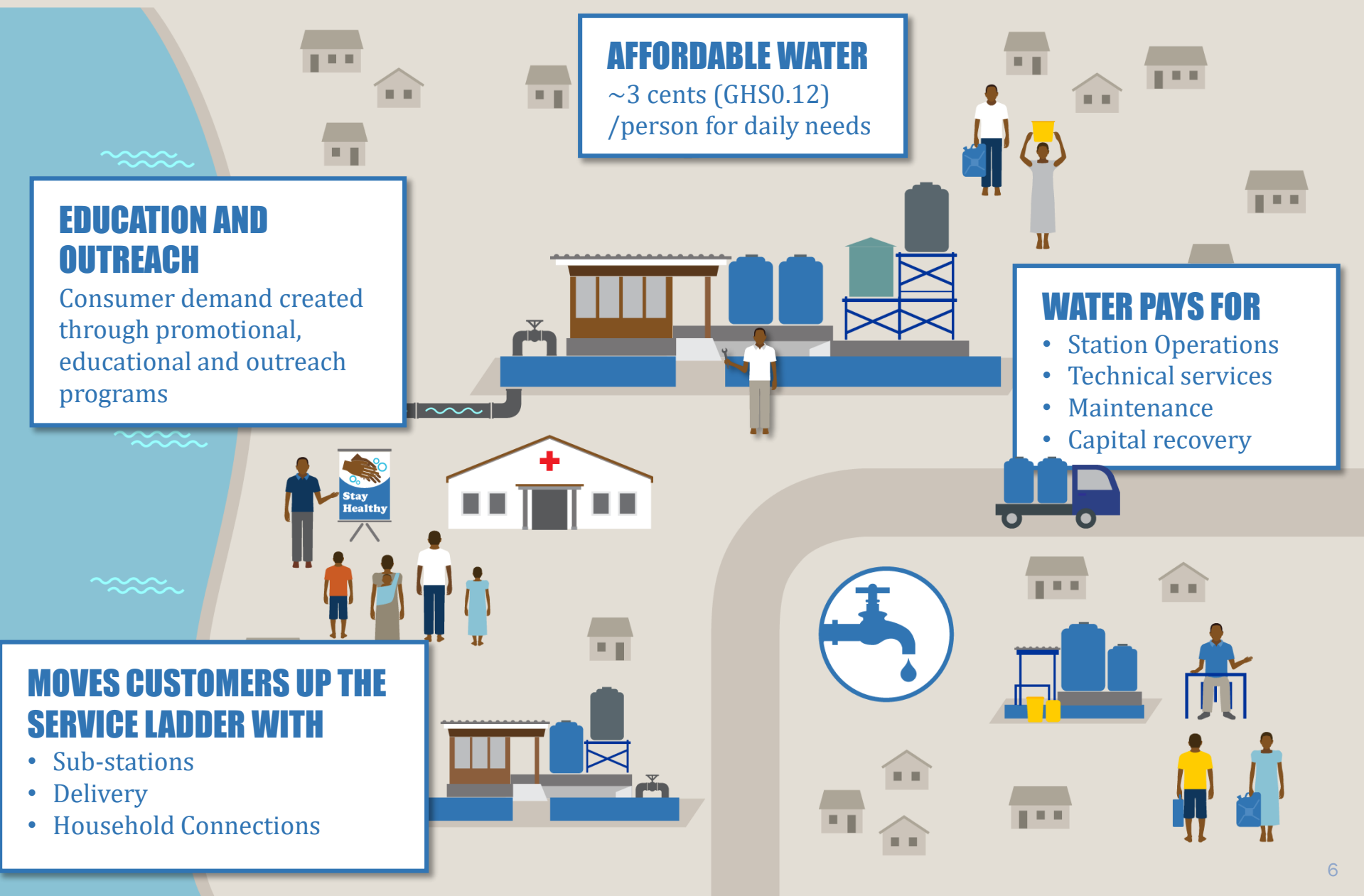
- Sub-stations
- Delivery
- Household Connections

AFFORDABLE WATER

~3 cents (GHS0.12)
/person for daily needs

WATER PAYS FOR

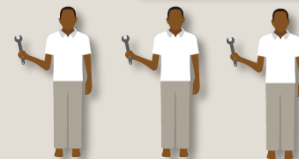
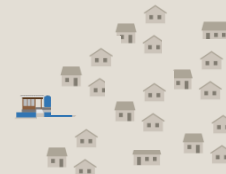
- Station Operations
- Technical services
- Maintenance
- Capital recovery



WHAT IS A SMALL WATER ENTERPRISE?



CLUSTER SERVICE SUPPORT







TECHNICAL SERVICES

Managed on contract by
Safe Water Network, paid
from water revenues.



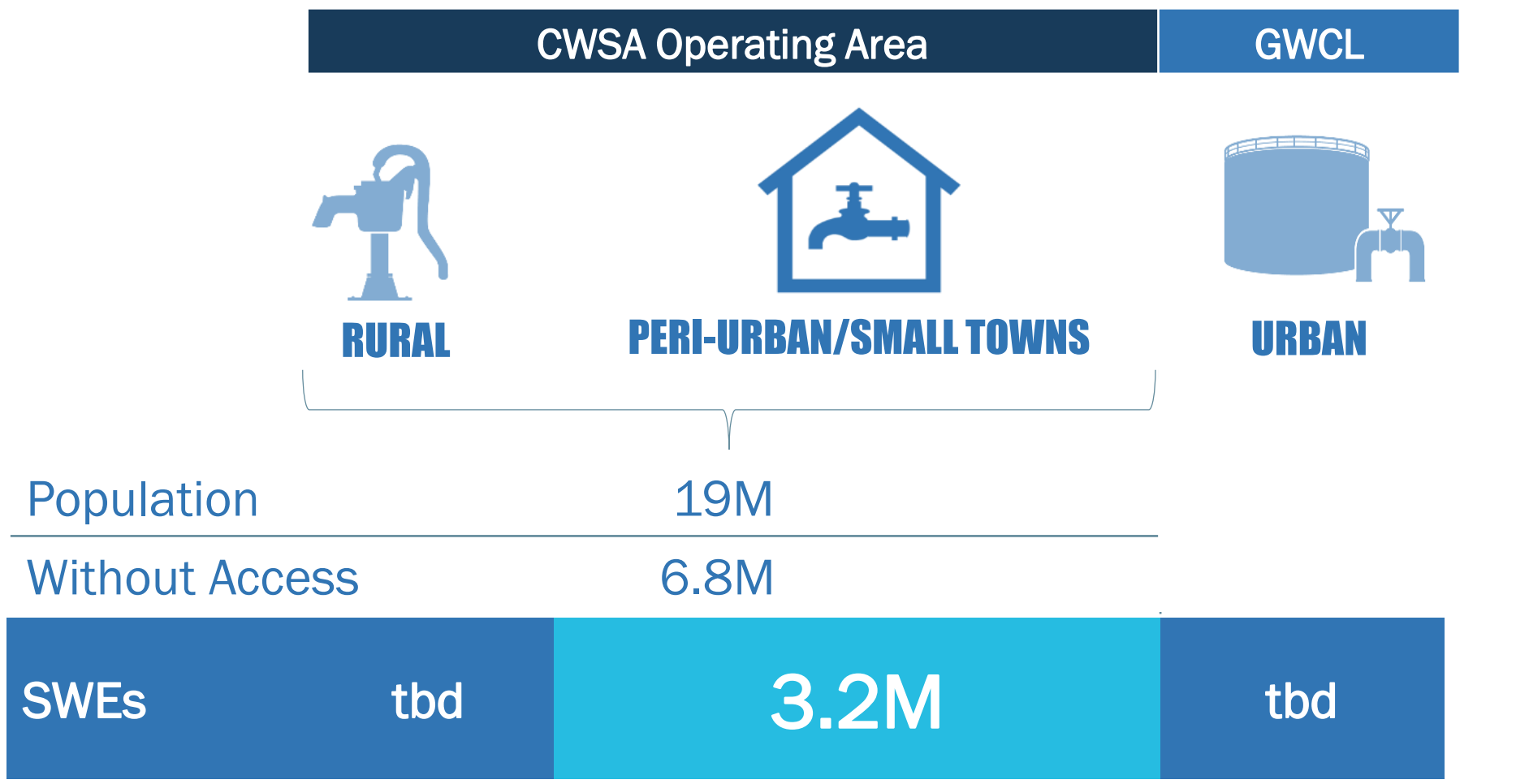
KEY PERFORMANCE INDICATORS

We measure stations operational performance to SDG standards

Standard	Indicator	Long Term Target	Actual
 AFFORDABLE	% of a \$2.00/capita daily income	<3%	<2.5%
 RELIABLE	Downtime	<5%	4%
 SAFE	Meets relevant WHO Water Quality Guidelines	100%	100%
 FINANCIALLY SUSTAINABLE	% Stations covering local operating costs	100%	93%
	Time to operate at break-even	4.5 years	8 years

SWEs PLAY AN IMPORTANT ROLE TO ADDRESS THE GAP

- SWEs can address 3.2M people (subsidy free) in peri-urban and small towns;
- Many more in rural areas with an operating subsidy.



	Barrier	Issue(s)
Policy and Enabling Environment Requirements	1. Exclusivity	Current policy grants exclusivity to GWCL and District Assemblies
	2. Service level benchmarks	Absence of service level benchmarks for SWEs
	3. Pricing/tariffs	Current pricing/tariff by public sector insufficient to cover costs and unattractive for investors
Small Water Enterprise Requirements	4. Consumer demand	Limited consume demand for and acceptance of SWEs
	5. Capacity	Limited managerial, technical, and financial management capacity of operators Limited availability of technicians for large scale repairs
Scale Execution Requirements	6. Financing	No clear funding mechanism for supporting SWEs
	7. Market mapping	Overlap in operational areas of CWSA and GWCL Lack of criteria for SWE-appropriate communities
	8. SWE Implementers	Lack of implementing organizations

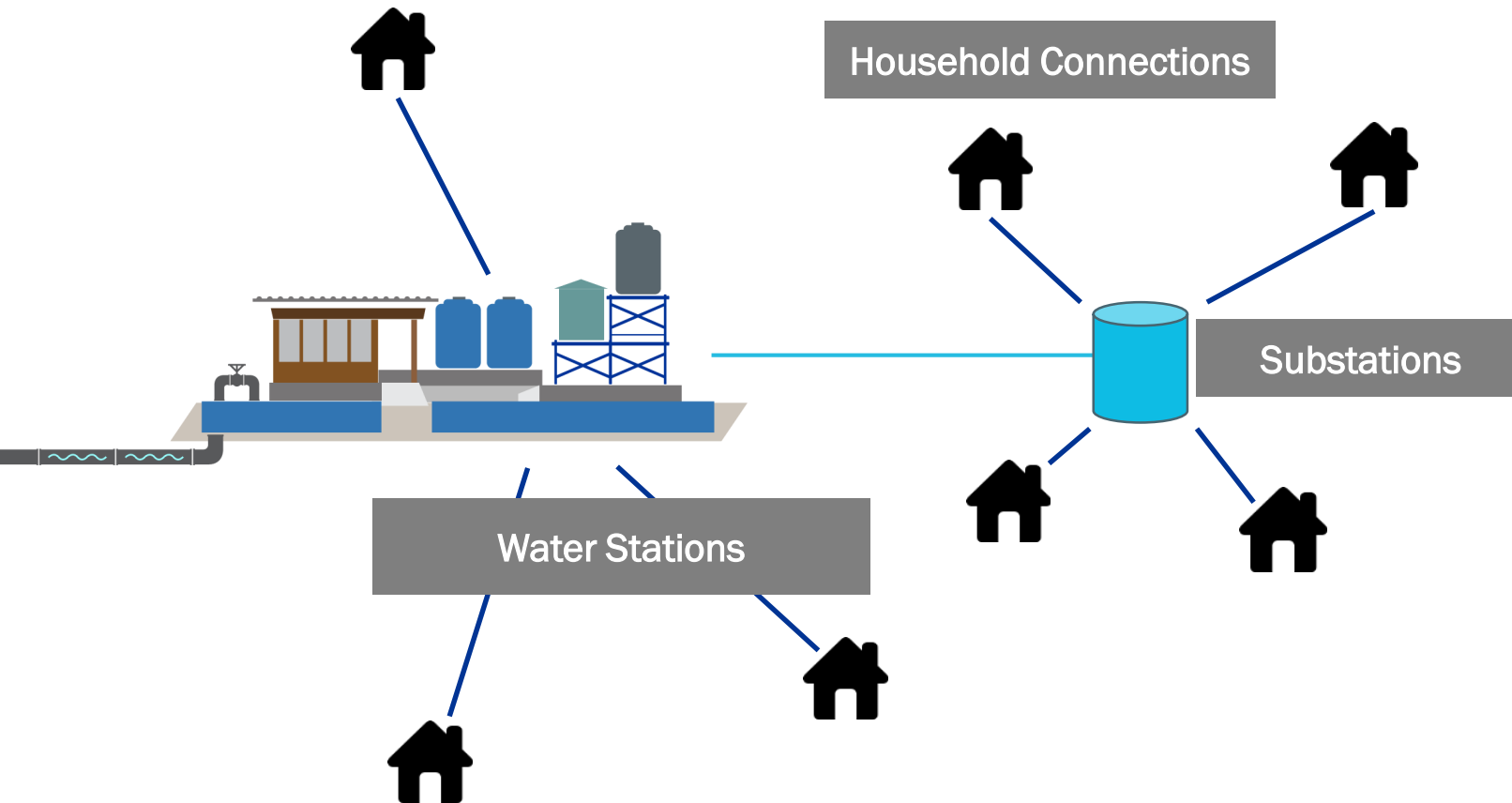
FINANCING PROPOSITION

With USD 112 million investment, SWEs can reach ~1,000 communities and 3.2 million people (without subsidies) with reliable safe water

- **Attract new capital investment to water sector**
- **Capital reinvestment for improvements and expansions**
- **Diversify operating risk**

ATTRACTING FINANCING

Attracting capital through incremental investment of distribution mechanisms that can move people up the water services ladder



Securing funding from diverse segments

Funding Segments	Sources of Funding	Uses of Funding
Grants	Bilateral Philanthropy Corporate Social Responsibility	Demonstration of model, expansion of SWEs, innovations, program strategies (i.e. advocacy, communications)
Government of Ghana	National District	National expansion of SWEs and substations to reach more communities
Social and Commercial Investment	Social Impact Investors PPPs MFIs	Local expansion of SWEs to achieve financial/social returns
Capital Reinvestment	Capital recovered from SWEs	Local expansion of SWEs and improvements

Shift from philanthropy to government/agency funding

SWE Funding Mix





Thanks