Introduction of TrackFin: tracking financing of water and sanitation

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Budapest, Hungary
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Why TrackFin?

- Substantial gaps in understanding and tracking of financing to the WASH sector (GLAAS outputs)
- Insufficient level of financial reporting to make sound, evidence-based planning and budgeting decisions
- Identify these gaps in WASH financing and empower decision makers to address them
- Need for common and shared methodology to provide consistent data
What is TrackFin?

- A globally accepted methodology for financial data collection, analysis and tracking over time.
- Establishes WASH Accounts using a common framework to “Track Financing to WASH”

**Objectives:** to support policy development & implementation, better planning, budgeting, monitoring and coordination of financing and attract additional financing for WASH.
### 4 stage process

<table>
<thead>
<tr>
<th>STEPS</th>
<th>DELIVERABLES</th>
<th>NATIONAL STAKEHOLDER GROUP MEETINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Get started</td>
<td>1.1. Mobilize political support for WASH accounts</td>
<td>Start-up meeting</td>
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<td></td>
<td>1.2. Set up a strong WASH accounts team backed by institutions</td>
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<td></td>
<td>1.3. Define the WASH accounts’ scope and key policy questions</td>
<td>Inception report</td>
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<td>1.4. Identify data requirements and plan the work</td>
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<td>2. Collect data</td>
<td>2.1. Define WASH sector boundaries in terms of services</td>
<td>Interim report</td>
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<td></td>
<td>2.2. Map out service provision arrangements and financial flows</td>
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<td></td>
<td>2.3. Collect data on financial flows and fixed asset stocks</td>
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<tr>
<td>3. Analyse data and report findings</td>
<td>3.1. Compile WASH accounts and indicators</td>
<td>Final report</td>
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<td></td>
<td>3.2. Prepare WASH accounts report</td>
<td>WASH accounts validation meeting</td>
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<td></td>
<td>3.3. Disseminate findings to policy-makers</td>
<td>Policy briefs</td>
</tr>
<tr>
<td>4. Prepare for the next WASH accounts</td>
<td></td>
<td>Sector dissemination workshop</td>
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</table>
Organizational arrangements to develop WASH Accounts
Classifications in the Trackfin framework

**FINANCING TYPES (FT)**
Financial flows that circulate between financing units and service providers

**FINANCING UNITS (FU)**
Institutional entities that provide funding to the sector

**COSTS (C)**
Costs of WASH goods and services produced

**SERVICE PROVIDERS (P)**
Actors engaged in the production and delivery of WASH services

**SERVICES (S)**
WASH services consumed

**USES (U)**
Type of use of WASH goods and services

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Fourth meeting of the Expert Group on Equitable access to water and sanitation, Budapest, 13-14 September 2017
National WASH account

- A WASH account is the outcome of the *TrackFin*
- Data set with stratified and coded information that helps illuminate the financing situation in the WASH sector
- Integrated with and built on national systems and priorities
- Simple *yet* complicated!
WASH Accounts

Answer four key policy questions:

• What is the total expenditure in the sector?
• How are the funds distributed to the different WASH services and expenditure types?
• Who pays for WASH services, and how much do they pay?
• Which entities are the main channels of funding for WASH? What is their share of total spending?
### Example: Results from pilot countries

**What is the total expenditure in the WASH sector?**

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<thead>
<tr>
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<tbody>
<tr>
<td>Total expenditure to WASH (million USD)</td>
<td>26,911</td>
<td>2,219</td>
<td>521</td>
</tr>
<tr>
<td>Total expenditure to WASH per capita (USD per capita)</td>
<td>137</td>
<td>69</td>
<td>21</td>
</tr>
<tr>
<td>Total expenditure to WASH per capita as a % of GDP</td>
<td>1.2%</td>
<td>2.2%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Total expenditure to health as a % of GDP (Source: Global Health Expenditure Database)</td>
<td>9.3%</td>
<td>6.3%</td>
<td>5.2%</td>
</tr>
</tbody>
</table>

**WASH lags behind other sectors**
Example: Results from pilot countries

How are the funds distributed by WASH services?

- Very limited funding for rural sanitation and water
- Largest share goes to urban water
Who pays for WASH services?

Example: Results from pilot countries

Service users (households, governments institutions, industries) are the main contributors in the form of tariffs & expenditure for self-supply.
Benefits of TrackFin application

• Establishment of a **formal platform** for WASH Accounts

• **Institutionalization of the process** for financial data collection and analysis

• Provides decision-makers with **powerful and accurate information** for use at both the technical and policy level.

• Improved stakeholders **collaboration and coordination**

• Help **leverage** further **investment** from donors & private sector

• Monitor if **financial resources** are appropriately and **equitably targeted**

• Support **global monitoring** efforts to track achievement of commitments made by sector actors
Initiative in EURO

- Pilot initiative in Kyrgyzstan
  - Introductory meeting for stakeholders in (May 2017)
  - Information note for decision makers
- Translation of the TrackFin guidance document into Russian
The TrackFin guidance document

TrackFin flyer presenting results from piloting
Monitoring implementation of Sustainable Development Goal 6 targets on water, sanitation and hygiene: update from JMP and GLAAS

Budapest, Hungary
14 September 2017
### SDG 6 global monitoring

**WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation (JMP)**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>6.1.1</td>
<td>Safely managed drinking water services for all (WHO, UNICEF)</td>
</tr>
<tr>
<td>6.2.1</td>
<td>Safely managed sanitation and hygiene services (for all WHO, UNICEF)</td>
</tr>
<tr>
<td>6.3.1</td>
<td>Wastewater safely treated (WHO, UN-Habitat, UNSD)</td>
</tr>
<tr>
<td>6.3.2</td>
<td>Good ambient water quality (UNEP)</td>
</tr>
<tr>
<td>6.4.1</td>
<td>Water use efficiency (FAO)</td>
</tr>
<tr>
<td>6.4.2</td>
<td>Level of water stress (FAO)</td>
</tr>
<tr>
<td>6.5.1</td>
<td>Integrated water resources management (UNEP)</td>
</tr>
<tr>
<td>6.5.2</td>
<td>Transboundary basin area with water cooperation (UNECE, UNESCO)</td>
</tr>
<tr>
<td>6.6.1</td>
<td>Water-related ecosystems (UNEP)</td>
</tr>
<tr>
<td>6.6.2</td>
<td>Water management (UNEP)</td>
</tr>
<tr>
<td>6.6.3</td>
<td>Water use and efficiency (FAO)</td>
</tr>
<tr>
<td>6.6.4</td>
<td>Water quality assurance (UNEP)</td>
</tr>
</tbody>
</table>

**UN-Water Global Analysis and Assessment of Sanitation and Drinking-Water (GLAAS)**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.a.1</td>
<td>Water- and sanitation-related official development assistance that is part of a government coordinated spending plan (WHO, UNEP, OECD)</td>
</tr>
<tr>
<td>6.b.1</td>
<td>Participation of local communities in water and sanitation management (WHO, UNEP, OECD)</td>
</tr>
</tbody>
</table>

**Integrated monitoring of water and sanitation related SDG targets (GEMI)**

- 6.1.1
- 6.2.1
- 6.3.1
- 6.3.2
- 6.4.1
- 6.4.2
- 6.5.1
- 6.5.2
- 6.6.1
- 6.6.2
- 6.6.3
- 6.6.4
- 6.a.1
- 6.b.1

**UN-Water**

- 6.1
- 6.2
- 6.3
- 6.4
- 6.5
- 6.6

**UN-Habitat**

- 6.a and 6.b

**UNESCO**

- 6.1
- 6.2
- 6.3
- 6.4
- 6.5
- 6.6

**GLAAS**

- 6.1.1
- 6.2.1
- 6.3.1
- 6.4.1
- 6.5.1
- 6.5.2
- 6.6.1
- 6.a.1
- 6.b.1

**WHO**

- 6.1
- 6.2
- 6.3
- 6.4
- 6.5
- 6.6

**UNEP**

- 6.1
- 6.2
- 6.3
- 6.5
- 6.6

**UN-Habitat**

- 6.1
- 6.2
- 6.3
- 6.4
- 6.5
- 6.6

**UNESCO**

- 6.1
- 6.2
- 6.3
- 6.4
- 6.5
- 6.6

**Food and Agriculture Organization of the United Nations**

- 6.1
- 6.2
- 6.3
- 6.4
- 6.5
- 6.6

**World Meteorological Organization (WMO)**

- 6.1
- 6.2
- 6.3
- 6.4
- 6.5
- 6.6

**Partnership**

- 6.1
- 6.2
- 6.3
- 6.4
- 6.5
- 6.6

**Participation**

- 6.1
- 6.2
- 6.3
- 6.4
- 6.5
- 6.6
SDG 6: Sustainable Water and Sanitation

Outcomes
6.1 Drinking water
6.2 Sanitation and hygiene
6.3 Wastewater and Water quality
6.4 Water use
6.5 Water resources
6.6 Eco-systems

Means of Implementation
6.a International cooperation and capacity development
6.b Stakeholder participation

GLAAS

JMP

Goal 6

6.1 Drinking water
6.2 Sanitation and hygiene
6.3 Wastewater and Water quality
6.4 Water use
6.5 Water resources
6.6 Eco-systems

SDG 6: Sustainable Water and Sanitation

Means of Implementation

GLAAS

JMP

Fourth meeting of the Expert Group on Equitable access to water and sanitation, Budapest, 13-14 September 2017
SDG 6: Sustainable Water and Sanitation

Ensure availability and sustainable management of water and sanitation for all

• **Target 6.1**: By 2030, achieve universal and equitable access to **safe** and affordable **drinking-water for all**

• **Target 6.2**: By 2030, achieve access to **adequate** and **equitable sanitation and hygiene for all** (...), paying special attention to the needs of women and girls (...)

Fourth meeting of the Expert Group on Equitable access to water and sanitation, Budapest, 13-14 September 2017
In the WHO European Region, more than 51 million people gained access to a basic drinking-water service between 2000 and 2015.

In 2015:

- Almost 21 million people still do not have access to basic drinking water service.
- About 57 million people lacked piped water at premises.
- 36 million people do not enjoy access to basic sanitation.

• Gaps between the rich and the poor are generally larger for sanitation than for drinking-water or hygiene.

• In the WHO European Region, poor households are more likely to spend over 3% of total expenditure on WASH services than non-poor households (JMP 2017).

• About three quarters of people without basic drinking-water services live in rural areas

**Rural-urban disparity in access** to water and sanitation services in 2015

<table>
<thead>
<tr>
<th>CAUCASUS AND CENTRAL ASIA</th>
<th>NATIONAL</th>
<th>URBAN</th>
<th>RURAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of population with at least basic drinking water</td>
<td>87.51</td>
<td>96.78</td>
<td>80.34</td>
</tr>
<tr>
<td>% of population without at least basic drinking water</td>
<td>12.49</td>
<td>3.22</td>
<td>19.66</td>
</tr>
</tbody>
</table>

Rural-urban disparity in use of safely managed drinking water services in 2015

SDG 6: Sustainable Water and Sanitation

Target 6.a: By 2030, expand **international cooperation and capacity-building** support to developing countries in water- and sanitation-related activities and programmes, including water harvesting, (...), wastewater treatment, recycling and reuse technologies

Target 6.b: By 2030, support and strengthen the participation of local communities in improving water and sanitation management
GLAAS 2017 report

• Data from 75 countries and 25 External Support Agencies (ESAs)
• More WASH financing data compared to previous GLAAS cycles
  ➢ Countries providing government expenditure data

<table>
<thead>
<tr>
<th>GLAAS cycle</th>
<th># countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009/2010</td>
<td>2</td>
</tr>
<tr>
<td>2011/2012</td>
<td>17</td>
</tr>
<tr>
<td>2013/2014</td>
<td>33</td>
</tr>
<tr>
<td>2016/2017</td>
<td>42</td>
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</table>

➢ From WHO Europe region, 9 out of 11 countries provided expenditure data
GLAAS 2017 highlights

• 70% of countries globally have **specific measures to reach the poor** in their WASH policies, **BUT**

• **Implementation is lagging behind** with only a few countries able to consistently apply financing measures and **only 25%** of the WASH aid was spent on basic systems **for unserved people**

• Lack of financial sustainability for reaching the unserved and maintaining services: **80% of countries report insufficient financing** to meet national WASH targets.

> Remains a discrepancy between global aspirations and national realities.
THANK YOU VERY MUCH