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**Terms of Reference:** Universal access to water, sanitation and hygiene by 2030: identifying and addressing financing gaps in Ethiopia, Nigeria and Pakistan.

**Hundreds of millions of people worldwide are without access to safe water, sanitation and hygiene (WASH)**, and implementation of Sustainable Development Goal (SDG) 6 by 2030 will require ambitious and effective mobilisation of the principal sources of finance available: taxes, tariffs and transfers. Most low-income countries and fragile states however have a chronically under-resourced sector with low capacity.

Existing research and analysis by international development agencies and academic institutions has identified **financing gaps for the WASH sector** at a global and national level.[[1]](#footnote-1) Many developing countries have estimates of financing gaps for delivering national development plans and achieving national targets and SDG 6.[[2]](#footnote-2) **WaterAid is aiming to complement this research** with three new case studies focusing on **Ethiopia**, **Nigeria** and **Pakistan.** We are seeking **Expressions of Interest** to take this forward, as set out below.

The **three case studies** will involve in-depth assessments of **SDG 6 financing gaps**, with consideration of both capital and recurrent spending needs and national and subnational perspectives.[[3]](#footnote-3) They will consider the existing development finance landscape in each country and the contributions made to the WASH sector from **taxes, tariffs and transfers**. They will specifically **identify financing gaps for eliminating Open Defecation, achieving universal basic WASH as well as reaching universal safely-managed WASH services by 2030**.They will take account of key structural and qualitative barriers to progress, such as inequality, lack of sustainability, financial absorption, decentralisation, data and monitoring challenges. Where possible, the studies will build on existing studies and initiatives, such as some ongoing life-cycle costing studies that WaterAid is already supporting (critical in helping assess capital and recurrent needs and at what scale).[[4]](#footnote-4)

**The case studies will analyse how financing gaps can best be filled from the various sources available: public and private, domestic and international.** This will include an assessment of opportunities resulting from Domestic Resource Mobilisation, Official Development Assistance (ODA) and climate finance.

As well as collaborating with WaterAid Country Programmes (CPs), the successful applicant is expected to **consult and collaborate with local universities, think tanks** and **relevant networks** in order to strengthen existing or create new nationally-owned analysis of financing gaps and related policy responses and advocacy activities.

The objectives of the research are summarised below.

**Objectives**

* To **refresh and strengthen the evidence base for more and better development finance** for WASH in Ethiopia, Nigeria and Pakistan;
* To recommend and modify existing **tools and approaches—**or develop new ones**—**for WaterAid CPs and other sector actors to identify WASH financing gaps and policy responses to address them
* To enable WaterAid to design and deliver related advocacy strategies nationally or in focus States/Regions/Provinces;
* To enable WaterAid and others to **strengthen national policy communities** in these areas.

**Experience**

We are looking for an **experienced international consultancy, academic institution, NGO or individual** with capacity in these areas:

* Expert **local research capacity** in the study countries and access to national and sub-national finance data;
* Expert **understanding of** the WASH sector, **the WASH finance landscape,** and the broader national finance landscape (e.g**.** public finance, cooperating partners, social protection, housing, regional, local government finance etc.**)**;
* Knowledge of how to analyse, modify or develop simple, user-friendly tools for identifying and addressing WASH financing gaps;
* Expert understanding of **development economics and finance** and experience of conducting similar studies
* Good **contacts with universities, think tanks and WASH networks** in the countries concerned and knowledge of how to build national policy communities.

**Approach** We expect an initial scoping resulting in a short inception report which sets out a clear methodology. To identify geographical areas in each country for in-depth focus

**Case studies**

For each country the case studies are expected to cover the following areas:

* Current data and analysis of the WASH sector, including access levels to water, sanitation and hygiene, key trends, equity and sustainability;
* Historical and current data and analysis of WASH finance, including the last five or (where possible) ten years;
* Assessment of WASH development finance landscape: taxes, tariffs, transfers, including household spending, government spending, ODA, non-DAC ODA, private finance, microfinance, remittances, climate finance, blended finance etc.
* Description of the institutional architecture, including roles and responsibilities, decision-making systems etc., for WASH finance at federal, provincial/regional and local government levels
* Top-level assessment of the capability of institutions and systems at national, provincial/regional and local level for financing and delivering WASH services, and the enabling space for private sector involvement;[[5]](#footnote-5)
* Assessment of whether the existing spending and investment path is adequate for achieving SDG 6 and national WASH targets[[6]](#footnote-6);
* Consideration of national, regional, provincial, local, urban and rural issues in terms of financing the WASH sector, including identifying overlaps and which areas are receiving highest priority;
* Identification of cost estimates, financing gaps and resource moblisation constraints for eliminating Open Defecation, achieving universal basic WASH and reaching universal safely-managed WASH services by 2030[[7]](#footnote-7);
* Identification of how these gaps disaggregate between water, sanitation and hygiene, between rural and urban areas, and between large infrastructure and basic access requirements;
* Assessment of capital and recurrent financing needs, including infrastructure and operations and maintenance, direct and indirect costs, where necessary drawing on existing analysis from Government, World Bank, WASH networks etc., including life-cycle costing approaches;
* Assessment of existing estimates of financing gaps by national authorities, international institutions, WASH networks etc. for achieving national and SDG 6 targets;
* Consideration of main qualitative barriers to progress: e.g. insufficient data or disaggregation, inequality in access, long-term sustainability of interventions, financial absorption, fiscal decentralisation issues, weak monitoring, regulations related to tariff-setting etc.—and the steps/policy responses needed to address them,
* Analysis of how financing gaps could be addressed by taxes, tariffs and transfers, and in what proportions
* Analysis of how taxes, tariffs and transfers could address direct, indirect, operational costs etc.
* Consideration of the appropriateness of different types of finance for different purposes, grant vs. loans, taxes vs. ODA, blended finance, innovative sources of finance etc.

**Additional outcomes required**

* Assessment of existing SDG financing tools (Sanitation and Water for All, UNICEF, World Bank, WASHCost, SusWASH etc.), their appropriateness in different contexts and countries, recommendations for their modification or adaptation, and where necessary, development of new, simple, user-friendly tools that can be used by WASH sector actors, including WaterAid CPs, to identify WASH SDG financing gaps and develop policy responses and advocacy strategies to address them;
* Consultation with universities, think tanks, WASH networks, WaterAid CPs and recommendations of how WaterAid can help strengthen existing or create new nationally-owned analysis of financing gaps and related advocacy activities.

**Outputs and indicative timeline**

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| --- | --- |
| **Output** | **Date for Completion** |
| Inception report – clarifying approach and methodology | Early October 2018 |
| Country-specific case studies[[8]](#footnote-8) | January 2019 |
| Draft synthesis report / policy brief of key findings and recommendations | January 2019 |
| 3 policy briefs, one per country | February 2019 |

**Expressions of Interest**

Expressions of interest including CV of consultant(s) briefly outlining your organisation, expertise and suitability to be sent **no later than 17:00 BST, Monday 17th September 2018** to: [johngarrett@wateraid.org](mailto:johngarrett@wateraid.org) and [henrynorthover@wateraid.org](mailto:henrynorthover@wateraid.org).

**Total budget available: £60,000, including VAT.**

1. The Costs of Meeting the 2030 Sustainable Development Goal Targets on Drinking Water, Sanitation, and Hygiene, World Bank 2016. [↑](#footnote-ref-1)
2. See, for example, UN Water, WHO 2017: Global Analysis and Assessment of Sanitation and Drinking Water. [↑](#footnote-ref-2)
3. The studies are expected to focus on SDG 6 targets 1, 2 and 3 and 6 a. [↑](#footnote-ref-3)
4. WaterAid is conducting financing work in Ethiopia at the woreda level as part of the SusWASH programme. The aim is to understand financing gaps for achieving sustained universal access, identify sources of financing to cover these gaps and advocate for gaps to be covered. These will feed into the shape of the woreda plan and advocacy for the costing methodology and tools. Similar financing work is planned for Thatta District in Sindh, Pakistan. [↑](#footnote-ref-4)
5. It is expected that this will draw on existing analysis, such as Ethiopia WASH BAT workshop report, Accountability for Sustainability, UNICEF, SIWI, UNDP, WASH Governance facility, 2017. [↑](#footnote-ref-5)
6. Some government-led analysis has already taken place in some provinces in Pakistan. [↑](#footnote-ref-6)
7. As per WHO/UNICEF Joint Monitoring Programme definitions. [↑](#footnote-ref-7)
8. If possible, case studies will use infographics to strengthen the impact of the research and findings. [↑](#footnote-ref-8)