

Sanitation Financing Partnership Trust Fund

ADB & BMGF joint initiative for sustainable sanitation

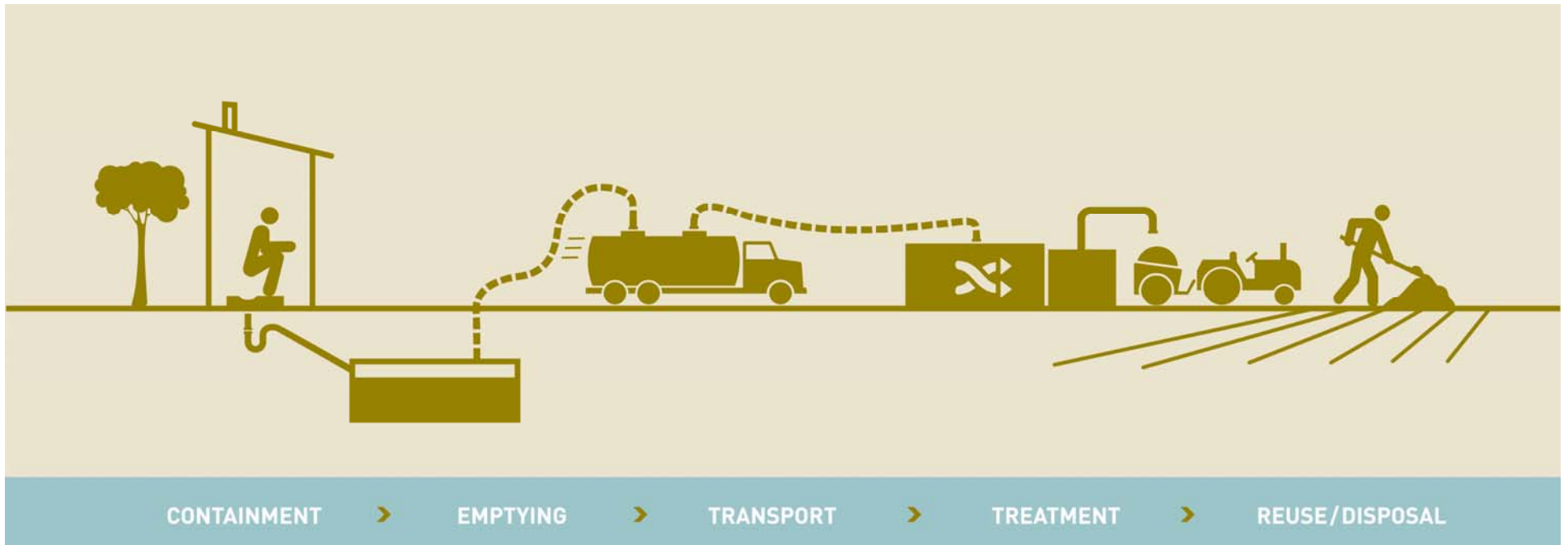
Manila, May 2013

Roshan Shrestha PhD, Program Officer

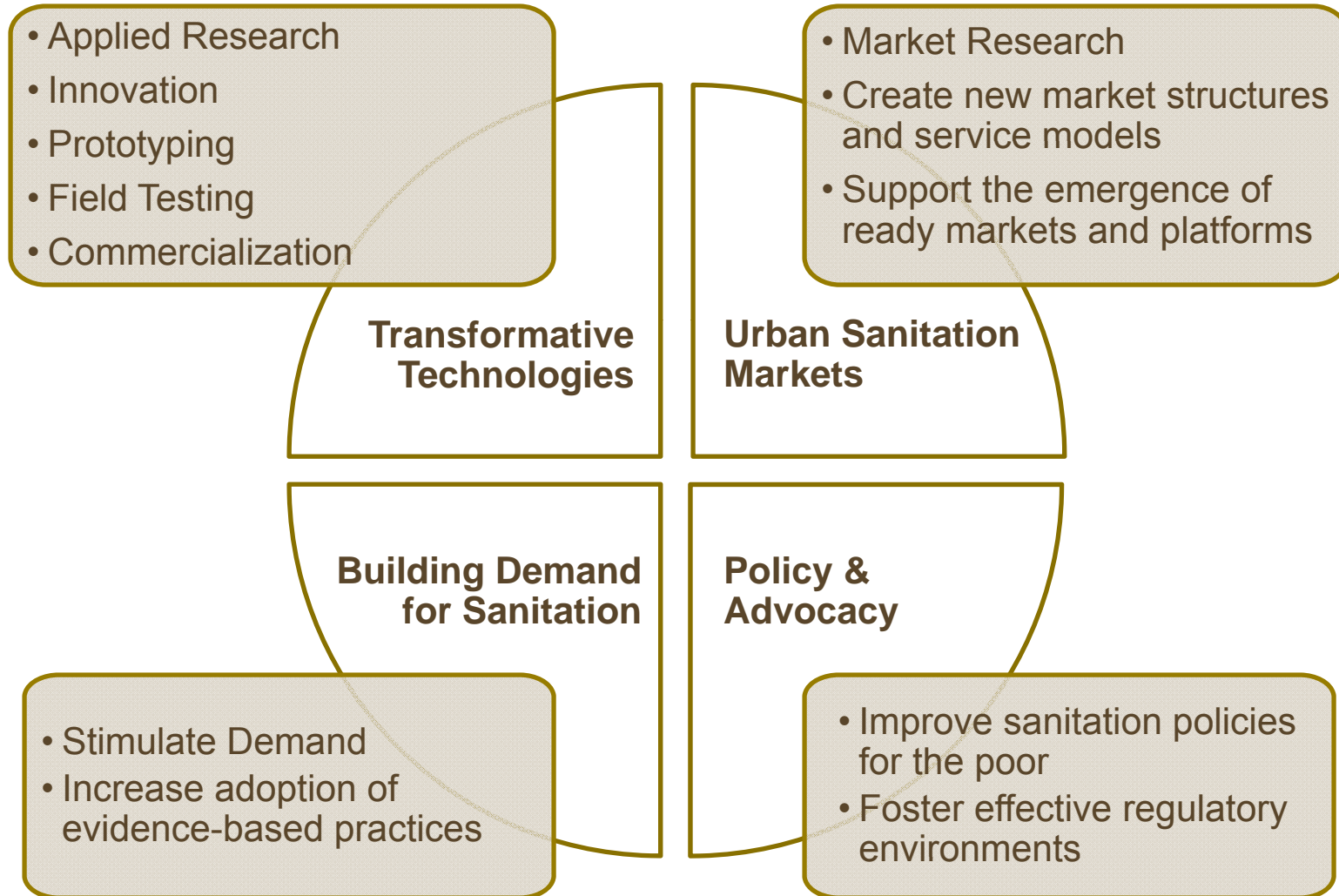
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The Sanitation Service Chain



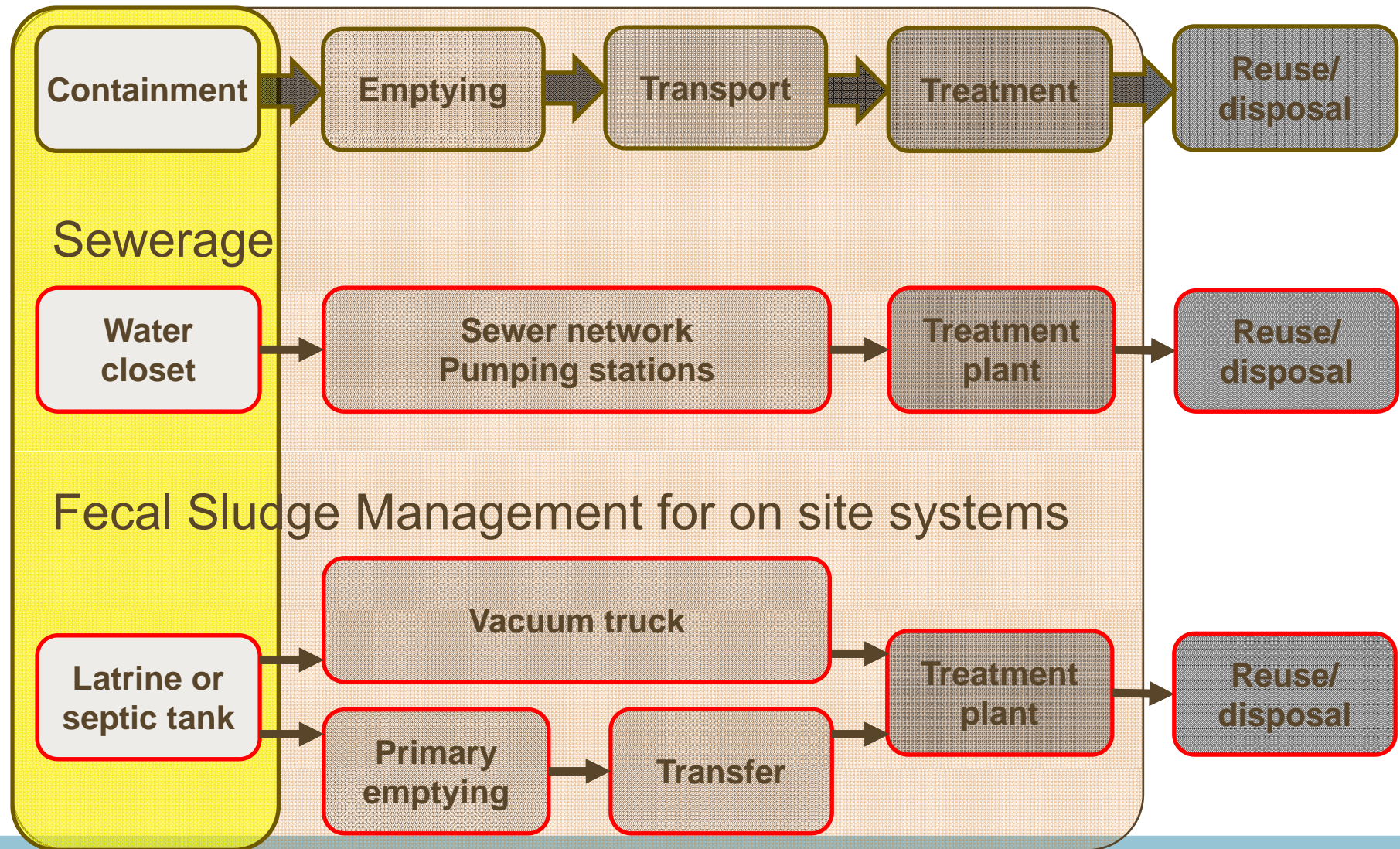
Our WSH Strategy



The Sanitation Service Chain

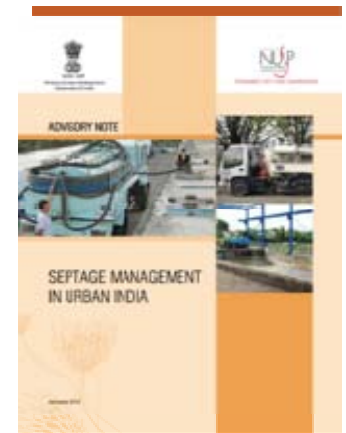
MDGs

Proposed Post MDG Goals



Fecal sludge - ignored component in sanitation sector

- Manual emptying most common; mechanical equipment underutilized where available
- Services provision unregulated – informal market
- Limited performance of existing technologies, (emptying, transportation, resource/energy recovery)
- Most of the septage management project focuses on infrastructure only (procurement of equipment/sludge drying bed)
- High emptying frequency; poor households pay higher fee
- Advisory note on septage management by Govt. of India, 2013 - a big step in this sector



Emerging system for decentralized sanitation

- >400 DEWATS units in India
- > 30 units in Nepal
- Several units in Pakistan and Bangladesh
- Land availability a limiting factor
- O&M a growing challenge



Areas of Innovation

Reinvented Toilet



- \$0.05/person/day
- No pathogens
- User demand

Omni-Ingestor



- Access 90% of pits
- Effective Emptying
- Efficient Transport

Omni-Processor



- Decentralized
- Nutrient Recovery
- Energy Production

Biologically & Environmentally Safe • Profitable • Sustainable

speeding up Sanitation in Asia

Introducing ADB's New Sanitation Financing Partnership Trust Fund

The Asian Development Bank and the Bill & Melinda Gates Foundation are working together to speed up access to safe sanitation in the Asia and Pacific region.

A New Sanitation Trust Fund

ADB and the Bill & Melinda Gates Foundation have established a new Sanitation Financing Partnership Trust Fund to accelerate access to sanitation across the region. The Trust Fund will be administered under the Water Financing Partnership Facility (WFPF). ADB's facility that pools and coordinates financial and knowledge resources from development partners for ADB's development work in water and sanitation.

Increased Sanitation Financing

An investment of \$15 million from the Bill & Melinda Gates Foundation into the Trust Fund will leverage over \$28 million in investments from ADB by 2017 to expand "non-networked" (i.e., non-sewered) sanitation and septage (i.e., fecal sludge) management solutions across Asia.

Innovative Sanitation Solutions

The Trust Fund will support identification, testing, and pilot implementation of innovative sanitation solutions—new policies, business models and technologies—to increase support for non-networked sanitation and septage management projects.

What the Trust Fund Can Finance

- **Piloting innovations in sanitation and septage management**, including new technologies for septage management and disposal in urban and peri-urban areas, and sludge treatment.
- **Providing additional grant funds for innovations** in ADB sanitation projects for septage/non-networked and decentralized sanitation and wastewater management projects pipelined in ADB's country partnership strategies.
- **Supporting septage management and sludge treatment policies**, including policy and business innovations that improve the quality and coverage of septage management.
- **Supporting innovations in project delivery mechanisms**, such as output based aid for deployment of new technologies; and innovative financing models for sanitation systems, including maintenance and upgrades.

About ADB's Water Financing Partnership Facility

ADB's Water Financing Partnership Facility (WFPF) was established in 2006 to bring in additional financial and knowledge resources from various development partners to support the implementation of ADB's Water Financing Program. The Program aims to achieve the following targeted outcomes:

- 500 million people with safe drinking water supply and improved sanitation
- 95 million people with more efficient and productive irrigation and drainage services
- 170 million people with reduced risk of flooding

WFPF Trust Funds

Multi-Donor Trust Fund	US\$52.55 million
• Australia	• US\$ 24.21 million
• Austria	• US\$ 8.47 million
• Norway	• US\$ 4.67 million
• Spain	• US\$ 10 million
• Switzerland	• US\$ 5.2 million
Netherlands Trust Fund	US\$19.75 million
Sanitation Financing Partnership Trust Fund	US\$15 million



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Sanitation Financing Partnership Trust Fund

ADB and the Bill & Melinda Gates Foundation are working together to achieve sanitation for all in the Asia and Pacific region

In Asia and the Pacific



1.7 billion people
without access to
improved sanitation*



780 million people
still practicing
open defecation*



\$71 billion
in investments needed
for improved sanitation*

* WHO and UNICEF, 2015. Progress on sanitation and drinking water: 2015 update



Through innovative non-networked sanitation and septage management projects



Piloting innovative sanitation technologies



Additional grant funds for innovations in ADB sanitation projects



Septage management and sludge treatment policies



Innovations in project delivery mechanisms



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Key Areas of Investment

- Piloting Innovations in Sanitation and Setpage Management Technologies
 - Improvements in the design of septic tanks
 - Other innovative sanitation options other than pits
 - Low cost technologies for sludge treatment
- Support in Septage management and treatment policies & regulatory environment for creating enabling environment
 - Increase private sector engagement
 - sanitation financing mechanisms & business model
 - knowledge gap on sanitation innovation at different levels
- Supporting innovations in project delivery
 - Output based aid
 - Revision of life cycle cost for sanitation systems
 - PPP models

Specific out comes with ADB partnership

- By 2017 minimum \$ 35 million of the WFPF resource to be spent on sanitation
- By 2017 ADB to lend 28.7 million in non-networked sanitation/septage management
- By end of 2014:
 - Investment in at least 2 output based sanitation contract mechanism
 - Development of at least two innovative technologies either scaling up or piloting
 - Development of at least two innovative methods for septage management

What to consider while developing projects

- Innovative & follow up investment
- attract private sector investment and mobilize public investment
- Pro-poor focus
- Play more catalytic role
- Risk bearing investment
- Platform for introduction of innovation
- May be first year investment to create enabling environment ?

Approved Projects

- Demonstration and up scaling of sanitation innovations in Coastal Town Environment Infrastructure Project in Bangladesh
- Sanitation planning for 30 cities in Bangladesh under Urban Government Infrastructure Improvement Project (UGIIP-3) in Bangladesh
- Demonstration and up-scaling of Fecal Sludge Management in Small Town Drinking Water Supply and Sanitation Project in Nepal
- Establishment of Project Demonstration Activity (PDA) for piloting and demonstration of Sanitation Innovation in Asia & Pacific
- Establishment of Regional Urban Knowledge Hub (India, Bangladesh, Nepal and Sri Lanka)

Thank You

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