

Why Public Finance?

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Water & Sanitation for the Urban Poor

A photograph of a person in a green and yellow striped shirt washing clothes in a polluted stream. The stream is filled with trash and debris. In the background, there is a fence made of bamboo poles. The scene is set in a slum area with a blue sky and a yellow banner at the top.

**inadequate water and
sanitation has *massive*
negative impacts...**

A photograph of a person lying on the ground in a slum, surrounded by bamboo poles and trash. The person is wearing a yellow shirt and is lying on their back. The ground is covered with various pieces of trash, including plastic bottles, food waste, and other debris. In the background, there are many vertical bamboo poles, suggesting a makeshift structure or a slum area. The overall scene is one of poverty and lack of basic sanitation.

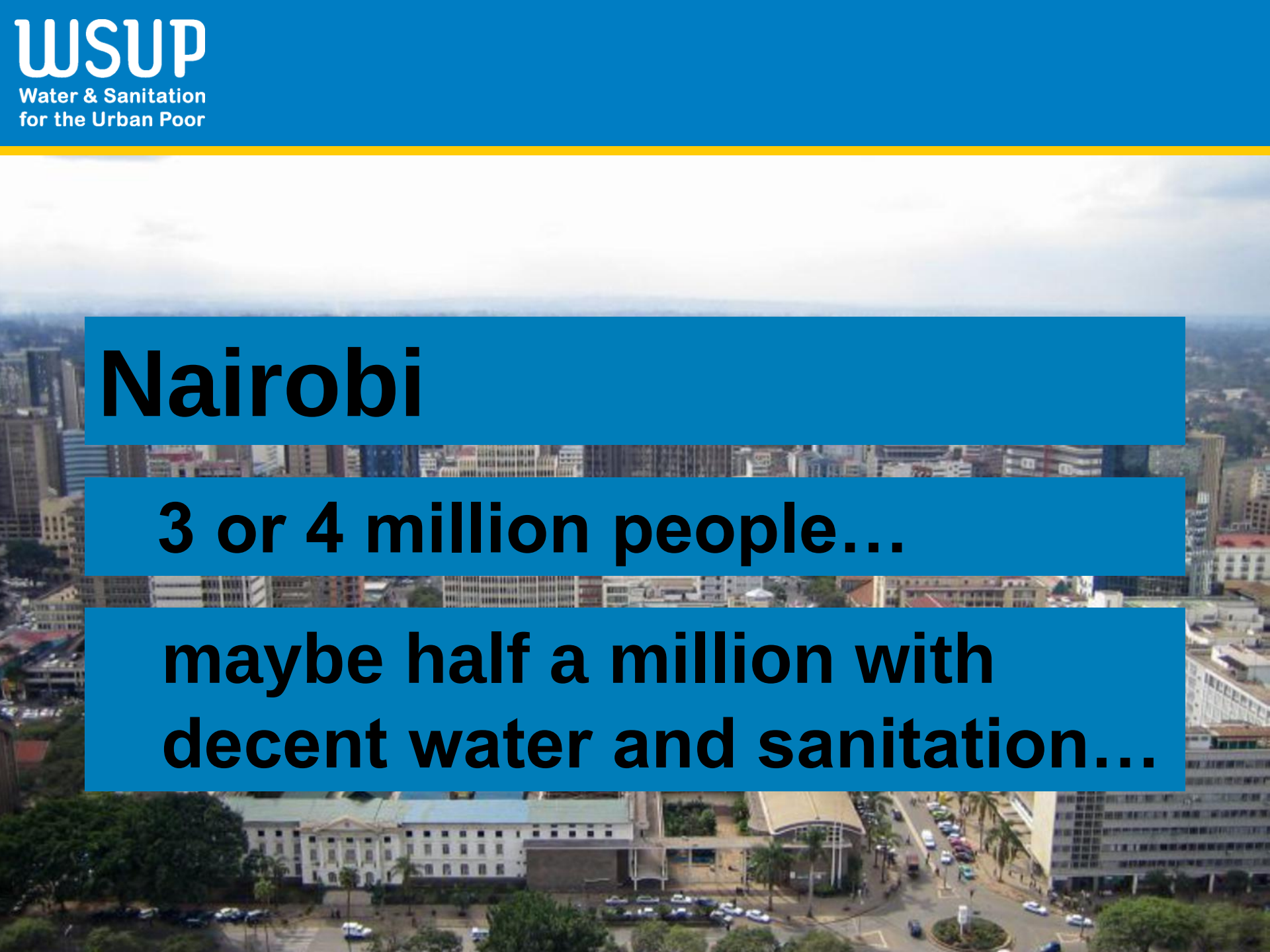
**... but let's not talk
about the problem, let's
talk about *solutions***

solutions can be...

things that *communities* do

things that *governments* do

things that *donors* do

An aerial photograph of Nairobi, Kenya, showing a dense urban landscape with various buildings, roads, and green spaces. The city is set against a backdrop of hills under a cloudy sky. The text is overlaid on a blue rectangular background.

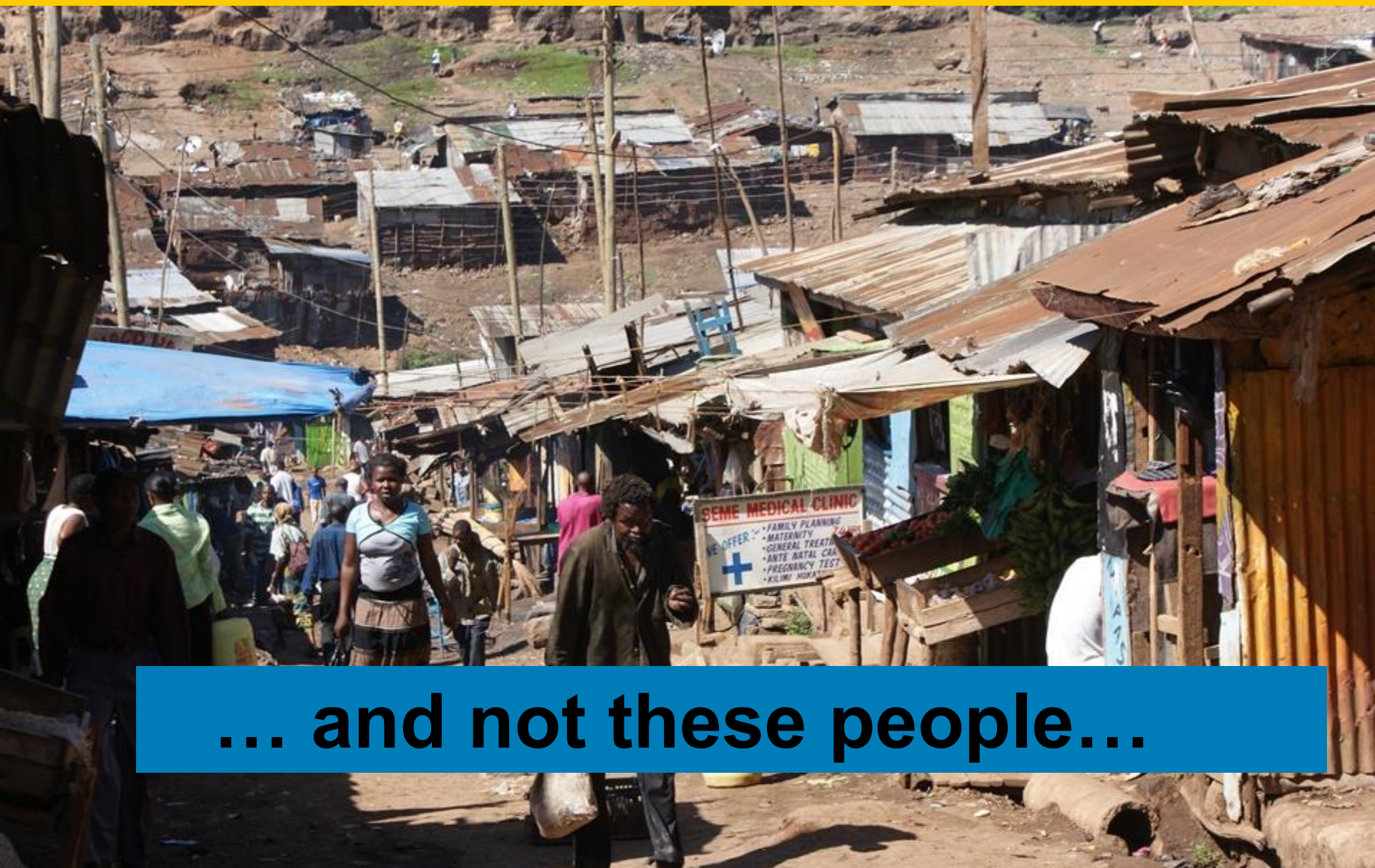
Nairobi

3 or 4 million people...

**maybe half a million with
decent water and sanitation...**



... but not these people...



... and not these people...

The background image shows a dense urban slum with many small, makeshift houses built on a hillside. In the foreground, a dirt path is crowded with people, including a woman carrying a large yellow water container on her head and another person carrying a bag. A sign for a health center is visible in the background, listing services like family planning, maternity, and general consultations. The text "imagine €20 million..." is overlaid on a yellow banner across the middle of the image.

imagine €20 million...

how to spend it?



**we could the €20m
directly on services...**



**...or we could spend it
on business start-up...**



**...but this wasn't built
by markets alone!**



**...it was basically built
with TAXES**

=

**Domestic Resource
Mobilisation**

Domestic Resource Mobilisation = lobbying and technical support for...

- more taxation
(general taxation, or earmarked for WASH)
(national or local levels)
- more equitable taxation
- greater allocation to WASH
- more equitable allocation to WASH
- more efficient allocation to WASH

**We need to make this
SEXY!**

Taxes

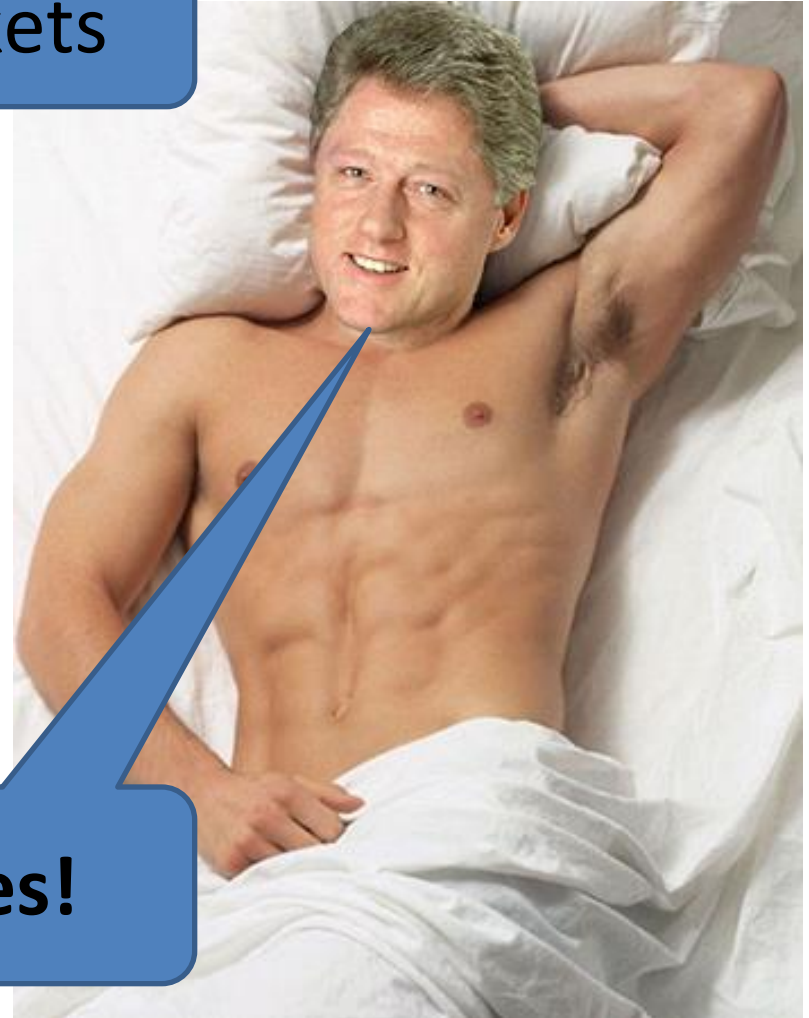
Markets!



Markets



Taxes!



Sanitation &
Water for All

**e.g. Bangladesh 2014 –
“we will increase govt
budget for WASH by
5% annually”**

The mechanics are complex!

- National government level
- Local government level
- Central to local transfer

Just one example...

WSUP is supporting institutions in Mozambique to develop local sanitation taxes collected via the water bill

**Domestic Public
Finance is the critical
missing piece**

- 1) How can we convince development ministries to pay more attention to DRM?**
- 2) Can the private sector support development of domestic public finance systems?**
- 3) What can the WASH sector learn from other sectors?**