



# Financing water: where will the funding for enterprise come from?

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## Key points (1)

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- Water is not a “sector”: it is a spectrum of resources, services, & overhead management functions. All hang together & need to be well managed and funded.
- There are many different circumstances in which water services are supplied, which limits the scope for useful generalisation



## Key points (2)

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- Potentially huge investment & recurrent financing requirements
- Crucial distinctions between:
  - recurrent and capital items
  - hardware & “soft” items
  - investment in new capacity & repair & rehabilitation
- Water is widely under-funded
- Future will bring major reform & innovation



## Key points (3)

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- Basic revenues come from the 3Ts (tariffs, taxes & transfers)
- These can leverage repayable sources (loans, bonds, equity)
- Facilities & hybrids exist to help leveraging



## Key points (4)

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- Current international financial troubles have differential impacts
- “back to basics”: greater efficiency, reduce risk
- International public funding through IFIs will increase
- “too good a crisis to waste”, e.g. for reforms, stimulus packages