

# Investment in WASH Sector in South Asia: A Review from FANSA's Lens

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## INTRODUCTION

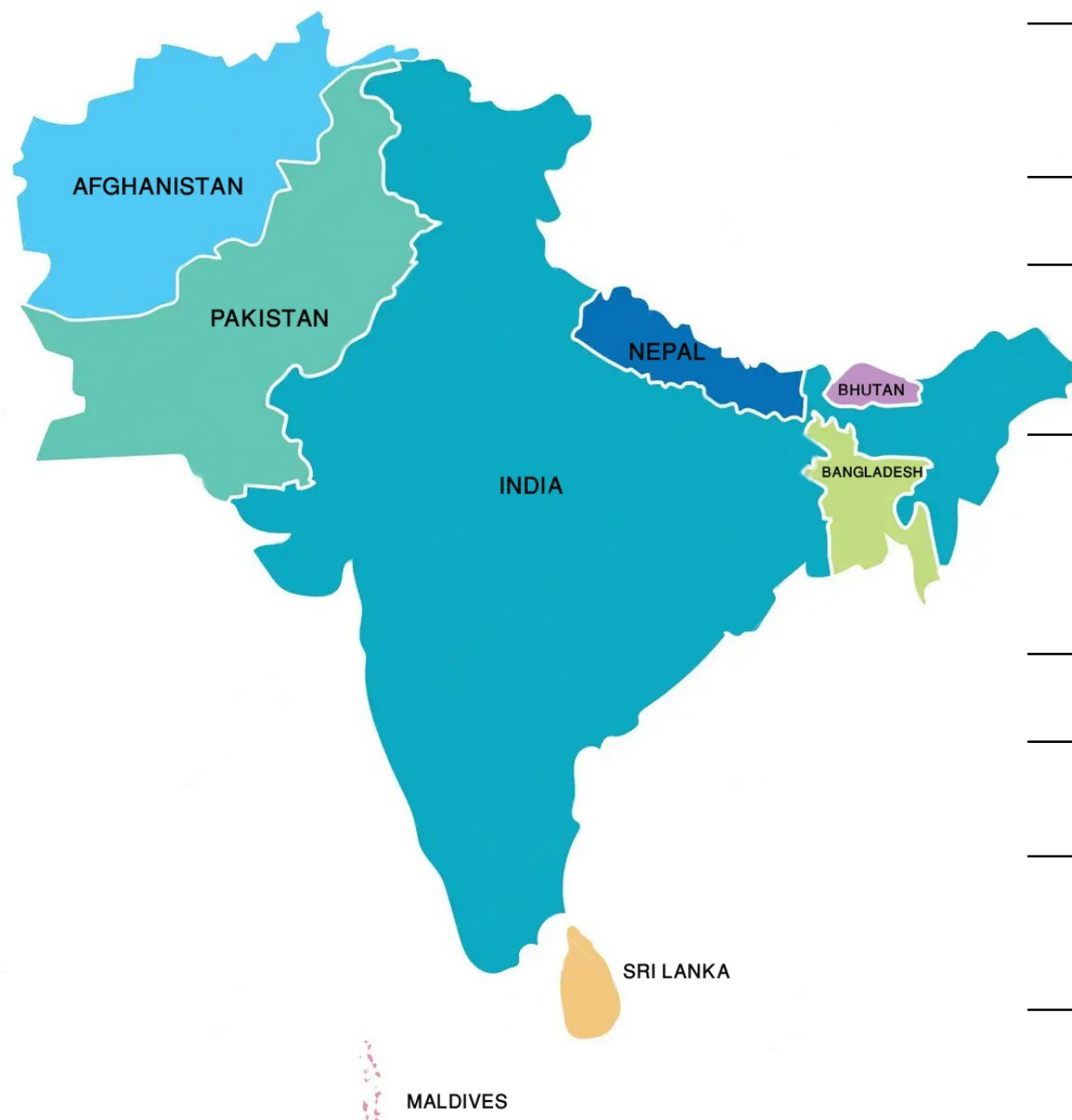
As the world progresses toward achieving the Sustainable Development Goals (SDGs) by 2030 it is utmost essential to analyze the current investment trend in WASH across South Asia to understand where are we in terms of progress made and addressing the unmet targets, particularly at the current scenario where almost all the SA countries may not be able to achieve their SDG commitments. Despite increased awareness on WASH rights, capacity building and understanding of the needs of investment to accelerate progress, gaps in financial investment still persist. Besides, allocation and efficient utilization is also another gap in the sector. Such financial gap, underutilization of allocated budget and weak targeting of resources hinder the achievement of sustainable and universal WASH access (and therefore the SDG 6), thereby contributing to leave poor and vulnerable population. To understand the status, Freshwater Action Network South Asia (FANSA) under the project of "Rising for Rights: Strengthening Civil Society Networks in South Asia to achieve SDG 6" conducted a study involving its National chapters across SA i.e. Bangladesh, Bhutan, India, Maldives, Nepal, Sri Lanka and Pakistan except Afghanistan.



## OBJECTIVE

To review and analyze the existing WASH sector financing policy, guidelines; analyze existing funding sources, budget allocation and expenditures and to identify investment gaps to meet the SDG 6 requirements by 2030.

## STUDY AREA



Bangladesh	Gaibandha; Barishal; Moulvibazar
Bhutan	Thimpu City
India	Mentoring Support
Maldives	Dhiffushi Island; Malé; Thulhaadhoo Island; Ungoofaaru,
Nepal	Pokhara; Hetauda
Pakistan	Mardan; Quetta
Sri Lanka	Kandy; Badulla; Panadura

## METHODOLOGY



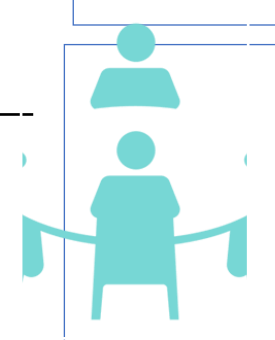
### Secondary data

Literature review; existing national policies, plans



### Qualitative technique

Key Informant Interviews (KIIs), interactions with the key stakeholders within the countries.



### Multi-stakeholder consultation workshops

Validation in the respective countries.



### Qualitative Data Analysis (QDA) technique

Analysis of the data and information generated in each country.



After synthesizing all these data an information collected from all the countries across SA, the findings were synthesized to a consolidated report "Review of Sector Investment in WASH in South Asia: A Synthesis Report".

## FINDINGS



The status of financing for sanitation in South Asia varies significantly across countries in the region. However, following three sources financing for sanitation in SA prevails i.e.

- Public Funding:** Government budgets for sanitation have been increasing but often remain insufficient to meet needs. Countries like India have allocated substantial resources to improve sanitation infrastructure, yet disparities persist, especially in rural areas.
- International Aid:** Many South Asian countries benefit from international development assistance for sanitation projects from organizations like the World Bank, UNICEF, and various NGOs. However, funding can be sporadic and project-focused rather than ensuring systemic improvement.
- Private Sector Engagement:** There has been a growing recognition of the role of the private sector in sanitation financing, particularly in promoting innovative sanitation technologies and solutions. However, effective public-private partnerships still need to be fully realized.



Source: FANSA Bangladesh

## CONCLUSION REMARKS

- To achieve SDG 6 targets, it is crucial to strengthen data systems by developing comprehensive mechanisms for data collection and analysis. This will ensure accurate funding estimations and identification of marginalized groups, enabling equitable access to WASH services.
- Merely increasing funding is insufficient; funding approaches must incorporate sustainability and address the complexities of meeting SDG standards.
- Techno-financial accountability and government capacity need significant improvement to enhance fund utilization and regulatory frameworks. Strengthening these aspects will ensure more efficient use of resources and accountability across the WASH sector.
- Prioritize equity and inclusion through targeted strategies and adequate data support will address the needs of marginalized and underserved populations, ensuring no one is left behind.

Finance in WASH demonstrated varies progress in South Asia. **India** led with its financing score increasing from **32 in 2017 to 73 in 2023**, reflecting enhanced investment and prioritization. **Bangladesh, Maldives, and Pakistan** achieved **medium-high** financing scores, while **Nepal and Sri Lanka** remained at **medium-low** levels

Achieving SDG 6 targets (6.1 and 6.2) by 20230 will require substantial financial commitments. Countries like Nepal, Pakistan, and Bangladesh need investments exceeding **USD 250 per capita per year**. For Nepal and Pakistan, this translates to more than **2% of their GDP**, which is over **1,000 times** their current per capita ODA. Over the past five years, most countries have made little to no progress increasing the percentage of GDP allocated to WASH budgets.

**Maldives and Sri Lanka** have seen slight increases, but their WASH budget allocations remain below **1% of GDP**. Bhutan, India, and Nepal have actually reduced their WASH budget allocations, despite Nepal having the highest percentage of GDP needed for SDG 6. Besides, many countries are struggling with outdated infrastructure and require significant investment in both sanitation facilities and waste management systems

In South Asian countries, although governments have established policies to address the needs of poor and hard-to-reach communities, implementation remains a significant challenge due to inadequate budgets. For instance, Bangladesh has developed policies such as the Pro-Poor Strategy for the Water and Sanitation Sector (2020) and the National Strategy for Water and Sanitation in Hard-to-Reach Areas (2012). However, sufficient financial resources to execute these strategies are lacking. In Nepal, while the government allocates a gender-responsive budget for WASH initiatives, there is a lack of data on its expenditure and whether the allocated funds effectively reach the intended communities.

## LIMITATION

- Focused broadly on the Urban Municipal Areas;
- Reviewed literature and secondary information (National-Regional-Global);
- Afghanistan, out of eight, has not been considered due to number of reasons including political crisis within.

## ACKNOWLEDGEMENT

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