



WATER, SANITATION AND HYGIENE FINANCE (WASH-FIN) CAMBODIA

Closing financing gaps to achieve universal access to water supply and sanitation services.

Access to piped water supply in Cambodia is among the lowest in Southeast Asia, estimated at 21% in 2015. A mere 7% of rural households have direct connections to piped water, with even lower access to improved sanitation (42%). While piped water access rates are higher in urban area (75%) they are largely due to the high-performing Phnom Penh Water Supply Authority (PPWSA), which delivers piped water to almost the entire city. In 2014, the government set ambitious targets for universal access to water and sanitation by the year 2025, requiring an unprecedented mobilization of funding estimated at \$212 million annually.¹

Public water utilities only serve 13 provincial towns, while the remaining 12 provincial towns, small towns and rural areas are partially served by private water operators (PWOs). These PWOs are mainly family-owned, small-to-medium sized businesses that face significant problems in financing operations and expansion of services to under-served or new areas. Almost all PWOs (93%) are planning expansion of water supply operations.² Development partners' prior initiatives have provided access to finance for 17 PWOs. WASH-FIN Cambodia - in collaboration with the Cambodia Water Supply Association - will further contribute to closing finance gaps by connecting well performing PWOs to the local commercial banking sector to enable access to market finance for infrastructure investments.

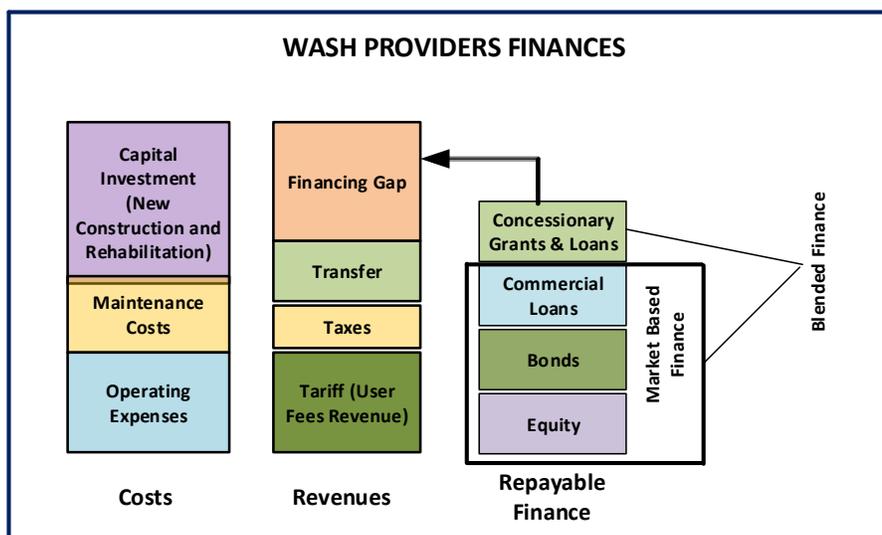
¹ Service Delivery Assessment Report, Water and Sanitation Program, World Bank, 2015

² Final Report on USAID Cambodia, MSME Project Water Survey, Strengthening Micro, Small and Medium Enterprises in Cambodia, USAID/Cambodia, 2011

WASH-FIN CAMBODIA APPROACH

The WASH-FIN approach to closing financing gaps is based on the premise that: 1) citizens should be treated as valued customers and adequately served with water and sanitation and hygiene services; and, 2) WASH service providers operate on sustainable business models that demonstrate creditworthiness to sources of capital, within clear regulatory and governance structures.

Only then can increased public investment and market finance be effectively leveraged to expand or improve service delivery.



The goal of the three-year WASH-FIN Cambodia activity will be the completion of specific loan agreements for private water operators with the potential use of credit enhancements that enlarge opportunities for commercial finance aimed at expanding or improving WASH access and service delivery. The attainment of this overall goal will be achieved by providing technical assistance and capacity building activities to PWOs, local Financial Institutions and other WASH sector players.

WASH-FIN CAMBODIA ACTIVITIES

Category 1 – Creditworthiness and Market Assessment

- Activity 1.1 – Financial Review of Private Water Operators Business Plans
- Activity 1.2 – Creditworthiness Assessment and Improvements
- Activity 1.3 – Local Financial Institution Assessment

Category 2 – Access to Local Commercial Market Finance for WASH Finance

- Activity 2.1 – Financial Proposal for WASH Infrastructure
- Activity 2.2 – Transaction Facilitation and Advisory Support

Category 3 – Knowledge Management

- Activity 3.1 – Lesson Learned from Previous WASH Financing
- Activity 3.2 – Knowledge Sharing with Financial Community

WASH-FIN CAMBODIA PROJECT DETAILS

The three year, \$3 million WASH-FIN Cambodia project, is funded by the United States Agency for International Development (USAID) and began in August 2017. WASH-FIN implementation in Cambodia is led by Tetra Tech with support from the Cambodia Water Supply Association (CWA).

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