



Water Services Maintenance Trust Fund
Financing reliable water for all in Africa



Why a trust fund?

Rewarding performance with local, sustainable finance

A Water Services Maintenance Trust Fund provides a new approach to pool and manage local financial resources from government, users and investors. This recognises donor finance is neither sufficient nor sustainable, and user payments cannot meet the full operational and maintenance costs. The Fund will pool user, government and investor finance to pay a professional maintenance service provider working at scale.

The Trust Fund will set performance targets for a maintenance service provider to ensure reliable water supplies for all communities, schools and health care facilities. Investors can catalyse government and user finance through targeted investments to achieve a 'minimum infrastructure platform' to support markets for water-related goods and services. Over time government and users will pay the majority of costs as economies of scale are achieved.

Water users

Users benefit from faster repairs from a professional maintenance service provider but lack the resources to pay in full

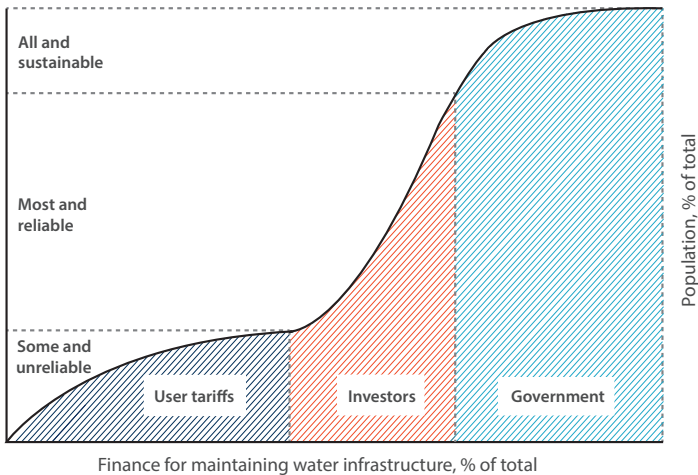
Investors

Investors have an interest in reliable water services for all to promote markets for water-related goods and services

Government

Government is mandated to deliver reliable water services to everyone with resources to support universal delivery

Co-investing in maintenance costs of water infrastructure to ensure reliable supplies for drinking, washing, bathing and laundry needs



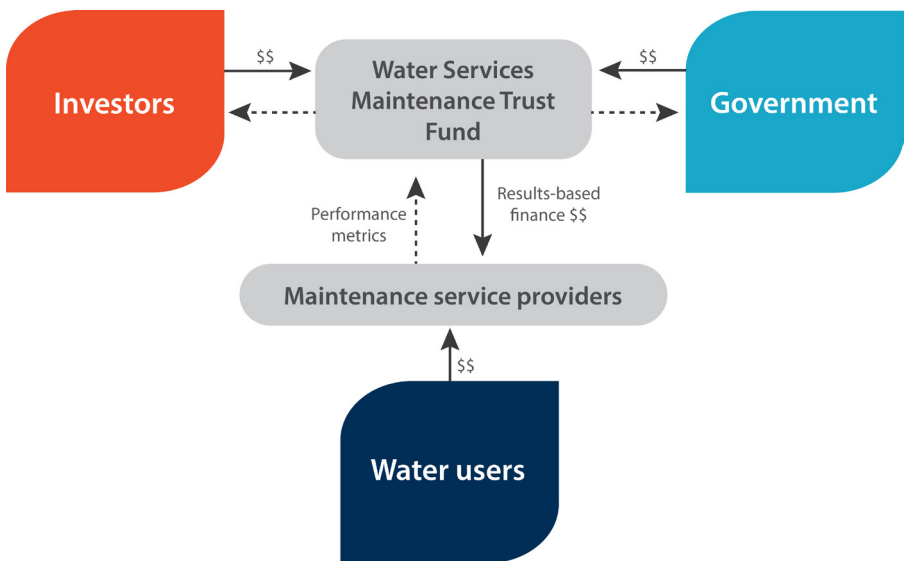
How does the fund work?

Pooling financial risk so no one is left behind

A Trust Fund with the exclusive purpose of maintaining water infrastructure can be legally registered with a Board of Trustees. All major investors in the fund can be represented on the Board. The geographical extent of maintenance delivery must be sufficient to generate economies of scale and pool financial risk so no one is left behind.

Local Maintenance Services Providers can be identified to provide performance-based and fair contracts to maintain all existing and future water infrastructure. Where no provider exists, support may be warranted to incubate a provider with local staff. Smart monitoring systems will ensure a transparent flow of data to ensure contracts are enforced to reward good performance.

The Trust Fund will release finance to the provider based on agreed performance indicators. For example, regular preventative maintenance, rapid repair of failure events, collecting user payments, monitoring water quality, reducing costs of maintenance delivery, strong financial management and auditing, and progressively achieving universal water service delivery.





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REACH

Improving water security for the poor

