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Institute for Integrated Management
of Material Fluxes and of Resources



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ADVANCING A **NEXUS APPROACH**
TO THE SUSTAINABLE MANAGEMENT
OF **WATER, SOIL AND WASTE**



INTERNATIONAL
KICK-OFF WORKSHOP

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Microfinancing: NEXUS approach

The case of FINISH WASH Initiatives

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External (foreign):

- » Market-related or concessional finance (FDI, ODI, Aid, etc)
- » Philanthropic
- » Individual remittances, etc

Internal (local):

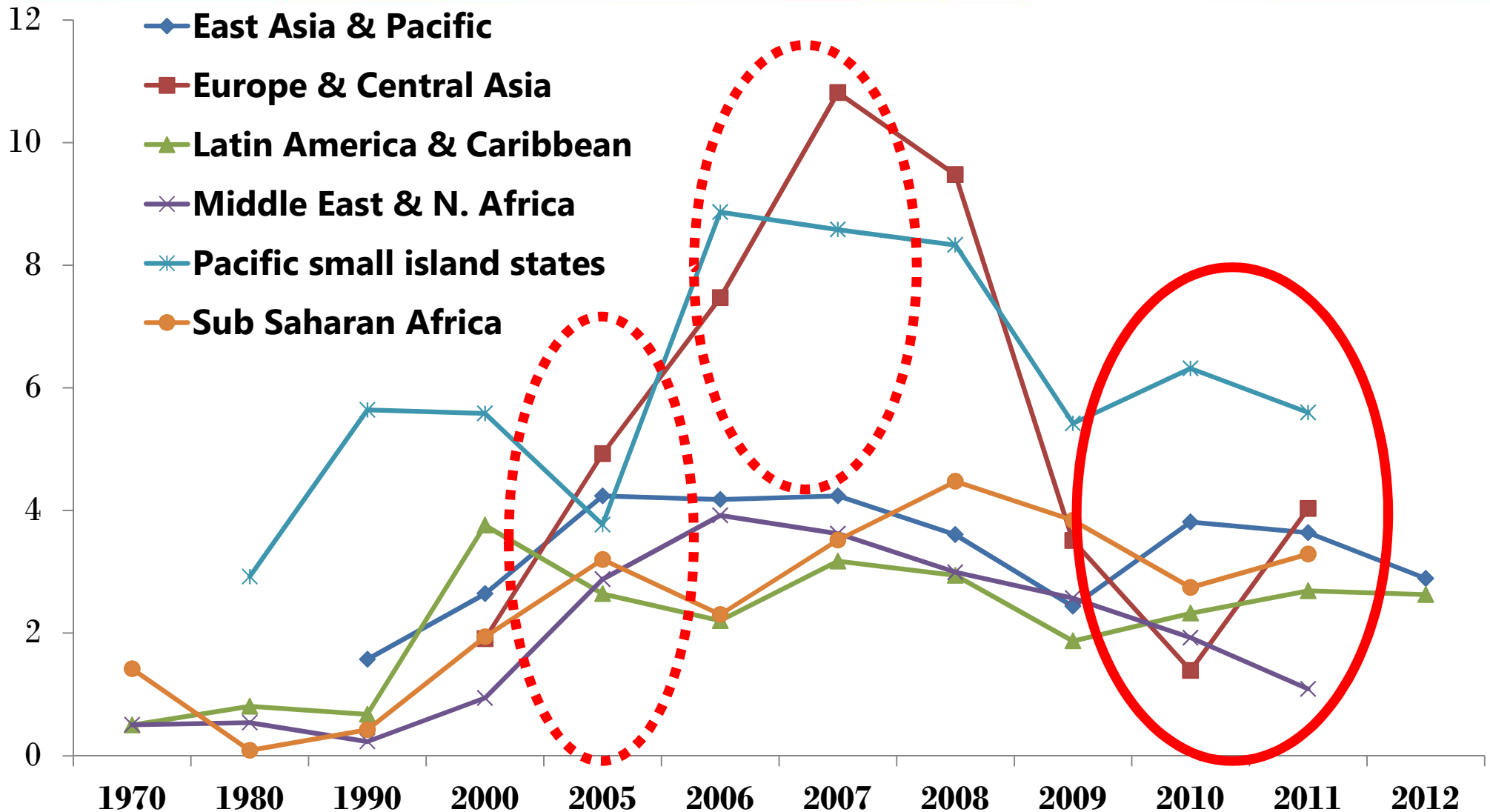
- » Private (non) equity funds (commercial banks, SSIPs, households)
- » Public (budget allocations).

Channels

- ❖ Humanitarian purposes
- ❖ Program administration
- ❖ Project assistance
- ❖ Debt relief
- ❖ Subsidies to NGOs, faith based organizations, civil society groups, etc

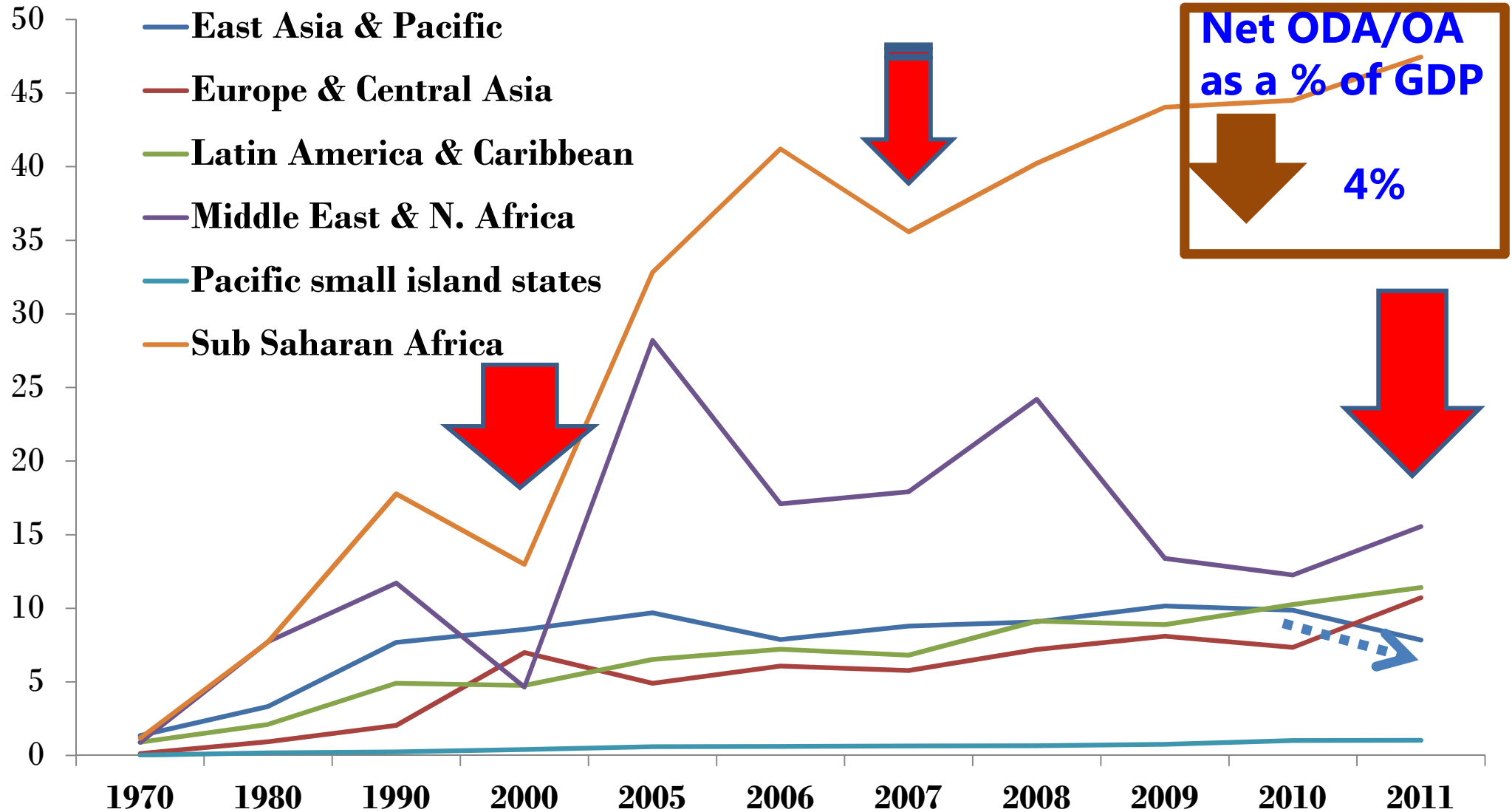


FDI, net inflows (% of GDP)



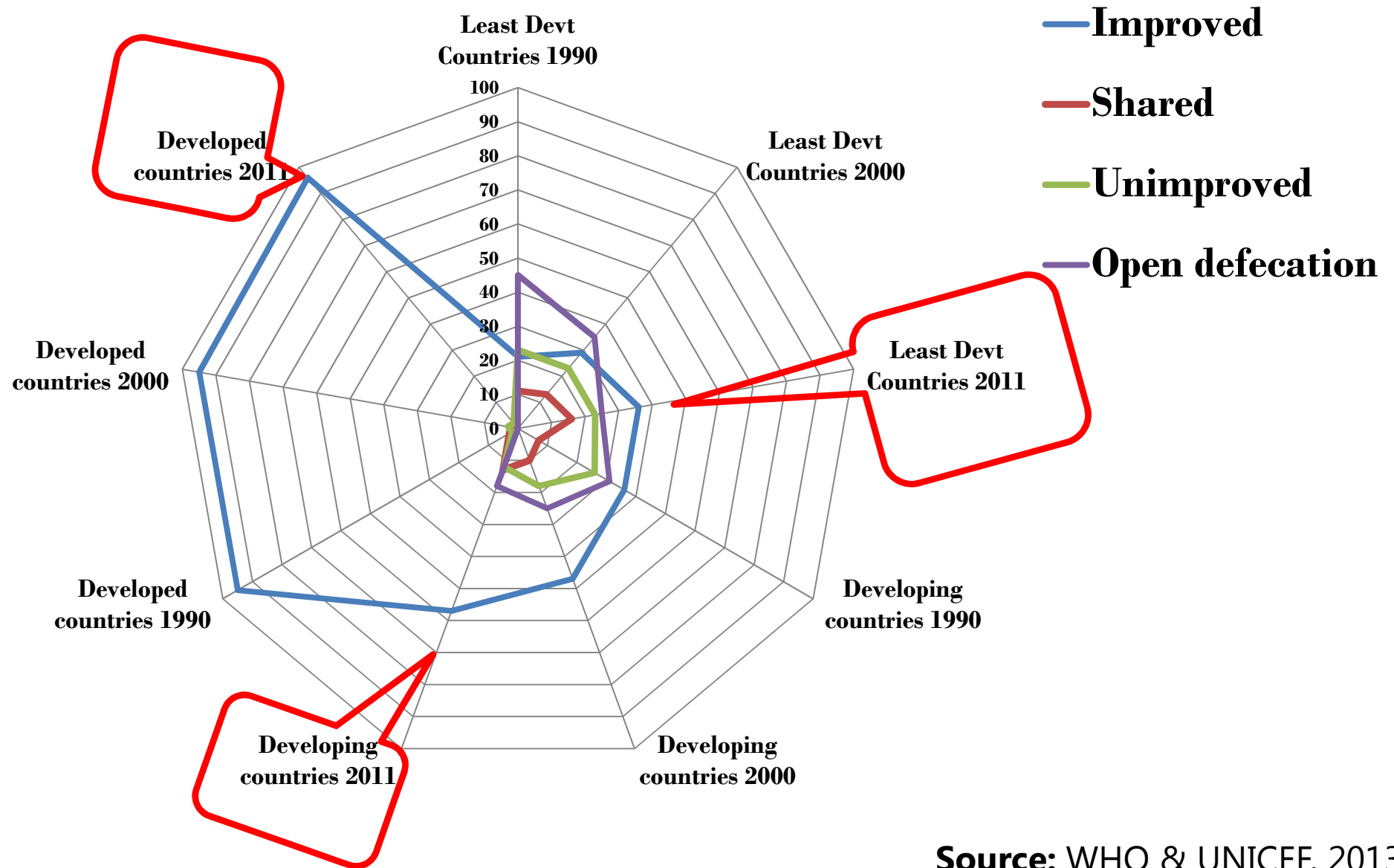


Net ODI & Aid (in billions, current US\$)



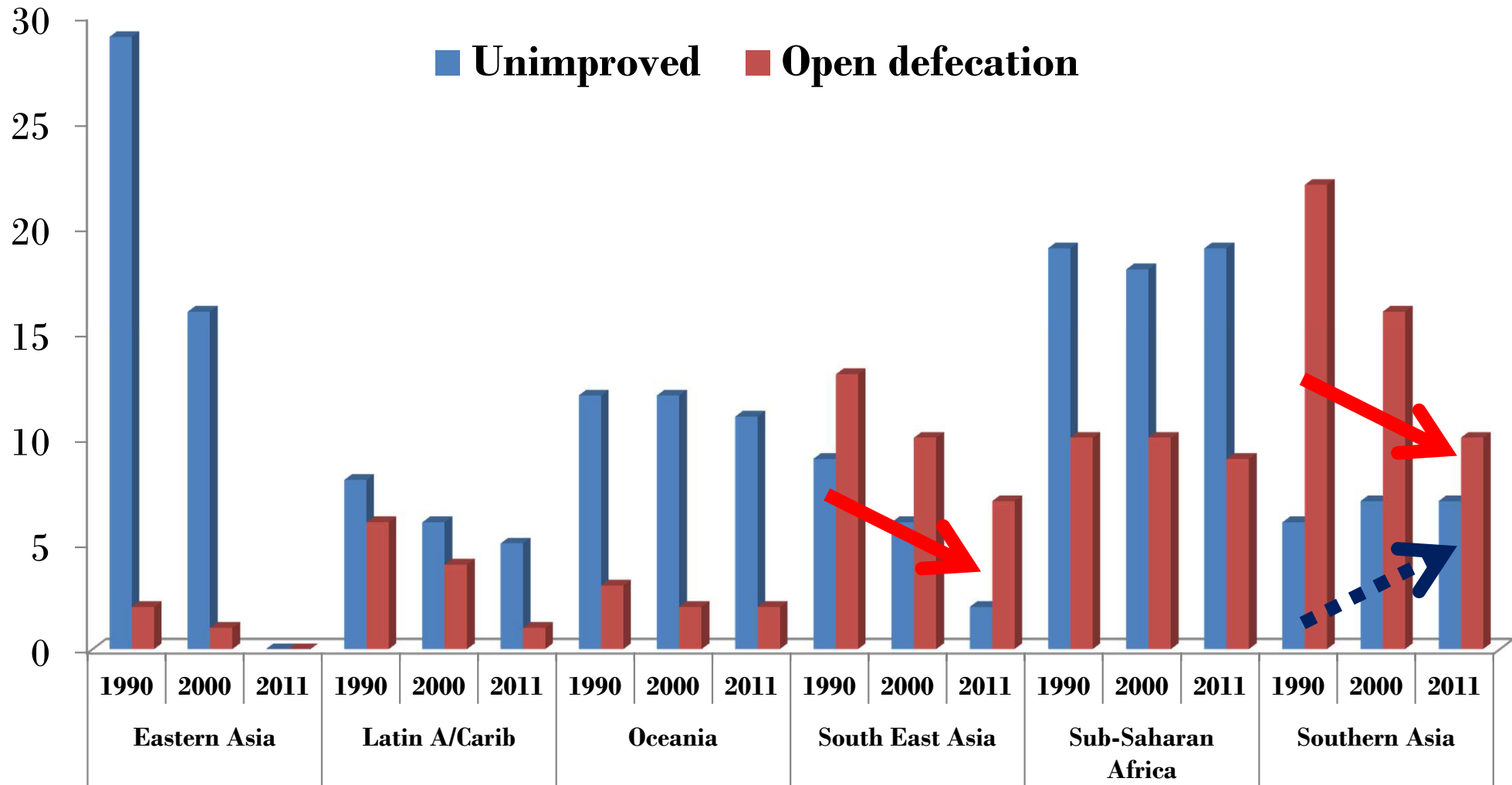


Global sanitation coverage (%)



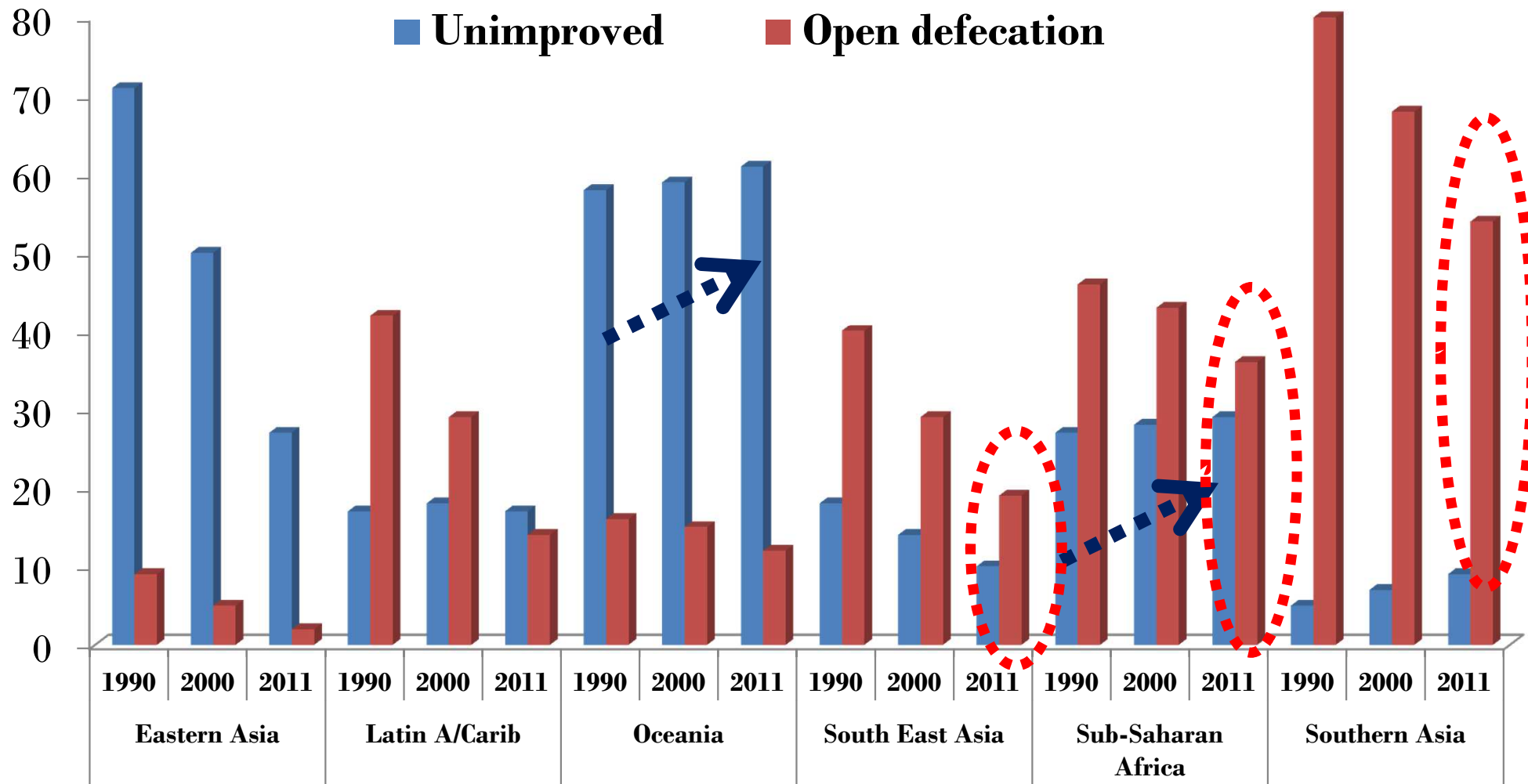


Urban sanitation coverage (%)



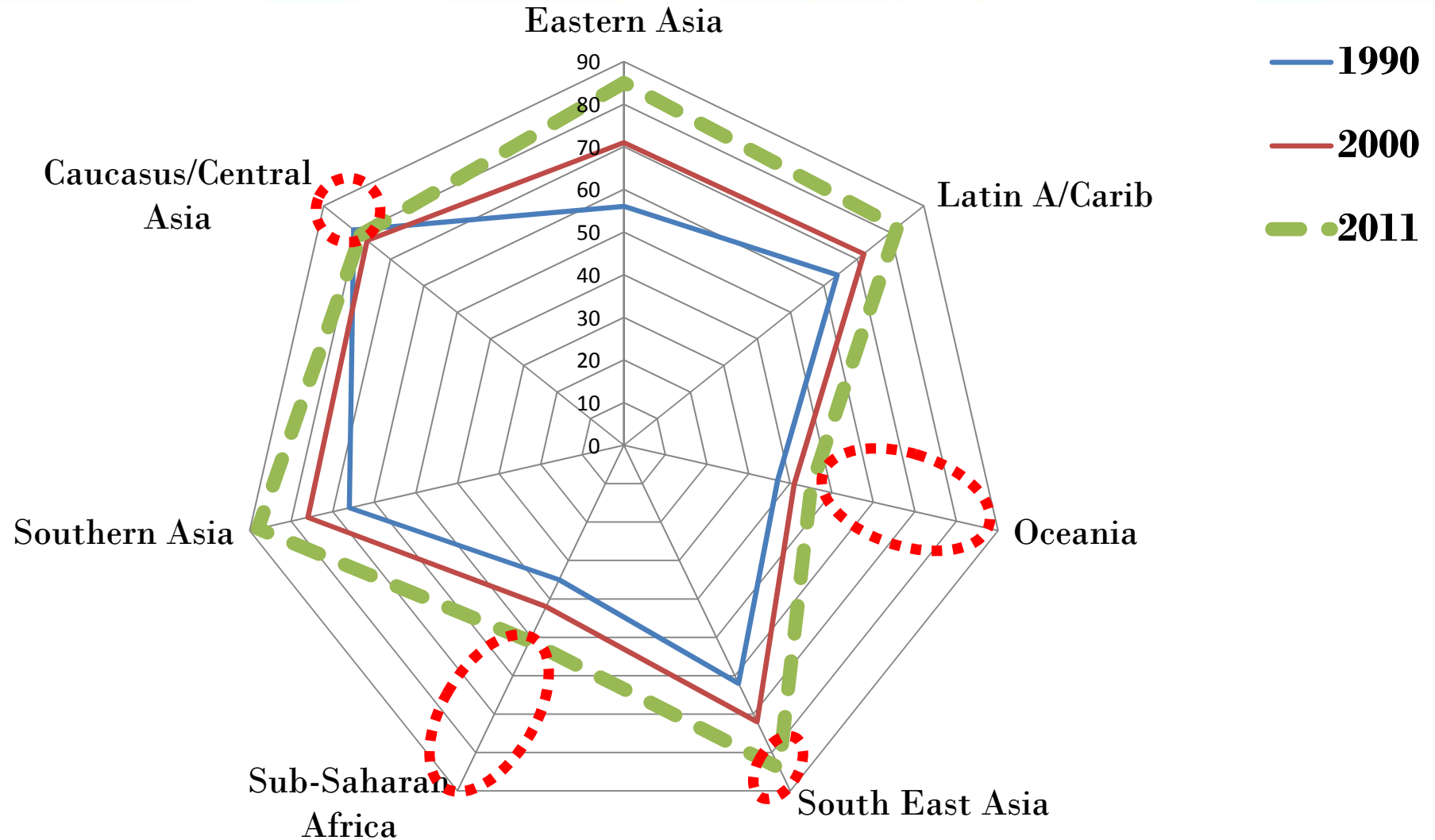


Rural sanitation coverage (%)





Rural drinking water source coverage (%)





Explaining the gap ...

Increasing **population growth** (investment needs, etc)

Fragmented flows due to (UNECOSOC, 2008):

- Different **donor conditionalities** (specific policy alignment, etc)
- **Concessionality structures** (grants, loans, etc)
- **Multiple & fragmented channels** (projects, budget support, etc)
- **Disbursement and procurement procedures**, etc

Competing prioritization across:

- **Sectors** => highest priority to;
 - Economic & productive infrastructural sectors/components e.g., irrigation, hydropower, agroforestry, climate change adaptation, etc
 - Advancing existing infrastructure than expanding basic social service coverage
- **Technology**: Hardware versus software components
- **Regions** (lowest priority to rural areas, least developed countries → AMCOW, 2011; Annamraju, *et al* 2001; UNECOSOC, 2003).



Key market constraints (UNECOSOC, 2003)

Physical (demand and supply sides)

- Produce markets' seasonality
- Technological limits => minimal diversification
- Communication-related (transport)

Institutional

- Regulations => related to entrepreneurship, trade, innovation, property rights, etc

Financial

- Credit and savings => high costs of borrowing, low asset levels, etc



Entails the provision of **relatively low interest rate loans or grants** to poor or financially excluded community members for the establishment and/or expansion of small-scale income generating activities (Bateman, 2010; Cardone and Fonseca, 2006:25; *see also, the UN resolution 52/194, 1997 and activities around the UN International Year of Micro credit 2005*).



Typologies

Ideological

Traditional => as coined by Nobel laureate Dr. Muhammad Yunus, 1976 (Bateman, 2010; Fonseca et al., 2007)

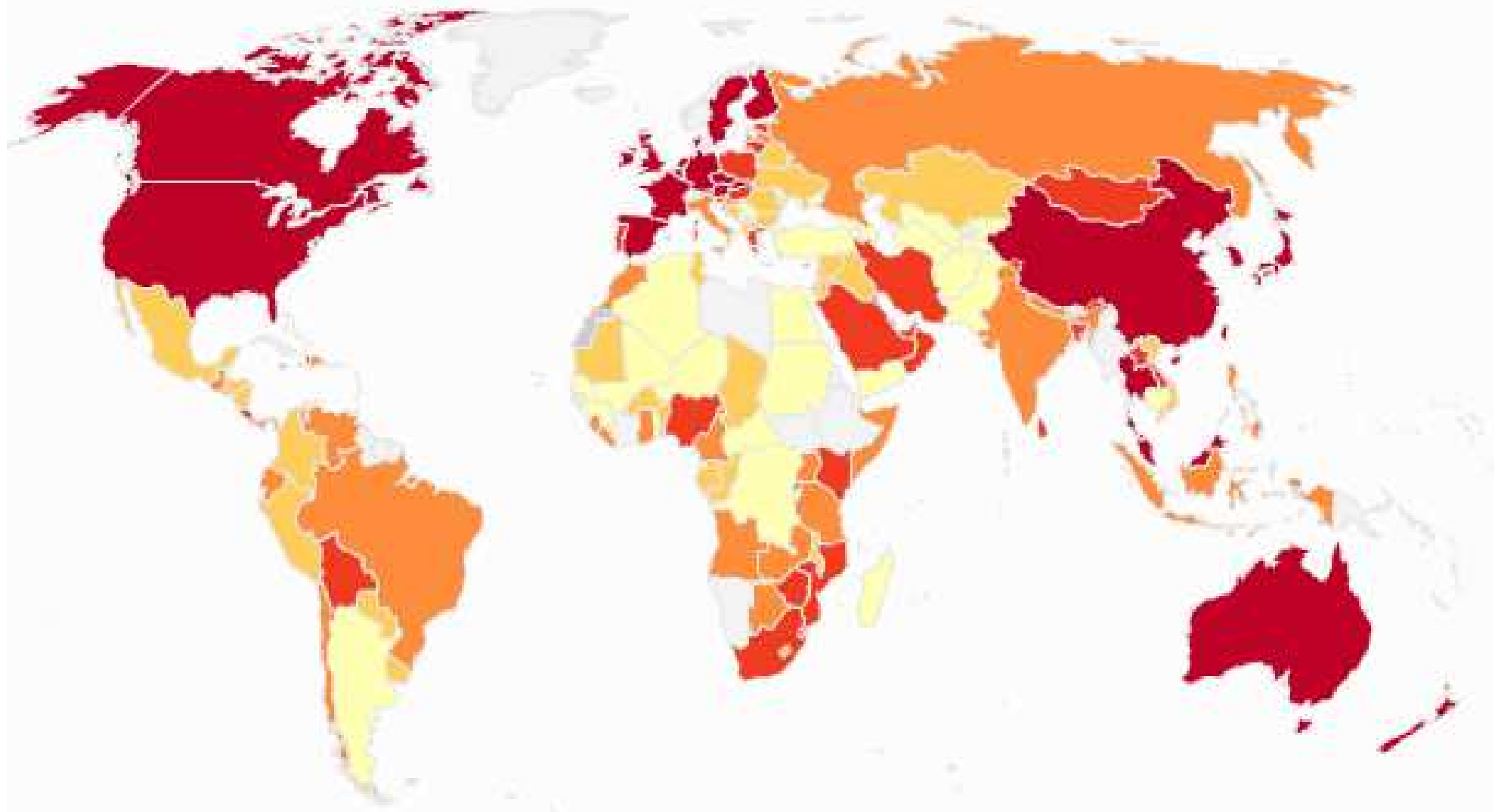
Neo-liberal => "new wave micro financing", "micro credit privatization", "micro credit commercialization" (Bateman, 2010; Mader, 2011)

Institutional legitimacy

- **Formal, informal** or **non-formal** (or a **hybrid of either**)



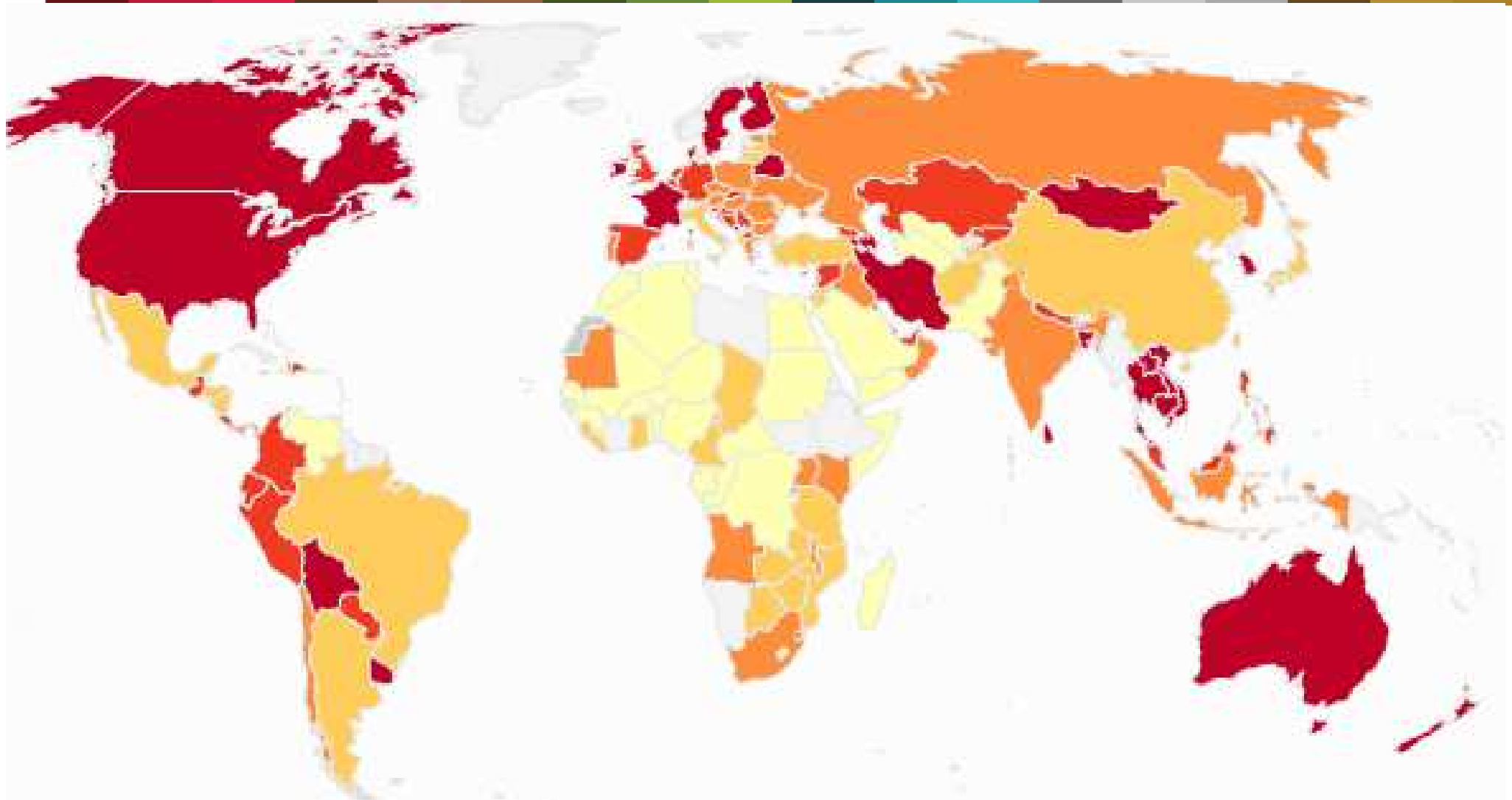
Formal savings (%), 2011



no data 0 - 4.80 4.80 - 9.90 9.90 - 16.6 16.6 - 30.8 30.8 - 63.6



Formal loans (%), 2011





FINISH (**F**inancial **I**Nclusion **I**mproves **S**anitation & **H**ealth)

Multi-sector and **multi-actor** partnership

Public health, water, sanitation/hygiene and waste management

Private sector (asset investment companies, MFIs), **public sector** (ministries, universities), **civil society organizations** (NGOs) & **communities/households**.

Managed by **FINISH Society** (registered under Societies Act 1860)

Present activities

India

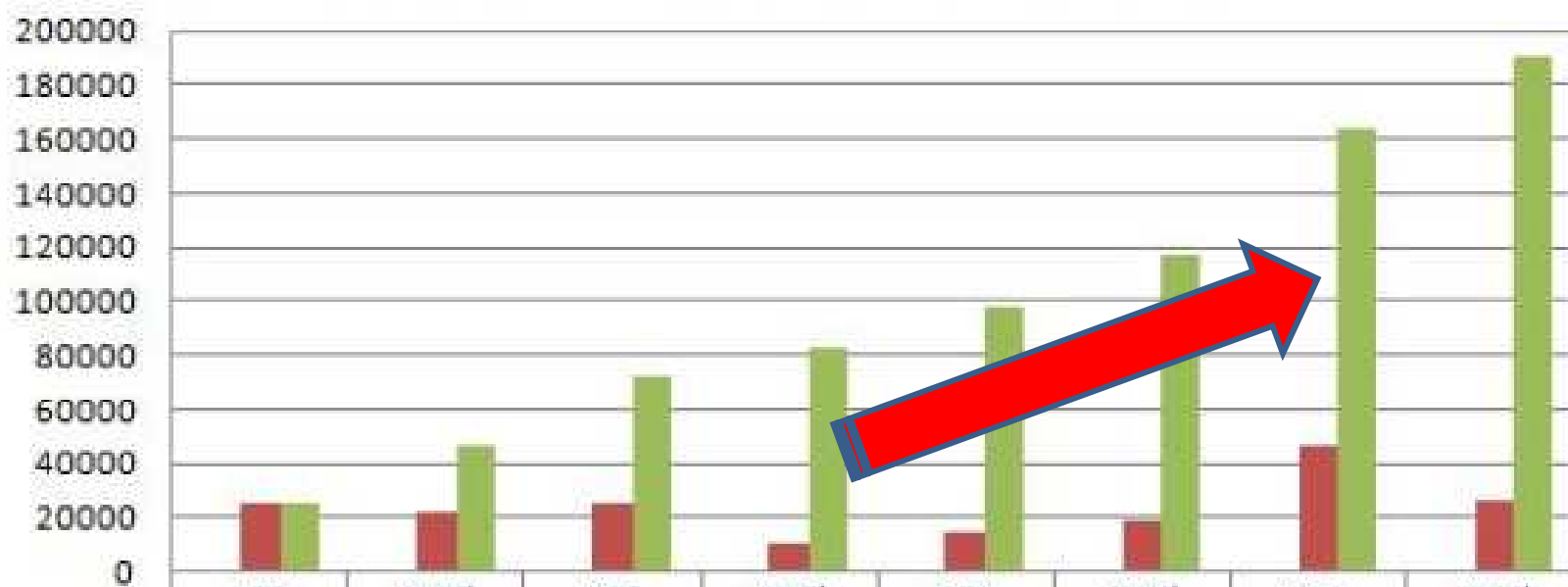
Kenya



FINISH Project Performance

Number of Sanitation Systems

Performance report since Oct 2009-June 2013



	Oct 2009- March 2010	April 2010- Sept 2010	Oct 2010- March 2011	April 2011- Sept 2011	Oct 2011- March 2012	April 2012- Sept 2012	Oct 2012- March 2013	April 2013- June 2013
Number of Partners	5	7	7	7	14	35	50	58
Achievement in the period	24,989	21,653	25,622	10,774	14,463	19,179	47,081	26,238
Cummulative Achievement	24,989	46,642	72,264	83,038	97,501	1,16,680	1,63,761	1,89,999



Nexus Sustainability?

..depend on how:

Effective unity in diversity

(technical language,
institutional & governance
structures, etc)



Created & sustained

Collaborative intent & co- evolution

(financial
commitments, other
commitments, identity, power,
trust, transparency, property
rights, etc issues)



Defined & Sustained



Nexus Sustainability?

Uncertainty or dynamic shocks (exogenous or endogenous to participating organizations, sectors or communities)



Anticipated & addressed

Optimal incentives for all stakeholders (informational, market oriented, state support, etc)



Designed & sustained



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For further information:



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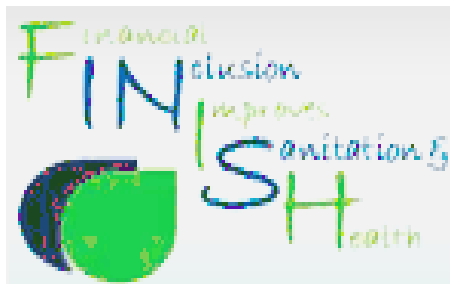
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