



PHOTOS: PADF

FINANCING CLIMATE RESILIENT SANITATION SYSTEMS AND SERVICES

MAY 2024

OVERVIEW

Currently, over one-third of Haitians lack access to basic sanitation with a similar percentage admitting to open defecation. The United States Agency for International Development (USAID) Financing Climate Resilient Sanitation Systems (SANIFIN) program aims to enhance access to safe and climate-resilient sanitation services in Haiti using demand-driven advisory services, blended finance, and a pay-for-performance mechanism. The project aims to improve sanitation access for 85,000 Haitians within a five-year period while stimulating \$5 million in additional financing. The SANIFIN approach has been co-designed with key stakeholders and engages the participation of Government of Haiti (GOH) entities, municipal governments, micro and small businesses, civil society organizations, and other public and private sector institutions. This initiative builds on successful experiences with micro-, small-, and medium-sized enterprises (MSMEs) in Haiti and is led by the Pan American Development Foundation (PADF).

GOALS

Through its demand-driven and innovative financing approach, SANIFIN strives to unlock financial and non-financial (in-kind, technical assistance) investments throughout the sanitation value chain. SANIFIN's primary objective is to ensure that 85,000 Haitians receive improved sanitation services, transitioning from existing basic or limited services to higher tier improved options. This goal addresses the urgent need to improve affordable, climate-resilient sanitation. SANIFIN's approach includes:

- **Blended Finance:** Utilize demand-driven technical advisory services and strategic funding to reduce the risk for investors and attract additional investment in the sanitation sector.
- **Pay-for-Performance Mechanisms:** Scale-up promising pilot interventions for effective sanitation services.
- **Innovation and Diaspora Expertise:** Use financial technology and digital business models, as well as diaspora expertise and remittances, to enhance and make services more sustainable.

Objective 1: Strengthen management and financial viability of Sanitation Service Providers (SSPs) through targeted advisory services and improve their ability to access market capital. In addition, SANIFIN will provide support to the Haiti Regional Offices for Drinking Water and Sanitation (OREPAS) in the management of fecal sludge management (FSM) facilities to increase partnerships with SSPs for safe processing of waste.

Objective 2: Facilitate partnerships and models for affordable, climate-resilient sanitation systems and services that Haitians need to access affordable, climate-resilient products. SANIFIN will use pay-for-performance grants and blended financing, as well as access to qualified advisory services to promote innovation in the sector, and increase the capacity and access of MSMEs to the sanitation value chain.

Objective 3: Financial service providers (FSPs) need increased knowledge of the sanitation sector to increase their willingness to invest. Advisory services and blended finance tools will help de-risk the sector for FSPs and promote greater use of credit products by enterprises in the sanitation sector. SANIFIN will also provide pathways for access to capital for low-income households seeking to invest in safer sanitation options.

Gender and Inclusion

SANIFIN aims to incorporate gender equality and female empowerment throughout planning and implementation. The project will promote women’s leadership in sanitation SSPs, access to sanitation for women and women-led households, and the development of gender-responsive sanitation products.

Climate Resilience

SANIFIN will support climate-resilient sanitation solutions through financial incentives, train SSPs to identify service outages caused by climate-related events, and partner with Haiti’s General Directorate for Civil Protection to integrate safe sanitation management into disaster risk management.

ANTICIPATED RESULTS

- **People served:** 85,000 people will receive improved sanitation service quality.
- **Increased capacity:** SANIFIN will provide 25 SSPs with improved management capacity and train 50 SSPs in data-driven business decision-making.
- **Funding mobilized:** \$5,000,000 in new funding will be mobilized to the water and sanitation sectors and \$3,000,000 in non-financial investments.

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Project duration: June 2023 – June 2028

Zones of intervention: Resilience focus zones in Central Plateau, North, Northeast, and South; Croix des Bouquets; and Artibonite.

Target beneficiaries: 85,000 people, as well as sanitation service providers, financial service providers, and OREPA.

Partners & Collaborators: HaitiPay, Haiti’s Entrepreneurship and Leadership Center, University of Haiti Limonade, Haitian Diaspora Groups (Haiti Renewal Alliance, the National Alliance for the Advancement of Haitian Professionals, Edem Foundation), Financial Institutions, Village Savings and Loans Associations, and Business Advisory Service Providers.