



September 2013

Water Financing Partnership Facility (Contribution to the Trust Fund Component)

Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
DMC	–	developing member country
WFPF	–	Water Financing Partnership Facility

NOTE

In this report, “\$” refers to US dollars.

Vice-President	L. Venkatachalam, Private Sector and Cofinancing Operations
Head	C. Gregory, Office of Cofinancing Operations (OCO)
Directors	S. Gupta, OCO G. Kim, Regional and Sustainable Development Department (RSDD) A. Leung, Southeast Asia Department
Team leader	K. Shin, Principal Financing Partnerships Specialist, OCO
Team members	J. Fantilanan, Financing Partnerships Assistant, OCO J. Herradura, Financing Partnerships Officer, OCO H. Hong, Senior Financing Partnerships Specialist, OCO J. Huang, Senior Urban Development Specialist, RSDD S. Kawazu, Senior Counsel, Office of the General Counsel K. Mercado, Senior Audit Officer, Office of the Auditor General A. Okamura, Principal Financial Control Specialist, Controller’s Department D. Perez, Associate Integrity Officer, Office of Anticorruption and Integrity C. Rhor, Senior Procurement Specialist, Operations Services and Financial Management Department L. Shen, Senior Urban Development Specialist, Central and West Asia Department

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

1. On 29 November 2006, the Board of the Asian Development Bank (ADB) approved the establishment of the Water Financing Partnership Facility (WFPF). The objective of the WFPF is to provide additional financial and knowledge resources from development partners for the implementation of ADB's water financing program to help achieve the targeted outcomes.¹

2. Currently, the WFPF consists of two trust funds: (i) the Multidonor Trust Fund (with contributions from Australia, Austria, Norway, Spain, and Switzerland), and (ii) the Netherlands Trust Fund.

3. On 25 July 2013, the Bill & Melinda Gates Foundation (the Foundation) signed a Channel Financing Agreement with ADB to contribute \$15 million through a Sanitation Financing Partnership Trust Fund (the Fund) under the trust fund component of the WFPF.

4. The Fund aims to support identification, testing, and pilot implementation of innovative sanitation solutions—new policies, business models, and technologies—to increase support for non-networked (non-sewered) sanitation and septage management in ADB's developing member countries.

5. The Fund resources will be used to support projects whose focus will include: (i) piloting innovative and improved sanitation technologies and septage management systems; (ii) supporting innovations in ADB sanitation projects for septage management, non-networked and decentralized sanitation and wastewater management projects; (iii) formulating policies, regulations, and business innovations to create enabling environments for improved quality and coverage of septage management; and (iv) promoting new service delivery mechanisms and innovative financing models for sanitation systems, including maintenance and upgrades.

6. The recipients of the Fund proceeds will be the governments of ADB's DMCs. All DMCs will be eligible for support from the Fund for projects and activities prioritized under ADB's Water Financing Program. First priority will be given to Bangladesh and India. Second priority countries are Indonesia, Philippines and Viet Nam. Other countries may be considered based on need, in consultation with the Foundation.

7. The terms and conditions of the Fund are in accordance with the WFPF Board paper.²

¹ 500 million people supplied with safe drinking water and better sanitation; 95 million people with more efficient and productive irrigation and drainage services; 170 million people with reduced risk of flooding; and integrated water resources management introduced in 30 river basins.

² Consistent with the WFPF Board paper, the Fund supports sanitation, which is a key investment area under the Water Financing Program. The Fund substantially complies with the implementation arrangements, fund management, approval of projects, procurement, disbursement, and other clauses in the WFPF Board paper.