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UN 2023 Water Conference Side Event

***Catalysing the Circular Sanitation Economy to deliver on SDG Target 6.2:
Partnering with countries to achieve climate resilience, gender equity and
water security through innovative financing in sanitation***

Friday 24 March 2023, 11:00 a.m.-12:15 p.m. Room 5

Organised by: Federal Republic of Nigeria, World Toilet
Organization (WTO) and the UN's Sanitation and Hygiene Fund (SHF)

Background on the event

Bringing together experts from governments, the private sector and the UN, the joint Side Event-Catalysing the Circular Sanitation Economy to deliver on SDG Target 6.2: Partnering with countries to achieve climate resilience, gender equity and water security through innovative financing in sanitation- showcased how countries and the global community can accelerate progress towards SDG target 6.2 through a sharp focus on innovative financing, cross-sectoral and gender-inclusive partnerships, and scalability of local solutions.

Sanitation, hygiene and menstrual health and hygiene (MHH) products and services provide economic value and livelihood opportunities for individuals and the wider economy, with long-term health, educational, environmental and equity returns. Investment in the sanitation economy, from both public and private sectors, has the potential to revolutionize how people receive and value sanitation, hygiene and MHH.

New estimates released, for the first time, ahead of the session, revealed the estimated economic value of these sectors and immense opportunities they represent towards progressing universal access. Through the interventions, and in line with SHF's work on the ground, the session demonstrated the potential of the sanitation economy and menstrual hygiene marketplace and how they can be drivers for economic growth, attracting investments and closing the sanitation, hygiene and MHH gaps.

Water Action Agenda

As the UN 2023 Water Conference defines a water roadmap and advances the water agenda, the sanitation economy approach must become a pillar for both the development and finance sectors keen to see both financial and social impact.

This was the focus of our event and the [commitment to the Water Action Agenda made by the UN's Sanitation and Hygiene Fund \(SHF\)](#). It is also one of the [commitments made by the Swiss Confederation](#).

Key Issues discussed

Progress on SDG target 6.2 is woefully lagging: achieving the 2030 SDG target requires a 20x increase in rates of progress for safely managed sanitation services and a 42x increase for basic hygiene services.

It is time for a radical shift in how sanitation, hygiene and menstrual health are not only viewed but also invested in. They are in fact sustainable business opportunities that can be tailored and scaled up within communities to provide those in need with sustainable, viable off-grid solutions for their basic human rights and needs related to sanitation, hygiene and menstrual health.

Sanitation Economies in five African countries alone could be worth almost US\$ 22 billion by 2030. This estimate is approximately \$14.2 billion for Nigeria) unlocking economic growth, livelihoods and returns as well as social impacts for people, especially women and girls, and the planet. Women and girls are disproportionately affected by lack of access to sanitation which impacts their health and well-being, economic and social empowerment and threatens full realisation of their rights. We need collective action and concerted investments directed through an appropriate enabling environment to address these challenges.

Work needs to be done at different levels, from overcoming prejudice and to increasing finance to support developing countries. In a post pandemic world, closing the gap in access to sanitation services will require us to do much more with much less and that's why we need public and private collaboration, including to ensure we build an enabling environment, from regulatory reform to investment.

Key recommendations for action (5 - 6 bullet points)

To address the sanitation challenge, public financing will not be enough so we need to leverage private money with public funds. we need to find different solutions rather than rely on government budgets and we can do so through financial innovations and connecting with indigenous communities, SMEs, local business solutions. And we need political will, partners and most of all, a focus on women and girls.

The Sanitation Economy provides a sustainable and complementary solution, monetizing toilet provision, products and services, biological resources, health data and information, to provide benefits across business and society including for vital economic and social empowerment for women. We have an opportunity for a new paradigm of development finance to create climate resilient, gender centric economic growth and development through innovative financing. There is huge gap between the real risk and the perception of risk so if we have the opportunities, we can attract the investment using blended finance instruments (as per the SHF business model and ongoing work on enabling environment and building of an investable pipeline in Nigeria) to de-risk and overcome the initial hesitation.

The priority tracks under the SDG Stimulus speak to the need for increased investment for social protection and resilient infrastructure to which sanitation, hygiene and menstrual health are intricately linked. We need a feminist and human rights approach to the global sanitation and hygiene crisis.