

2024 FMM



LATIN AMERICA  
AND THE CARIBBEAN

# FINANCE MINISTERS' MEETING

REPORT | 19 APR 2024



## BACKGROUND

**The Sanitation and Water for All partnership (SWA) has been convening regular High-level Meetings of ministers and other high-level representatives since 2010, fostering an ongoing high-level political dialogue. This dialogue is especially important for governments, as they increasingly understand that transforming access to water, sanitation, and hygiene services leads to other potentially nation-changing benefits: stronger economies, alleviated pressure on health systems, and populations who are better protected against public health and climate-related crises.**

To achieve water and sanitation for all by the year 2030, Latin America and the Caribbean will need to mobilize an additional \$372 billion over the next five years, according to the Inter-American Development Bank (IDB). That may seem like a hefty sum, but it requires an annual investment of less than 1.3% of the continent's current GDP. It is also less than the billions of dollars that the region is losing every year to water scarcity and climate disasters.

Finance ministers have been hesitant to invest in water and sanitation, seeing these services as a drain on public budgets. However, these services are absolutely essential – not only because they are human rights, but also because they are critical for addressing climate change and achieving other development objectives.

### **Latin America and the Caribbean is a region of contradictions:**

- Water rich, with people who are water poor
- Middle income, yet with limited budget availability
- Where there is budget, there is often limited capacity to implement
- Strong focus on improving water quality – ‘the blue agenda’ – without corresponding attention to ensuring safe sanitation – ‘the brown agenda’

**Climate change could cost Latin America nearly a fifth of its GDP by the end of the century without new policies to curb its impact, according to a Moody's Analytics report.**



Photo Credit: © UNICEF/UN0776007/Gonzalez

**But this is not just a future threat. Damage caused by climate change has already severely hampered economic growth in the Caribbean: The World Bank estimates that since 1980, the total cost of disasters in 14 Caribbean countries has exceeded half of their annual economic output.** And there are current, serious threats to access to water in many countries of the region. Day zero in Mexico City, when the taps will have run dry for large parts of the population, is reportedly imminent. Uruguay suffered one of its worst droughts in the past century, with severe impacts on availability of water for human consumption, sanitation services and agriculture, and subsequent effects on economic growth. Water rationing measures were introduced in Bogota, Colombia, in April 2024, for the first time in recent history, as a result of less than average rainfall, and reservoirs were at historic low levels. In May 2024, Brazil was hit with catastrophic floods in Rio Grande do Sul, with a death count over 100, severely affecting water supply to the area and causing significant civil strife.

It is against this urgent regional backdrop that SWA convened finance and other ministers from Latin America and the Caribbean in Washington D.C., for the latest in its current round of regional Finance Ministers' Meetings (FMMs). The meeting was an invaluable opportunity to collectively share and strategize on how to mobilize resources to address the growing threats to water and sanitation security for communities across the region.





# THE 2023 LATIN AMERICA AND THE CARIBBEAN FINANCE MINISTERS' MEETING

The Latin America and the Caribbean Finance Ministers' Meeting (FMM) was held on 19 April 2024. It was hosted by the Inter-American Development Bank (IDB) and co-convened by the SWA partnership and UNICEF. The meeting focused on how finance ministers can enhance access to water and sanitation in their countries. Ministers explored the immense economic and societal benefits that come from improving and expanding water, sanitation, and hygiene services through powerful collaborations with other government and development partners. They also underscored how strategic investments in this sector can dramatically enhance their countries' climate resilience.

**The event convened more than 100 participants including 15 ministers from across the region. It also included senior leadership and organization heads from the IDB, UNICEF, the World Health Organization (WHO), government development agencies from France (AFD) and Spain (AECID), World Bank, and Development Bank of Latin America and the Caribbean (CAF). All of SWA's six constituencies, as well as a youth representative, also participated in the meeting.**

Immediately following the Finance Ministers' Meeting, SWA and UNICEF convened a **Sector Ministers' Dialogue**. The event gathered ministers responsible for water, sanitation and hygiene in their respective countries, together with high-level sector experts. The agenda echoed the themes of the finance meeting, but focused on the priorities and mandates of sector ministers. Alongside the Finance Ministers' Meeting, the Sector Ministers' Dialogue promoted the development of national financing strategies and public policies, presenting solutions to accelerate the achievement of universal access to water and sanitation. It also contributed to the strong political momentum building in Latin America and the Caribbean for the sector, including the follow-up and tracking of national commitments through LatinoSan,

as well as preparing for the 10<sup>th</sup> World Water Forum, where high-level political engagement for sustainable water policy is a core part of the agenda. The Sector Ministers' Dialogue served as a stepping stone towards the SWA global Sector Ministers' Meeting, which is scheduled for 2025 – and concluded with the endorsement of a **Ministerial Declaration**.

The timely discussions prompted participants to stress the urgent need for sustainable and climate-resilient policies. Both meetings stressed political will as the key to unlocking progress, and to strengthening and delivering on strategic regional and global processes. Conversations were framed by inspiring examples of countries that are achieving their development and climate objectives through improving water and sanitation services. Countries' experiences demonstrated how investing in water and sanitation increases economic growth, tax revenues, and investor confidence, as well as creating jobs, decreasing social and healthcare costs – and promoting political stability.

Relevant global and regional strategic processes were also crucial in framing discussions. These processes include regional contributions from the Americas for the 10<sup>th</sup> World Water Forum, coordinated by the IDB, as well as the Finance in Common 2023 Summit, which took place in Cartagena de las Indias, Colombia, in August 2023. They also include specific collaborative efforts, including how to coordinate finance-strengthening efforts with the World Bank to benefit the region. The meeting also integrated work towards SWA's recently launched Heads of State Initiatives, being developed and delivered in partnership with UNICEF, IRC, and the Government of the Netherlands (DGIS).



**The Finance Ministers' Meeting was an important opportunity to align strategic efforts and to draw on ministerial and high-level expertise of the sector. Critical issues at the core of discussions included how to address continued inequalities, how to foster stronger partnerships among ministers, how to increase focus on areas where efficiency gains can be made, and how to develop collaborative efforts to close finance gaps.**

This report presents highlights from the meeting, as well as from the processes that supported it, arranged around these key themes. The report concludes by outlining next steps and follow-up actions, as we head towards the critical last five years of the **Sustainable Development Goals era**.



**The Finance Ministers' Meeting for Latin America and the Caribbean used three core sessions to focus the dialogue. The session topics and headline speakers were:**

### **ACHIEVING EQUALITY THROUGH JUST FINANCING:**

**Mr. Rémy Rioux**, Chief Executive Officer, French Development Agency (AFD)  
**Hon. Ryan R. Straughn**, Minister of Finance and Economic Affairs, Barbados  
**H.E. Mr. Luis Madera**, Vice Minister of Planning and Public Investment, Dominican Republic

### **ADDRESSING CLIMATE AND FISCAL RISK:**

**H.E. Mr. Nogui Ramón Acosta Jaén**, Minister of Finance, Costa Rica  
**H.E. Mr. Carlos Fernández Valdovinos**, Minister of Finance, Paraguay

### **PARTNERING FOR FINANCING A RESILIENT FUTURE:**

**Mr. Christian Asinelli**, Corporate Vice President, Development Bank of Latin America and the Caribbean (CAF)  
**H.E. Mr. Daniel Barco Rondán**, Vice Minister of Economy, Peru  
**H.E. Mr. Marlon Ochoa Martinez**, Secretary of Finance, Honduras



# INSPIRING WORDS



“ I urge you to see investments in water and sanitation not as an expense but as the most prudent and purposeful investments you can make for your people, your economy, and your planet.

H.E. Ms. Laura Chinchilla, SWA Global Leader and former President of Costa Rica



“ The economy of Latin America and the Caribbean depends on water. For this reason, although there has been progress, we need to triple financing in this sector, we need to invest more and better.

IDB President Mr. Ilan Goldfajn



“ More than 1,000 children under the age of five die every day in the world due to inadequate water services. Water, sanitation, and hygiene services must be a priority for governments.

UNICEF Executive Director Ms. Catherine Russell



“ We need accountability and better data, to track financial flows to ensure our investments deliver the best return on investment

Dr. Tedros Adhanom Gebreyesus, Director General, World Health Organization



“ We have plenty of water in the region, but a quarter of its population does not have safe access to it.

Mr. Carlos Felipe Jaramillo, Vice President for Latin America and the Caribbean, World Bank



“ Finance ministers have been reluctant to invest in water and sanitation, considering these services a burden on public budgets. However, these services are essential not only as human rights, but also to address climate change and achieve development goals.

Ms. Catarina de Albuquerque, CEO, Sanitation and Water for All

# COMMUNICATIONS

The **Finance Ministers' Meeting** was promoted in top tier media outlets throughout the region. Agencia EFE, the largest Spanish newswire globally, conducted interviews with finance ministers from **Honduras, Paraguay and the Dominican Republic**. This content, along with a press release, was disseminated to hundreds of outlets in the Spanish-speaking world. Additionally, SWA published an OpEd which included key messages from the Finance Ministers' Meeting and highlighted the critical need to prioritize water and sanitation to mitigate climate costs. It was published in top tier media outlets in 9 countries, reaching over 4 million readers:



**O GLOBO**  
in Brazil



**LA NACION**  
in Argentina



**EL UNIVERSAL**  
in Mexico



**EL TIEMPO**  
in Colombia



**EL OBSERVADOR**  
in Uruguay



**DIARIO GESTION**  
in Peru



**LA TERCERA**  
in Chile



**LA PRENSA**  
in El Salvador



**HOY**  
in Dominican Republic





# KEY THEME

## Eliminating inequalities must be central

The human rights to water and sanitation, including the elimination of inequalities in access, were a dominant feature of the discussions at the Finance Ministers' Meeting. Several speakers reiterated the irony that although the region may be considered 'water rich', with one speaker explaining that it holds the world's second largest water endowment, too many people are 'water poor.'

### THE NUMBERS TELL AN IMPORTANT STORY - ACROSS THE LATIN AMERICA AND THE CARIBBEAN REGION:

- Around 164 million people – about one in four – lack safe drinking water at home.
- 336 million people – about half of the region's population – do not have safely managed sanitation.
- 7.5 million people still defecate in the open.

Speakers pointed out that although many countries in the region are considered 'middle income,' these numbers reflect a reality that efforts to eliminate inequalities must continue, if all people in the region are to thrive, or even survive.

Indeed, ministers recognized that the health consequences of these inequalities are substantial – 50,000 deaths a year in Latin America are due to diseases caused by inadequate water and sanitation. For children especially, their health and growth depend on quality access to water and sanitation. Several ministers also reflected on the importance of water and sanitation for achieving gender equality. As in many regions of the world, it is usually women who undertake the task of collecting water when it is unavailable in their home, and it is predominantly women who take care of other household and community members when they become ill due to contaminated water, and poor sanitation. This work is not only unpaid labor, but it also prevents women from effectively participating in the formal workforce, with knock-on effects for their own economic power, as well as the economic flourishing of their communities.

Addressing these inequalities requires more than just extending infrastructure to unserved and underserved communities – though this is vital, and several ministers explained how they are achieving this, particularly in rural and peri-urban areas. According to one minister, they are working “...to introduce some climate-resilient measures for low-income housing, [to] allow for not just rainwater harvesting, but to ensure that the water storage and the devices that are required [for effective] water management will be part of an urban regeneration programme. [This is] fundamentally important to ensure that those who are most exposed [have access], unlocking resources directly there, whilst the state deals with the larger infrastructure.”



**It is equally critical to bring excluded and marginalized voices, including youth, into decision-making processes. Participants pointed out that with these perspectives actively incorporated into government policies and programmes, more sustainable results will be achieved.**

Finance ministers have a critical role to play in ensuring that resources flow towards the elimination of inequalities. In treating water and sanitation as an essential public good, finance ministers can prioritize access for all people and communities without discrimination. They also have the power to advocate with other leaders and partners to sustain this prioritization, and achieve true impact in improving access.



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*Access to water is extremely unequal and perpetuates existing inequalities.*

## INTERVIEW WITH H.E. Mr. MARLON OCHOA MARTINEZ, Secretary of Finance, Honduras:

In a conversation with journalists from Agencia EFE following the meeting, H.E. Mr. Marlon Ochoa Martinez, Secretary of Finance in Honduras highlighted the stark disparities in water access within the capital city of Tegucigalpa. “Access to water is extremely unequal and perpetuates existing inequalities,” the minister stated. Central city residents benefit from inexpensive piped water, whereas those living on the city’s periphery rely on standpipes and must purchase and collect water in barrels or bottles, further exacerbating urban inequalities.

To address this, substantial investments are being made to extend the water distribution network to peri-urban areas. The minister emphasized the need for a holistic approach, noting that “investment in drinking water and sanitation by itself is not enough.” Reorganizing the sector is also crucial. A newly established water authority now has the mandate to regulate all operators in the sector.

Honduras faces a challenge with an estimated 17,000 water boards, with authorities having information on less than half. The minister stressed the importance of sector regulation and coordination, stating, “The new water authority is being developed to acquire the necessary competence and technical capacity to ensure that there is a harmonious relationship between all the actors in the supply and distribution chain.” This comprehensive strategy aims to create a more equitable and efficient water distribution system across Honduras.



# Eliminating inequalities:

## Key insights from the Latin America and the Caribbean FMM

### **The elimination of inequalities must be paramount:**

The discussions emphasized the imperative of placing the elimination of inequalities at the forefront of our efforts regarding water and sanitation. This includes recognizing the disparity between the region's water abundance and the prevalence of water poverty among its communities.

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### **The urgency to act cannot be overstated:**

Millions lack safe drinking water and sanitation in Latin America and the Caribbean. Speakers noted that these inequalities persist despite the region's middle-income status, and in the context of worsening climate change – indicating that bold political leadership, as well as fundamental policy and finance shifts are required.



### **Poor services impact health and gender equality:**

Conversations highlighted the substantial health consequences of inadequate water and sanitation, particularly for children, and the additional cost this imposes on the state in healthcare and lost economic opportunity. Moreover, they highlighted the gendered nature of water and sanitation responsibilities, stressing the importance of addressing these inequalities for achieving gender equality and women's economic empowerment.

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### **Inclusive approaches are essential and must be increased:**

Addressing inequalities requires more than just infrastructure expansion; speakers stressed that it necessitates the inclusion of marginalized voices, including youth, in decision-making processes. Incorporating diverse perspectives into policies and programmes is crucial for achieving sustainable results.

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### **Finance ministers play a critical role:**

They are pivotal actors in ensuring resources are directed towards eliminating inequalities. By treating water and sanitation as essential public goods and advocating for prioritized access, they can be the key that unlocks improved access to water, sanitation and hygiene services for all communities.



## KEY THEME

### Limited fiscal space and climate change: realities we must contend with

During the meeting, finance ministers acknowledged the limited fiscal space in which they operate, and recognized that this has impacts on financing of essential services, which is exacerbated by mounting costs caused by climate change. The impact of the COVID-19 pandemic on economies in the region is still being felt. Some speakers observed that this is impacting the ability of finance ministries to effect positive change, and they are too often focused purely on increasing overall available resources, with less attention to the quality of public investments. This reality is combined with the fact that the region is highly indebted, with one estimate indicating that general government debt stands at 77% of GDP.

The **Bridgetown Initiative** to reform the global financial architecture was highlighted as an important effort to help liberate countries in the region from unsustainable debt, and create a more favorable environment for smart investments.

#### THERE WAS CLEAR AGREEMENT THAT INVESTING IN WATER AND SANITATION UNLOCKS BENEFITS IN MANY OTHER DOMAINS:

- “the arteries that make development possible”
- “the most effective way to prevent infection, save lives, and save money”
- strong water management, especially within reality of increasing water scarcity, is indispensable for food security and climate resilience.

In creating enhanced fiscal space for these investments, attention is therefore needed not only to increase the funding available, but to ensure smart spending that delivers on these multitude of benefits. One minister highlighted that in evaluating the fiscal space, attention must be paid to how water is valued – “We are not attaching the right value to water and we need to change that. We’re used to only charging for the cost of carrying water, of delivering it, but we’re not attaching a cost to its scarcity as a natural resource.”

Ministers offered examples of how they are achieving these objectives, for instance through 'debt for climate' swaps, which will be used to improve sewerage infrastructure, encourage water re-use, and protect essential marine environments. The emphasis on the full water cycle, engaging with what speakers referred to as the 'blue' and 'brown' agendas, was deemed an essential action in the face of climate change, which is having serious impacts on overall water availability. Several speakers also highlighted the importance of addressing agricultural practices, particularly irrigation, as water becomes increasingly scarce as a result of climate change. In this regard, water policy must ensure that overall water availability is better protected, taking account of all water users and potential efficiencies to be realized.



**The effects of climate change are not only impacting the health of our planet. There are also serious economic consequences, which require decision makers to ensure investments in water and sanitation are climate-resilient in order to be sustainable.**

The drought in Uruguay last year, for example, cost about US\$4 billion in damage to the country's economy. Economies in the region are also affected by climate migration, as people leave their homes in search of better livelihoods and more sustainable access to services. One speaker remarked that in Central America, water scarcity could drive 17 million people to migrate by 2050.

In short, achieving universal access to water and sanitation will require significant resources – SDG6 is the second most capital-intensive SDG behind only energy. However, despite the scale of investment needed, it is an investment that reaps multiple rewards – for economies, for health systems, for livelihoods – for human rights. There are many good examples of initiatives to put resources to use in smart and effective ways, appreciating the interconnectedness of water across sectors.





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*Many times, as politicians say, since sewers are underground, there is not much interest because there is ‘no ribbon to cut.’ But it has an enormous impact on our countries.*

## **INTERVIEW WITH H.E. Mr. CARLOS FERNÁNDEZ VALDOVINOS, Minister of Finance, Paraguay:**

In a conversation with Agencia EFE following the meeting, H.E. Mr. Carlos Fernández Valdovinos, Minister of Finance, Paraguay discussed the challenges and efforts related to water services in the country. The minister noted that “there is often low coverage provided by the state company,” leading to reliance on community enterprises and small private operators for drinking water services. To support these operators, the minister suggested exploring financing options from multilateral organizations. This support could enable them to expand sewerage services, including the complex task of treatment.

Paraguay is making significant strides to address these issues, with the minister highlighting the country’s dedication to securing the necessary fiscal space for these investments. “These investments are costly and long-term,” the minister stated, underscoring the immense effort being made to improve water and sewerage services across Paraguay.

# Addressing fiscal and climate risks: Key insights from the Latin America and the Caribbean FMM



## **Fiscal priorities need a rethink:**

Finance ministers acknowledged the constraints posed by limited fiscal space and the imperative to balance financial stability with sustainable investments. The COVID-19 pandemic has further compounded these challenges. A re-evaluation of fiscal priorities towards longer-term benefits is required – ensuring that public expenditures are seen as investments with future impacts – and not simply as short-term costs.

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## **Global financial reforms are required:**

Discussions highlighted strong collective support for reform of the global financial architecture. By addressing unsustainable debt burdens, countries in the region can create an enabling environment for strategic investments, thereby unlocking new opportunities for economic growth and development.

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## **Water and sanitation are development catalysts:**

Investing in water and sanitation infrastructure was recognized as a catalyst for development across multiple sectors. Ministers emphasized the integral role of water management in fostering food security, climate resilience, and public health. There is a critical need for collaborative, truly holistic approaches – water and sanitation investments can yield diverse societal benefits.

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## **Invest innovatively and immediately for climate resilience:**

Spending on climate resilience for water and sanitation services cannot be reactive – the sector must be protected now. There is an urgent need for investments that deliver tangible benefits across diverse sectors. Examples such as ‘debt for climate’ swaps illustrate innovative approaches to simultaneously address environmental challenges, enhance infrastructure resilience, and safeguard marine ecosystems. This approach reflects a broader recognition of how environmental, economic, and social factors are all interlinked.

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## **Climate-induced economic risks are huge:**

Climate change poses significant economic risks, as evidenced by the adverse impacts experienced in the region. Decision makers must prioritize climate-resilient investments in water and sanitation to mitigate these risks and ensure long-term sustainability. By doing so, they can safeguard economies from the detrimental effects of climate-related events such as droughts and population displacement.

**Scaling up these ideas and approaches will hinge on effective partnerships ...**



# KEY THEME

## Partnerships are the way forward

The discussions made it clear that working together and in partnership is the most promising way forward. Ministers offered inspiring examples of how they have joined up with key institutions, including multilateral development banks, in order to put in place programmes to address inequalities in access, reach and revitalize communities that have been neglected, and improve quality of water and sanitation while simultaneously protecting the environment.

### **SIGNIFICANT AMOUNTS OF MONEY ARE BEING INVESTED IN THESE EFFORTS:**

- US\$1 billion per year is devoted to water security by the World Bank;
- The Dominican Republic is putting US\$500 million per year into both infrastructure and governance of water and sanitation;
- Peru is planning to spend US\$1.3 billion focused on improving water quality.

These important efforts must be adopted in other countries, expanded and scaled up everywhere. To achieve this in the current reality of limited fiscal space of many countries in the region, then, in the words of one participant, "...we must get creative." Several ministers highlighted how support from the private sector could boost efforts to ensure quality access to climate-resilient water and sanitation. They provided important reflections on the ways in which private sector capital and expertise could support government efforts – including through the sharing of new technologies and the establishment of public-private partnerships.

Ministers pointed out that engagement with the private sector requires an enabling environment, which includes strong regulation, as well as expertise from financial experts in making the sector attractive to private investment. Speakers further pointed to key actors using water as important partners, including to foster dialogue on appropriate pricing for different water uses.

It was equally highlighted that communities are the most effective partners in many instances, as they have often been managing water resources for a long time. Connected to this service delivery model which is common in Latin America, the principle of meaningful participation of communities was equally emphasized. For instance, in explaining how to build political prioritization of water and sanitation, ministers often described how they designed consultation processes in order to work together with communities, to ensure that their needs and perspectives were well-understood.





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*We need more than just more investment – we need a change in culture.*

## INTERVIEW WITH H.E. Mr. LUIS MADERA, Vice Minister for Planning and Public Investment, Dominican Republic:

During the meeting, H.E. Mr. Luis Madera, Vice Minister for Planning and Public Investment of the Dominican Republic sat down with Agencia EFE to discuss the nation's strategic approach to water management. Over the past 10-15 years, the Dominican Republic has formed a number of pacts at the Head of State level which address critical issues requiring broad societal engagement. One such initiative is the 'Water Pact,' aimed at fostering sustainable water use and enhancing the perceived value of water among citizens and businesses.

Mr. Madera emphasized that, “we need more than just more investment – we need a change in culture.” The Water Pact envisions an average annual investment of US\$500 million until 2036 to bridge the infrastructure gap.

To achieve this ambitious goal, the Dominican Republic is employing various tools. “We are currently working with the World Bank on a results management project focused on one of the most important basins – the Yaque del Norte Basin,” said Mr. Madera. In addition to the World Bank, the country has other water programmes, in collaboration with various banks.

Furthermore, the new Law of Public-Private Alliances presents an opportunity to implement projects with private sector involvement. The Law of Trusts serves as another vehicle for financing, along with the traditional model of direct state resource financing. These multi-faceted efforts are geared towards ensuring sustainable and efficient water management across the Dominican Republic.

# Partnerships: Key insights from the Latin America and the Caribbean FMM



## **Collaborative, global financial partnerships boost impact:**

Ministers emphasized that collaborative efforts with key institutions like multilateral development banks can be highly effective, with well-funded, high-impact partnerships that address water and sanitation inequalities and revitalize neglected communities.

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## **Significant financial commitments are needed:**

Substantial investments, such as those outlined above by the World Bank, Barbados, the Dominican Republic, and Peru, are what is needed to ‘move the dial’. Speakers recognized the importance of such major water and sanitation initiatives, but also stressed the need to complement them with innovative approaches and financial partnerships, amid limited fiscal space.

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## **Private sector engagement is a vital piece of the puzzle:**

Ministers emphasized the importance of private sector involvement in complementing public investments in water and sanitation. Creating an enabling environment, including robust regulation and financial expertise, is crucial for attracting private capital and fostering public-private partnerships. Ministers were also keen to explore ways for private investment to support rural service delivery, a key shortfall in many countries of the region, particularly in contexts of decentralized services.

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## **Community participation and community-driven approaches:**

Community engagement is vital and end users are highly effective partners. Ministers highlighted the importance of inclusive consultation processes in building political prioritization of water and sanitation. Engaging with communities ensures not only that their needs and perspectives are understood, facilitating the design of effective and sustainable initiatives, but also sustainable models for operations and maintenance.

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## **Water management is vital and requires collaborative work:**

Discussions underscored the interconnectedness of water management across sectors. Ministers emphasized the need for dialogue on, for example, appropriate pricing for different water uses. They also highlighted the effectiveness of community-driven approaches to water stewardship.

# ABOUT SWA's HIGH-LEVEL MEETINGS

SWA's High-level Meetings are a key element of the partnership's work. They are unique in the sector due to their regular and high-level nature, backed by thorough preparatory and follow-up processes that lead to long-term change at national level. They alternate between Finance Ministers' Meetings and Sector Ministers' Meetings. Both types of High-level Meeting create unparalleled safe spaces for critical dialogue and political action and provide an opportunity for ministers to share their experiences and achievements, discuss their priorities and the challenges their countries have faced.

The FMMs create a space for ministers and experts to agree investment needs for the sector, and how to effectively deliver these services, within a strong regional context. The in-person Finance Ministers' Meetings are dialogues that encourage exchange among peers at the ministerial level, and as such, are held under the Chatham House Rule. This creates opportunities for frank observations and critical reflections which support the sector to take more effective measures for accelerating progress towards universal access to water and sanitation.



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***Who increases or decreases budgets for infrastructure and services? Who decides on taxes and tariffs? These are political decisions, and I believe that when political will is mobilized, the financing follows.***

**Ms. Catarina de Albuquerque,**  
CEO, Sanitation and Water for All

# THE PREPARATORY PROCESS

The Finance Ministers' Meetings are supported by the SWA partnership at both country and global levels. Partners come together through the High-Level Political Dialogue Working Group, in order to advise on the focus of the meeting, suggest potential speakers and case studies, and provide input to key messages for the agenda. This group of partners advising on the preparations included representatives of civil society, multilateral development banks, the private sector, and donors.



Partners at country level are also engaged to ensure that through the participation of the minister, effective momentum is created for diverse stakeholders to contribute to follow up actions. The preparatory process is designed to be efficient and collaborative, with a clear timeline. The process involves high-level dialogues with ministerial teams, technical dialogues between finance and water and sanitation sector actors, and dialogues within SWA constituencies. Ultimately, the objective of the process is to bring actors together, to articulate the major characteristics of the sector and its financing targets and gaps, and to suggest transformative actions that could improve the financing landscape for the water and sanitation. The preparatory process is constructed to produce insights and create space for conversations that benefit the country beyond the day of the meeting itself. And it aims to ensure that existing commitments on finance are honoured, reviewed and updated, and that new commitments can be considered and agreed where they are deemed necessary.

In the case of the Latin America and Caribbean Finance Ministers' Meeting, country-level stakeholders used a Guidance Note produced by the SWA Secretariat in order to articulate a common understanding of the country context and commitments. As a result, seven countries submitted 'Country Briefs' ahead of the meeting. The Country Brief is developed as a briefing tool for ministers participating in the Finance Ministers' Meeting, and aims to foster a better understanding among finance and sector decision makers on the link between the current state of water and sanitation financing and the political prioritization given to the sector.



The document helps both public finance officials and those involved in the water and sanitation sector, particularly within government, to gain a clearer understanding of the sector's financing needs and challenges. It also explores ways to identify specific solutions to address these needs. Numerous other countries are working to develop Country Briefs as part of their follow-up process for the meeting. Country Briefs often include specific commitments, which are tabled under SWA's Mutual Accountability Mechanism (see below), in order for there to be effective follow up and continued momentum.

Preparations were also supported through three informative webinars, to update SWA partners about the Finance Ministers' Meeting, the preparatory process and how they could become involved. The preparatory process also included a total of 61 meetings with country partners, particularly government counterparts. Twenty-seven meetings included active participation by non-government constituencies and key sector stakeholders. In addition, civil society leaders from across Latin America and the Caribbean issued an urgent **Call to Action** for financing water and sanitation ahead of the Finance Ministers' Meeting.

As a result of these efforts, the meeting brought to Washington 9 finance ministers, and 6 sector ministers, as well as the heads of IDB, UNICEF, WHO, and AFD, as well as vice presidents from the World Bank and CAF. Beyond the numbers, the strong preparatory process provided the content for rich discussions to provide inspiration, innovative ideas, and energy to the participants.



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***Investing in sustainable water and sanitation is a quick win. We know what to do and how to do it, and it will bring huge results to communities.***

**Ms. Cecilia Scharp,**  
Director, Water, Sanitation and Hygiene (WASH) and  
Climate, Environment, Energy, and Disaster Risk  
Reduction (CEED) Team, Programme Group, UNICEF

# MUTUAL ACCOUNTABILITY AND FINANCE COMMITMENTS IN THE LATIN AMERICA AND THE CARIBBEAN REGION

SWA High-level Meetings are a crucial occasion for partners to make concrete commitments towards progress in achieving universal access to water and sanitation. The preparatory process for the meetings includes an explicit focus on these commitments, and the SWA Mutual Accountability Mechanism (MAM) is the vehicle for the partnership to record, track progress, and evolve these commitments.

Through seven Country Briefs, submitted by Argentina, Brazil, Costa Rica, El Salvador, Guatemala, Honduras and Paraguay, important commitments focused on increasing resources and improving governance structures were made by SWA partners. They include commitments from the Government of Brazil aimed at increasing public and private investments, through public-private partnerships, in both urban and rural areas, as well as to develop targeted policies to increase investments for traditional communities, helping to reduce inequalities. The Government of Honduras committed to approve a Sector Financing Strategy and a National Water Policy, including a budget increase targeted at remodeling existing and developing new climate-resilient infrastructure. Commitments from the Government of Brazil and from civil society organizations in Peru were also showcased at the Sector Ministers' Dialogue which followed the Finance Ministers' Meeting. Promoting mutual accountability through the submission of commitments registered in the Mutual Accountability Mechanism can help increase finance-related priorities and provide inspiration to others to follow suit.

To date, a total of 39 commitments have been tabled under the Mutual Accountability Mechanism by governments and civil society organizations from eight countries in the region. In 2024, SWA will release the second edition of the Global Report on the Mutual Accountability Mechanism, which will provide more detail on how commitments are being tracked, and most importantly, the impact that they are achieving in 60 countries around the globe.

For more information about the commitments tabled under the **SWA Mutual Accountability Mechanism**, please consult the [SWA website](#).



# NEXT STEPS:

## We will only reach our objective with engaged leadership

Throughout the meeting, a key theme which ran through the discussions was the need for strong leadership to achieve our collective mission of universal access to water and sanitation. Finance ministers were called upon, in their own capacity as leaders, and they were also urged to use their position to be champions and advocates for water and sanitation with other decision makers in their countries, including Heads of State and/or Government.

From President Mia Mottley's leadership with the Bridgetown Initiative, to a National Water Pact in the Dominican Republic, to Brazil's leadership within the G20 to prioritize water and sanitation, representatives at the meeting highlighted the diverse ways that leaders can demonstrate their commitment to delivering on the promise of universal access to water and sanitation, and sustainable development more broadly.

Acknowledging that leaders face a reality of competing priorities, it was recognized that investing water and sanitation enables leaders to achieve multiple key outcomes – better performing economies, improved health systems, adaptation to and mitigation of climate change, communities and individuals able to flourish and contribute towards the continued development of their countries.



The Heads of State Initiatives<sup>1</sup> have been designed specifically to drive this political will, and they are already having an impact at national level in several SWA partner countries. The Initiatives are different for every country and can take various forms – from national compacts to presidential or prime-ministerial decrees, to royal seals of approval for new sector strategies. What they have in common, though, is inspiring political leadership and strong commitments made at the highest level – and that they are backed by coordinated advocacy and technical assistance activities by SWA partners and its Secretariat. The Heads of State Initiatives will be a cornerstone of the SWA partnership's work in the coming months and years: we must engage and persuade those at the very highest levels that universal access to water and sanitation services can change their countries forever – and that it can be achieved, with their support. Engaging ministers of finance is vital when engaging Heads of State, as they oversee national budgets, and provide financial insights critical for decision-making: fiscal policies, resource allocation, and the overall economic implications of supporting a cause or initiative.

<sup>1</sup> The Heads of State Initiatives is a collaboration between SWA, UNICEF, IRC and the Government of the Netherlands.



Partners are encouraged to translate this political will into clear and concrete commitments. The SWA Mutual Accountability Mechanism is one vehicle for all stakeholders to utilize, fostering dialogue and consensus on key priorities and harnessing collective resources towards those objectives. This works together with the Mutual Accountability Mechanism to ensure dedicated follow up. Technical assistance is available from the diverse members of the SWA partnership, including UNICEF, IDB, the World Bank, civil society organizations, the private sector, and research and learning institutions. Working together, the achievement of SDG 6 is within our reach.

Looking forward, there are more opportunities on the horizon for political leaders to show their determination to ensure that water is treated as a priority – and as the precious resource that it is.

**2024:** France and Kazakhstan host the One Water Summit

**2024:** United Nations Summit of the Future in New York in September

**2024:** Azerbaijan host COP29 climate conference

**2025:** LatinoSan in the Dominican Republic

**2025:** Brazil host COP30 climate conference

**2025:** Sanitation and Water for All convenes its next intersectoral Sector Ministers' Meeting.

These are global events with the potential to help sustain momentum at the national level. They can ensure political will is translated into concrete commitments – backed by budgets and implementation. They will rely on developing and sustaining strong partnerships – to agree common goals, and to work collaboratively towards securing the resources and technical capacity to accomplish those goals.

The Latin America and Caribbean Finance Ministers' Meeting represents more than a 90-minute gathering of ministers and other leaders. The process to prepare the discussions, and now the follow-up, hold promise for the accelerated action that we need to achieve the human rights to water and sanitation. The Sanitation and Water for All global partnership, including UNICEF and IDB, stands ready to support. We came together to ensure that the 'tap' of political commitment is turned on – and now, we will work to ensure that it continues to flow.





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