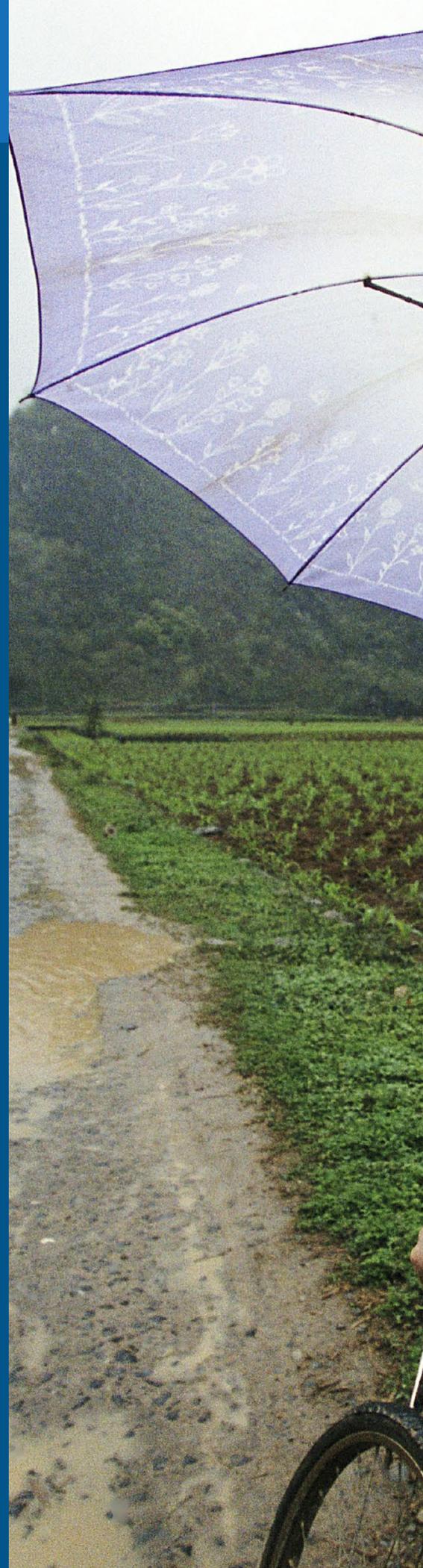




EXECUTIVE SUMMARY

The Global Water Security and Sanitation Partnership (GWSP) continues to advance global knowledge and build the government capacity needed to support the sustainable delivery of water services. The fiscal year running from July 2021 to June 2022 (FY22) presented both unprecedented and complex challenges. The COVID-19 pandemic progressed from a crisis to an ongoing development issue. Meanwhile, new challenges in the forms of inflation and rising interest rates emerged, contributing to an emerging debt crisis and threatening global stability, further jeopardized by the war in Europe. Underlying these economic concerns, the impacts of climate change continued to grow and deepen.





Investing in water and sanitation remains essential for eradicating poverty, addressing the negative impacts of climate change, and building more inclusive and equitable societies. Water is inextricably linked to the global economy and to the changing environment. However, progress toward Sustainable Development Goal 6 and the other water targets of the SDGs is insufficient.

In this context, GWSP's focus on analytics, timely data and information, and effective capacity development is ever more crucial. As the Partnership completes its fifth year, it supports client governments through the generation of innovative global knowledge and the provision of country-level support. GWSP complements and influences World Bank Group financial instruments and promotes global dialogue and advocacy with key partners.

As well as describing the activities of the past fiscal year, this year's annual report describes how GWSP has evolved since its inception, and outlines some of the key lessons learned. GWSP results and impacts are presented through its three business lines—water resources management, water in agriculture, and water supply and sanitation—and highlighting GWSP's five key themes: inclusion, resilience, finance, institutions, and sustainability. The report also includes a special chapter highlighting how GWSP's support is contributing to improvements in global biodiversity, climate change, water sector Public Expenditure Reviews, inclusion, and countries affected by fragility, conflict, and violence (FCV).

SPECIAL FOCUS

Fragility, conflict, and violence disrupt development and pose a significant challenge to efforts to eradicate poverty.

Work by the Water Global Practice (Water GP) in FCV-affected countries has grown significantly since GWSP's inception, and the Partnership now supports active engagement in 33 countries. In many cases, work in countries affected by FCV has started with small but critical analytical work, and expanded to influential and impactful operations. Based on the success of these initial projects, GWSP support has expanded into sanitation, water resources management, and irrigation.

Over the past five years, climate change considerations have become embedded throughout the GWSP portfolio, as reflected in the rising number of projects with climate co-benefits. The Partnership plays a critical role in providing the knowledge and tools to help countries understand climate change drivers and impacts on the water sector, and increasing their ability to monitor, manage, and prepare for variable water flows. In FY22, GWSP continued to play an important role in supporting the integration of climate considerations into client countries' policies and investments, supporting the World Bank's Climate Change Action Plan, and a variety of other tools, including climate and disaster risk screening, climate co-benefits assessments, greenhouse gas accounting analyses, the use of a carbon shadow price in economic analysis, and integration of climate change indicators into projects' results frameworks.

Public Expenditure Reviews (PERs) assess how public funds are spent, how well they are spent, and what funding and financing gaps exist.

GWSP supported the development of a robust methodology and comprehensive approach to implementing PERs in the water sector, covering water supply and sanitation, irrigation, and water resources management. The water PERs revealed that in many developing countries, policy priorities and public fund allocations do not align, and only an average of 72 percent of allocated funds are actually spent due to low execution capacity. The PERs have already informed government policy. For instance, the PER undertaken in the Dominican Republic helped build the government's commitment to reforms for the entire water sector, and as a result, in 2021 the government released a Water Pact, laying out the desired reforms in the water sector from 2021 to 2036.

Since its inception, GWSP has supported social inclusion in water. An emerging lesson is that achieving real change is possible, but is a slow and often nonlinear process, involving the challenging work of changing institutions, shifting social norms, and identifying opportunities to better align incentives to promote inclusion. GWSP's support to social inclusion initially started with a focus on gender, but the program has broadened to develop guidelines and tools that clients can use to reach other marginalized groups, such as persons with disabilities, and effectively engage citizens. For example, with GWSP support, substantive advances have been realized in increasing capacity and impact in efforts to address the gender gap in water sector employment. GWSP's support has advanced the development of water-specific guidance and tools for clients on disability inclusion, and in FY22 almost half of all countries with World Bank water operations included actions on disability.

A young child with dark, curly hair, wearing a yellow mesh vest over a patterned shirt, is focused on filling a white plastic water jug. The child is holding a blue hose connected to a public water tap. In the background, another person wearing a red and black checkered patterned skirt is visible, also interacting with the water tap. The scene is outdoors, likely in a rural or semi-urban area, with a concrete base for the tap and some gravel on the ground.

Fragility, conflict, and violence disrupt development and pose a significant challenge to efforts to eradicate poverty.

GWSP is supporting opportunities to further increase the benefits derived from integrating biodiversity into water sector investments. The use of nature-based solutions has significant potential to increase biodiversity while also adding to resilience, making it an effective way to achieve multiple objectives. In Colombia, a GWSP-supported water diagnostic made recommendations for policies to increase storage capacity by restoring ecosystems such as wetlands and estuaries, and reward efforts by industry and large-scale water users to restore the natural

integrity of waterways and support biodiversity. GWSP is increasingly applying a biodiversity lens to transboundary work, identifying priority actions to support freshwater biodiversity conservation and address the root causes of biodiversity loss in the context of international waters. For instance, with GWSP assistance, technical advice was provided in Cambodia and the Lao People's Democratic Republic on managing transboundary aquatic habitats to restore biodiversity and help boost declining indigenous fish stocks.

GWSP ACTIVITIES IN WATER RESOURCES MANAGEMENT

Since 2017, GWSP has supported activities to address three central needs in water resources management.

These include:

- (1) Accurate data**—and building the capacity to analyze it—to support decision-makers in developing and implementing effective policies and practices
- (2) Cross-sectoral collaboration** to holistically address the many threats to water security
- (3) Water management tools** that are adaptable and transferable.

Groundwater is the principal source of water for drinking, irrigation, and industry in many countries, and vital in sustaining many aquatic and terrestrial ecosystems, but is under increasing pressure due to overexploitation, pollution, and climate change. In FY22 GWSP supported analytical work that highlighted key causes of groundwater contamination and identified strategies for preventing, managing, and responding to threats. In the Horn of Africa, GWSP research and support influenced the design of a transboundary project to foster cooperation with Ethiopia, Kenya, and Somalia to tap into the region's largely underutilized groundwater resources.

GWSP's support in Senegal has evolved from a focus on sanitation to engaging in national water security, and led the government to request support in assessing current water resources management measures and identifying barriers to achieving water security. In Argentina, Colombia, and Peru, water security diagnostics included recommendations on how to enhance water security through improved sector performance and strengthening of the water sector architecture.



GWSP ACTIVITIES SUPPORTING WATER IN AGRICULTURE

Over the past five years, GWSP support to water in agriculture has evolved to address resilience, water security, and environmental sustainability.

It has also involved raising awareness of the role of irrigation in decarbonization and service to farmers, including supporting farmer-led irrigation development. GWSP support has also contributed to the use of disruptive technologies such as remote sensing and water accounting to improve irrigation performance and guide investment decisions.

GWSP supported a web-based water analytics tool and the development of a digital water accounting app that uses remote sensing and ground data analysis to allow users to target the schemes most in need of support to increase efficiency and improve service delivery. In Georgia, for example, the information generated has been highly influential in planning and decision-making for sustainable water irrigation and water storage management.

GWSP has continued to support farmer-led irrigation development, and in FY22 supported a diagnostic in Zimbabwe, which identified constraints farmers face in irrigation, and proposed policy recommendations to increase irrigation efficiency based on feedback from farmer representatives, government agencies, and private sector actors. The Zimbabwean Ministry of Agriculture now considers farmer-led irrigation development to be the most direct and cost-efficient way of accelerating irrigation to contribute to food security, climate resilience, and economic growth in Zimbabwe.





GWSP WATER SUPPLY AND SANITATION ACTIVITIES

Building water and sanitation security is fundamental to green, resilient, and inclusive development. GWSP helps build water and sanitation security by supporting a shift toward establishing the policies, institutions, and regulation needed to tackle the enormous challenges facing the water sector.

GWSP provides knowledge and technical expertise to support utility performance improvement efforts worldwide, helping to build utilities' capacity and letting them benefit from innovation and technology to "leapfrog" to higher levels of maturity. Through the Utility of the Future (UoF) Program, participating utilities are assisted in completing a utility assessment, a 100-day action plan that

tackles the most pressing issues to jumpstart utility reform and obtain quick wins, and a five-year plan to sustain performance. The UoF Program is growing rapidly, and to date has reached over 70 utilities in more than 25 countries.

In Nigeria, GWSP is supporting the implementation of a series of state-level reforms to strengthen the enabling environment and support performance improvement across key elements critical for service quality and sustainability. Technical assistance is also being provided to help the government implement the "Clean Nigeria: Use the Toilet" campaign, designed to achieve an open defecation-free Nigeria by 2025. In Benin, a new rural water supply model has been established with GWSP support, based on professionalized service delivery, private sector innovation, and private finance. GWSP has supported the process of developing and awarding contracts with private water supply system operators, introducing strong incentives for the operators to deliver on expanding access and improving service quality and sustainability. GWSP support in the South Pacific is expanding to address the challenges of climate change and the growing fragility of water resources.



REPORTING ON RESULTS

The GWSP Results Framework tracks how the Partnership helps client countries improve and deliver water services by working to enhance the impact of the World Bank’s water portfolio and achieve measurable results on the ground.

GWSP activities influence project design, strengthen dialogue, and enhance capacity, thereby contributing to outcomes toward sustainable, resilient, and inclusive water management and delivery—and, ultimately, to the overall objective of achieving a water-secure world for all by sustaining water resources, delivering services, and building resilience.

In FY22 GWSP informed \$13 billion in newly reported lending projects, and \$41.9 billion in all lending projects (including previously reported projects). Among the newly influenced lending projects, 13 were linked to 8 countries with fragile and conflict-affected situations (Democratic Republic of Congo, Mali, Mozambique, Niger, Nigeria, Solomon Islands, South Sudan, and Timor-Leste), with commitments of more than \$2.4 billion.

In FY22 nearly half of the lending projects influenced by GWSP sat outside the Water GP, illustrating that GWSP has a wide audience and mandate across the World Bank. For example, GWSP informed approximately \$1.3 billion in the Urban, Disaster Risk Management, Resilience and Land GP’s FY22 lending portfolio, and more than \$1.1 billion in that of the Energy and Extractives GP.

Over the past five years, GWSP technical assistance and analytical work have positively influenced the design of new projects expecting to contribute toward results in water and sanitation, water in agriculture, and water resources management.

In FY22 GWSP supported the following achievements in terms of the design of Water GP projects.



INCLUSION

In FY22, 100 percent of projects were gender tagged, meaning they demonstrated a results chain by linking gender gaps identified in the design phase analysis to specific actions tracked in the Results Framework during implementation. In addition, 88 percent of new projects approved in FY22 (compared to 85 percent in FY21) have other, social inclusion aspects, such as activities that target the poor, vulnerable, or underserved communities or areas. Almost half (46 percent) of the projects in FY22 include actions on disability.



RESILIENCE

One hundred percent of new projects incorporate resilience in the design of water-related activities. Given that the total water lending portfolio almost doubled in FY22, the total financing with climate co-benefits was higher than in FY21 (\$2.2 billion in FY22 compared to \$1.4 billion in FY21).



FINANCING

There was an increase in the percentage of projects that supported reforms/actions improving financial viability (from 69 percent in FY21 to 89 percent in FY22), and projects with explicit focus on leveraging private finance (from 8 percent to 22 percent).



INSTITUTIONS

All the new Water GP lending operations in FY22 included a focus on strengthening institutional capacity through establishing new institutions or enabling existing ones to deliver services sustainably.



SUSTAINABILITY

In FY22, all 24 Water GP lending operations promoted sustainable and efficient water use. Furthermore, the indicator for rural water supply and sanitation that measures the functionality of water points increased from 80 percent in FY21 to 100 percent in FY22.



KNOWLEDGE PRODUCTS

Over the past five years GWSP has supported an extensive library of analytical pieces and knowledge products that have been compiled in “[Knowledge Highlights from the Water GP and GWSP](#)” (2016–21), showcasing over 200 products from GWSP and the Water GP.

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PUBLICATIONS

In FY22 GWSP supported the production of 40 publications.

Key publications include practical guidance and toolkits to inform on-the-ground change, such as “[The Irrigation Operator of the Future Toolkit](#)” to support irrigation scheme operators in identifying priority problems and defining pragmatic responses to deal with them. The “[Utility of the Future](#)” methodology builds on an extensive body of knowledge on utility performance improvement to guide the implementation of the UoF Program. The “[Practical Manual on Groundwater Quality Monitoring](#)” provides logical, step-by-step guidance on how to set up and manage a groundwater quality monitoring program that can be tailored to and grow with local capacity and resources. Additionally, GWSP supports an active knowledge management and learning program that connects World Bank staff, clients, and development partners through innovative online tools and approaches, such as the Water Online Week and Smart Water Academies that address complex water sector issues and cross-sectoral synergies, and the “[World Bank Data Hub](#)” that aggregates open data on water from the World Bank as well as major development partners and academic institutions.