

DRINKING WATER SUSTAINABILITY FUND (DWSF)

Securing Safe Water for Generations

"A Smart Financing Approach to Water Security."



Asunafo North
Municipal
ASSEMBLY

What is Drinking Water Sustainability Fund (DWSF) ?

The Drinking Water Sustainability Fund (DWSF) is an innovative financing mechanism designed to enhance the sustainability of rural and small-town water systems. The fund is tailored to community needs and provides low-interest loans, technical assistance, and insurance support to water system operators and district-level water services. By bridging gaps in operations, maintenance, and risk management, the DWSF will empower households and water service providers to ensure water systems can deliver safe, continuous, and affordable water services even in the face of climate change, ageing infrastructure, or financial shocks.



Why It Matters

The Challenge: Too Many Water Supply Systems Are Failing

Across many districts, especially in rural and peri-urban Ghana, water systems face chronic issues: poor revenue collection, inadequate maintenance, limited access to spare parts or technical support, and exposure to shocks like floods, pump failures or technical damages. This leads to frequent breakdowns, loss of trust, and reliance on unprotected and unsafe water sources. The DWSF directly addresses these issues by enabling access to capital for urgent repairs, providing insurance for water supply systems, supporting business planning, and fostering accountability among system managers.

Broken



Functioning



How the Fund Was Designed

The design of the Drinking Water Sustainability Fund (DWSF) was rooted in a co-creation process that prioritizes inclusivity, evidence, and local relevance. Coordinated by World Vision Ghana, with support from an independent process facilitator, the initiative engaged multiple stakeholders from inception to validation. It began with extensive field data collection and risk profiling led by World Vision to understand the real challenges facing water systems across all the target communities. These insights informed the first Fund Design Workshop, where key features such as loan terms, governance, stakeholder roles, and eligibility criteria were collaboratively developed. A national stakeholders consultation workshop was convened in Accra to discuss and collect feedback on the technical design and policy framework for the fund. A validation workshop with our partners at the Municipal and District Assemblies (MMDAs) led to the official endorsement of the framework. The result is a well-grounded, stakeholder-approved fund model ready for implementation and scaling



Group discussion on the DWSF governance structure during the industry consultation workshop



Cross Section of participants during DWSF industry consultation workshop

The Process at a Glance

1

Stakeholder Engagement Initiated by World Vision Ghana



2

Field Data Collection & Risk Analysis Conducted



3

Fund Design Workshop to Define Key Features



4

Fund Framework Developed



5

Industry Consultation Workshop Held in Accra



6

Revised Based on National-Level Feedback



7

Validation Workshop with Partner MMDAs



8

Final Reviews Included

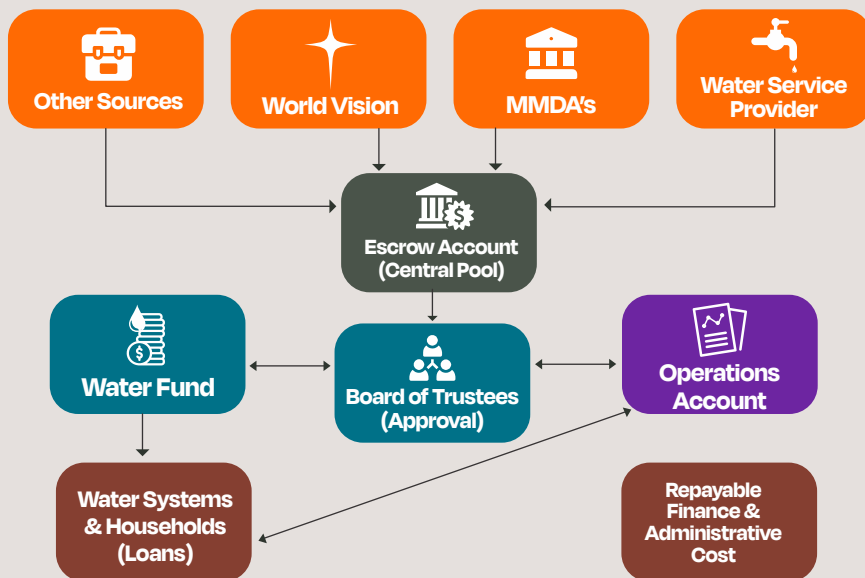


How the Fund Works

A Smart, Revolving Fund that Builds Local Ownership

The DWSF operates as a revolving fund that provides low-interest loans and risk management tools to water system operators. The water service providers repay the loans over time from user revenues, keeping the fund revolving, while increasing efficiency and impact. Key components include a capital pool, targeted loans for upgrades, insurance coverage, technical support, and community-driven governance. This smart structure builds local ownership while ensuring sustained service delivery.

DWSF Funds Flow: Structure and Operational Mechanism



The "DWSF Funds Flow" offers a comprehensive and systematic flow of management, approval, and disbursement of seed money within the fund management framework. This process is designed to support household water access, facilitate expansion, and provide operational support for the fund. This structured approach ensures transparency, accountability, and a clear operational pathway for the allocation and utilisation of funds.

Seed Money Collection and Centralisation

At the top of the flow, four primary funding sources are identified: World Vision, MMDAs, Water Service Provider and other funding sources. These entities are responsible for providing the initial seed money that fuels DWSF activities. Each source is represented as a distinct orange block, signifying its foundational role in the funding process.

The seed money from these sources is channelled directly into a centralised Escrow Account (Central Pool). The use of an escrow account is a strategic choice, as it acts as a secure holding area for all incoming funds, ensuring that resources are pooled together and managed collectively. This centralisation not only simplifies financial oversight but also enhances the organisation's ability to allocate resources efficiently and equitably.

Approval and Allocation Process

Once the funds are consolidated in the escrow account, the next critical step is the approval process, overseen by the Board of Trustees. This body is depicted in green, highlighting its governance and oversight function. The Board of Trustees is responsible for reviewing funding requests and ensuring that disbursements align with the organisation's mission and strategic priorities.

Upon approval, the Board authorises the transfer of funds from the escrow account to two main destinations, following a predetermined allocation ratio by the Board: 80% of the approved funds are directed to the Water Fund, including the Financial Service Providers' matching fund, while 20% are allocated to the Operational Account. This split is designed to balance immediate operational needs with long-term system sustainability and fund governance.

Disbursement and Utilisation of Funds

The Financial Service Provider receives the majority share (80%) of the approved funds. These resources are primarily used to provide loans to households and for the operation and maintenance of water systems. By channelling funds through a financial intermediary, the organisation leverages professional expertise in loan management and ensures that resources reach the intended beneficiaries efficiently. The loans support households in gaining access to water services and contribute to household connections, maintenance and reliability of water infrastructure.

On the other hand, the operational Account receives 20% of the approved funds. This account is dedicated to grants for system expansion, administrative costs, and the organisation of board meetings. The repayable finance enables the Financial Service Provider to invest in the growth and scaling of water systems, ensuring that more communities can benefit from improved water access. Administrative funding supports the day-to-day operations of the secretariat, while resources for board meetings ensure effective governance and strategic decision-making.

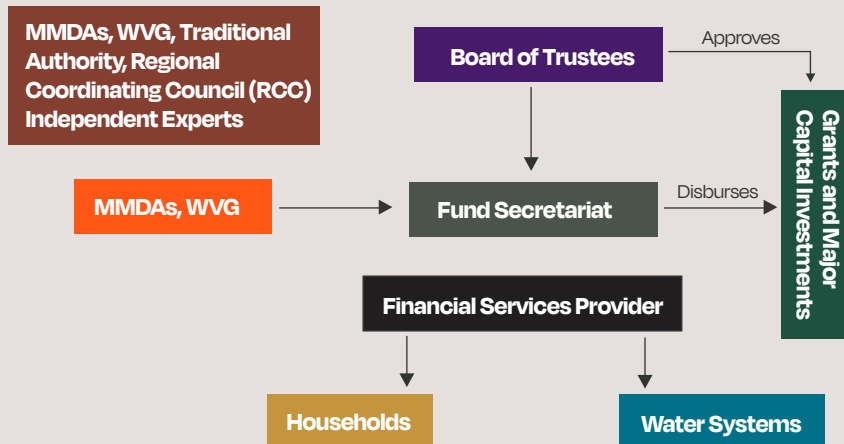


Impact and Governance

This funding flow model exemplifies a robust governance structure, where checks and balances are embedded at every stage. The use of an escrow account ensures that all incoming funds are accounted for before any disbursement occurs. The Board of Trustees' approval process introduces a layer of oversight, preventing misuse and ensuring that funds are allocated according to the organisation's priorities. The clear division of funds between the Water Fund and Operations Cost further enhances transparency and accountability.

The DWSF Funds Flow diagram illustrates a well-organised and transparent process for managing seed money, from initial collection through approval and final disbursement. By allocating resources strategically between financial service providers and the secretariat, the organisation can support both immediate community needs and long-term system growth, all under the supervision of a dedicated board of trustees.

Governance Structure of the DWSF





Group photo of ARIWP Team and Members of The Board of Trustees (DWSF)

Get Involved

The DWSF thrives on strong partnerships with local governments, donors, NGOs, financial institutions, and community leaders. You can support by investing in funds, helping scale risk models, offering technical tools, or backing community engagement. Let's work together to ensure no community is left behind.





Contact Information:

Charles Waawula

Project Coordinator - Ahafo
Regional Integrated WASH
Project (ARIWP)

World Vision Ghana

Email: charles_waawula@wvi.org

Website: www.wvi.org/ghana

Asutifi North District Assembly

P.O. Box 31, Kenyasi
Ahafo Region - Ghana.

Location: BQ-0007-6644

TOLL-FREE NO.: 0800304000

Allen Hollenbach

World Vision USA

Technical Director, WASH
Washington DC.

Email: ahollenbach@worldvision.org

Bismark Yao Norgbe

World Vision USA

Snr. Program Manager
WASH Department
Washington DC

Email: bnorgbe@WorldVision.org

Robel L. Wamisho

Program Associate Director
Water, Sanitation and Hygiene
World Vision Ghana

E-mail: robel_lambisso_wamisho@wvi.org

www.wvi.org/ghana

Asunafo North Municipal Assembly

P.O.Box 1, Goaso
Ahafo Region-Ghana

Location: GPS: GE-231-4383

Tel. No.: (+233-3220) 30044