DISTRICT LAST-MILE WATER TRUST

Rural water depends on subsidy that neither lasts nor delivers

The Problem

In last-mile rural communities, safe water costs more to deliver than households can ever pay, so it depends on subsidy. But that subsidy, government budgets and donor aid alike, is short-term, unpredictable, and rarely tied to results.

The Idea

The District Last-Mile Water Trust turns one-time capital, philanthropic or public, into a permanent, performance-based subsidy for rural water maintenance, released only when providers deliver.

Why It Matters

Protected capital has funded universities and hospitals for over a century. No one has applied it to rural water. This makes Ghana the first.

20–30% of rural water systems in sub-Saharan Africa are non-functional at any given time.

Last-mile depends on subsidy

Service costs far exceed what households can pay, so it cannot stand on tariffs alone.

The funding doesn't last

Household contributions, government budgets and donor aid are short-term, so O&M is rarely covered for long.

And it doesn't reward results

Funding is rarely tied to verified results, weakening accountability.

We are launching the **District Last-Mile Water Trust**, designed to generate long-term, performance-based, predictable financing for maintenance while reinforcing performance and accountability.

A Trust that converts capital into perpetual O&M financing

1
Capitalize
Anchor capital, philanthropic and/or public, seeds the Trust.

2
Protect and Grow
The principal is invested and preserved; it earns returns.

3
Disburse
Only the returns are paid out, released against independently verified results.

Two design choices make this work. The principal is never spent. Only the returns it earns are disbursed, so the subsidy is genuinely perpetual. And those returns are released only when providers meet independently verified standards for uptime, water quality, coverage and reporting. The Trust doesn't just make the subsidy permanent; it makes **every disbursement conditional on results**, answering both of today's failures: financing that runs out, and financing that isn't accountable.

Built on two proven approaches, combined for the first time

The Trust combines two approaches that already work:

Protected Capital

Protected capital that pays out only its returns has sustained universities, hospitals and conservation trusts for over a century.

Results-based Financing

Results-based financing is proven in rural water. The Uptime Catalyst Facility shows that paying only for verified results improves reliability and curbs waste.

What's new is bringing them together: the District Last-Mile Water Trust is the **first to use perpetual, results-based capital** to finance last-mile rural water maintenance. Design and implementation risks are managed through piloting, layered safeguards, and structured learning.

THE PILOT

Piloting the Trust in East Gonja, Ghana

EAST GONJA MUNICIPALITY · NORTHERN GHANA

Over five years, the Trust will be piloted in East Gonja Municipality, Ghana to finance operation and maintenance of existing rural water services, reaching **~10,000 people** initially with potential to scale to **~22,000** across the district. The model is designed to plug into Ghana's district planning and supervision systems, institutionalising the approach rather than running in parallel.

East Gonja is a deliberate hard case: if the model works here, it can work in better-resourced districts. The pilot supports existing systems, not new infrastructure, and engages qualified providers under performance-based contracts. Its purpose is to prove a replicable model for Ghana and other last-mile rural water contexts.

Why East Gonja?

A Credible Stress Test

Limited local financial capacity and low groundwater make it a genuine hard case; prove it here and it works anywhere.

A Real Operating Base

Saha already runs services in East Gonja, so the pilot tests the financing model on live systems with real cost data, not a greenfield setup.

The Right Test for O&M

East Gonja's high-cost, surface-water systems are exactly where ongoing maintenance is hardest to finance, so proving it here proves the core idea.

Forces a Scalable Design

Designing for a constrained context yields the simplicity and adaptability that replication demands.

The Trust Is Built on Four Pillars

Governance

A Ghana-registered Trust with a multi-stakeholder board. Aligned to Ghana's public financial management norms, with layered fiduciary, performance and transparency safeguards.

Performance

Quarterly payouts released only on independently verified results: a small KPI set with annual third-party verification and a clear split between provider and district oversight.

Open Access

Any qualified provider (non-profit, private or public) meeting clear criteria can draw on the Trust.

Financials

Multi-currency Trust that invests the principal and disburses only returns through fixed, rule-based payouts. Modelled at 4.79% net return and 4.5% target payout.

Path to Launching the Trust

We're assembling the founding coalition, an anchor funder, government partners and aligned co-funders, to launch in **2027**, building a Trust that Ghana owns and can grow into its own systems over time.

YEAR 1–2

Anchor phase

Philanthropic capital endows the Trust; pilot generates verified cost and service data.

YEAR 3–5

District co-financing

Districts contribute in-kind support and potentially DACF allocations as evidence builds.

YEAR 5+

Public budget integration

National government potential contribution; alignment with WASH Master Plan and PFM systems.

YEAR 7+

Blended capital at scale

Replication across districts with mixed philanthropic, public, and concessional capital.

SAHA | instiglio

Designed by **Saha**, a non-profit rural water service provider operating 470 water points serving ~137,000 people in Ghana, and **Instiglio**, an international non-profit helping public and social leaders improve impact through results-based approaches.