

## Case Study: IFRC and Togo Red Cross – Leveraging Humanitarian Blended Finance<sup>1</sup> for Sanitation Impact

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### Rationale: A Model for National Societies Seeking Resource Diversification and Greater Impact

This case demonstrates how National Societies, together with the IFRC, can play a pivotal role in government-led development through innovative financing. In Togo, the Red Cross (TRC), working with IFRC and development finance institutions, became an implementing partner in a sovereign loan-financed sanitation programme—a first of its kind in Africa for a National Society. This experience shows how long-term government engagement, strategic positioning, and the right enabling environment can unlock substantial and sustainable WASH investments.

The Humanitarian Innovative Finance Hub (HIFHUB)<sup>2</sup>, in collaboration with IFRC, developed this case study to distil findings and lessons learned, offering a replicable model for other National Societies seeking to expand their relevance and scale by diversifying funding sources.

### Background: Meeting Sanitation Needs in a Resource-Constrained Context

Togo faces persistent challenges in providing basic sanitation services, especially in urban and peri-urban areas. National funding is limited, and humanitarian financing alone cannot address long-term infrastructure needs. As of 2020, only 19.6% of households had access to safely managed water services and 9.1% to safely managed sanitation, while nearly 45% practised open defecation<sup>3</sup>. Despite progress, the rate of investment in infrastructure has not kept pace with rapid population growth and urbanisation.

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<sup>1</sup> Humanitarian Blended Finance (HBF) strategically combines humanitarian grants with concessional and/or commercial financing to mobilise additional resources, especially for protracted crises, fragile contexts, and resilience-building. In this case the concessional finance is in the form of a loan from the Islamic Development Bank to the Government of Togo. For more information on Humanitarian Blended Finance, refer to [Mainstreaming Humanitarian Blended Finance – HIFHUB Briefing Paper](#)

<sup>2</sup> The Humanitarian Innovative Finance Hub (HIFHUB) is an initiative for the entire Red Cross and Red Crescent Movement committed to expanding the use of financial instruments to address humanitarian challenges. To know more visit [hifhub.org](http://hifhub.org)

<sup>3</sup> Islamic Development Bank (IsDB) & Government of Togo. Project Appraisal Document: Water Supply and Sanitation Project in Four Prefectures (TGO1011). 2022.

The TRC, with a longstanding presence in community-based WASH programming, saw an opportunity to expand its role through new types of partnerships. With IFRC support, it entered an innovative humanitarian blended finance initiative, **becoming the first National Society in Africa to co-implement a WASH project tied to a sovereign loan.**

## Project Overview: From Concessional Lending to Humanitarian Grants

In 2023, the Government of Togo secured a **EUR 13.6 million loan from the Islamic Development Bank (IsDB)** for a water and sanitation infrastructure programme. Of this, **EUR 4,429 million** was allocated through IFRC as a grant to the Togo Red Cross to implement sanitation-related activities over three years, while the remaining sum supported water infrastructure activities managed by the government and technical partners.

### Partners and Roles

- **Islamic Development Bank (IsDB)** – lender, providing sovereign concessional financing
- **Government of Togo** – borrower, coordinating authority, and infrastructure lead
- **IFRC** – facilitator, co-implementer, and contracting partner with IsDB
- **Togo Red Cross (TRC)** – national implementing partner for sanitation in health facilities, schools, households and public spaces

This blended model combined **concessional sovereign lending** with **grant-based humanitarian implementation**. It also allowed a humanitarian actor to operate within a development-financed project while maintaining independence and community focus. The IFRC's involvement was facilitated by an existing global agreement with the IsDB, which enabled direct contracting and streamlined due diligence.

### Project Design and Implementation

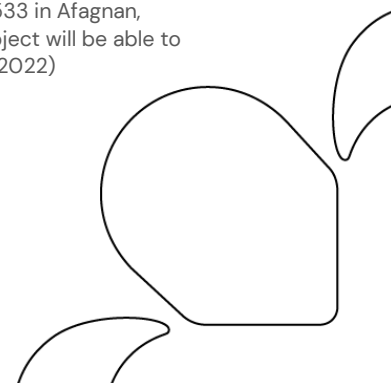
The project emerged from early discussions in **2021** and officially began in **late 2023**, with implementation scheduled **through 2027**. Implementation covers four prefectures—**Afagnan, Adeta, Kougnohou, and Djarkpanga**—reaching over **49,000 direct beneficiaries**<sup>4</sup>.

#### TRC/IFRC Activities Include:

- Establishment of a community feedback and accountability mechanism, building on a Vulnerability and Capacity Assessment (VCA) and a Knowledge, Attitude, and Practice (KAP) survey to collect community feedback and track WASH-related practices and risks.

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<sup>4</sup> The direct projected beneficiaries of the project by 2027 are: a) 49,000 people (15,135 in Adeta, 20,533 in Afagnan, 6,480 in Kougnohou & 6,852 in Djarkpanga) out of which (48,6% male, 51,4% female); Indirectly, the project will be able to support 100% of the population living in the project area representing 55,000 people, by 2027. (IsDB, 2022)



- Construction of institutional and public latrines (56 in health centres, 80 in public spaces, 65 in schools).
- Construction of 2,300 household latrines through **a revolving fund model**.
- Hygiene promotion campaigns using Community-Led Total Sanitation (CLTS)-Participatory Hygiene and Sanitation Transformation (PHAST) approaches, integrated with community engagement and accountability (CEA).
- Training and mobilisation of over 300 volunteers in hygiene promotion, CEA, and Community-based Surveillance (CBS).

### **FOCUS: Ensuring financial sustainability of the project components**

To strengthen sustainability, the project supports **income-generation models** for latrine caretakers, faecal sludge management, and communal facilities. This approach builds local ownership, ensures maintenance of infrastructure, and creates livelihoods. Specifically, 400 caretakers are being trained to operate public latrines and water points on a fee-for-service basis, while municipalities will manage four sludge-emptying trucks and associated treatment sites. In addition, 80 communal latrine-shower blocks will be run as small businesses. Moreover, a **revolving fund**<sup>5</sup> for 2,300 household latrines has been integrated. In addition to providing access to safe sanitation, this model is meant to raise awareness among households through reimbursement and creates a virtuous cycle where the payments finance the construction of new latrines. Together, these measures ensure that WASH infrastructure provides not only public health benefits but also long-term economic opportunity and sustainability.

## Enablers

### 1. Strong Government Relations

- TRC's **auxiliary role** was well established through long-term collaboration with the Ministry of Health (MoH) and the Ministry of Water and Rural Hydraulics (MEHV).

### 2. Credibility Through Past Performance

- TRC's effective management of large-scale health grants and its leadership during the COVID-19 response built both **technical credibility** and **trust with communities and authorities**.

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<sup>5</sup> A revolving fund is a financing mechanism where money is lent to households or communities (for example, to build latrines), and as repayments are made, the same funds are re-used to support new beneficiaries. This creates a self-sustaining cycle of investment, allowing more families to access services over time without requiring constant new external funding.

- Prior collaboration with IsDB during the pandemic created familiarity with processes and accountability requirements.
  - TRC had previously delivered EU-funded projects (e.g., drilling **150 boreholes and constructing latrines** between 2005–2014) and Global Fund programmes for malaria and TB control since 2016.
  - This record created confidence among government stakeholders, making TRC a natural partner for implementation.
3. **IFRC–IsDB Strategic Agreement**
- A **pre-existing global framework agreement** between IFRC and IsDB enabled streamlined contracting, bypassing lengthy due diligence that could have excluded a National Society from direct participation.
  - This arrangement allowed TRC to benefit from **sovereign financing without managing sovereign debt directly**.
  - The readiness of the **IFRC management at the country level**, in addition to previous conversations with decision-makers in the IsDB, further facilitated the transaction.
4. **Integrated Project Design**
- The inclusion of **income-generating activities**—such as training latrine caretakers, setting up commercial water points, and reusing faecal sludge—ensures a **sustainability focus**
  - TRC is also able to incorporate **community engagement and accountability mechanisms (CEA)**, ensuring responsiveness to local needs.
5. **Volunteer Network and Community Proximity**
- TRC mobilises over **300 trained volunteers** in Community-Based Surveillance (CBS), hygiene promotion, and feedback collection.
  - This grassroots presence allowed TRC to bridge national policy and community implementation effectively.

## Challenges

1. **Coordination Gaps**
- Regional steering committees, responsible for oversight, were often weak or inactive. This limited horizontal coordination across prefectures and slowed decision-making.
  - Joint monitoring with ministries had to be reinforced to maintain accountability.
2. **Delays in Government-Led Infrastructure**
- Delays in drilling boreholes and constructing water networks slowed the roll-out of sanitation activities.

### 3. Shifting Roles Among Partners

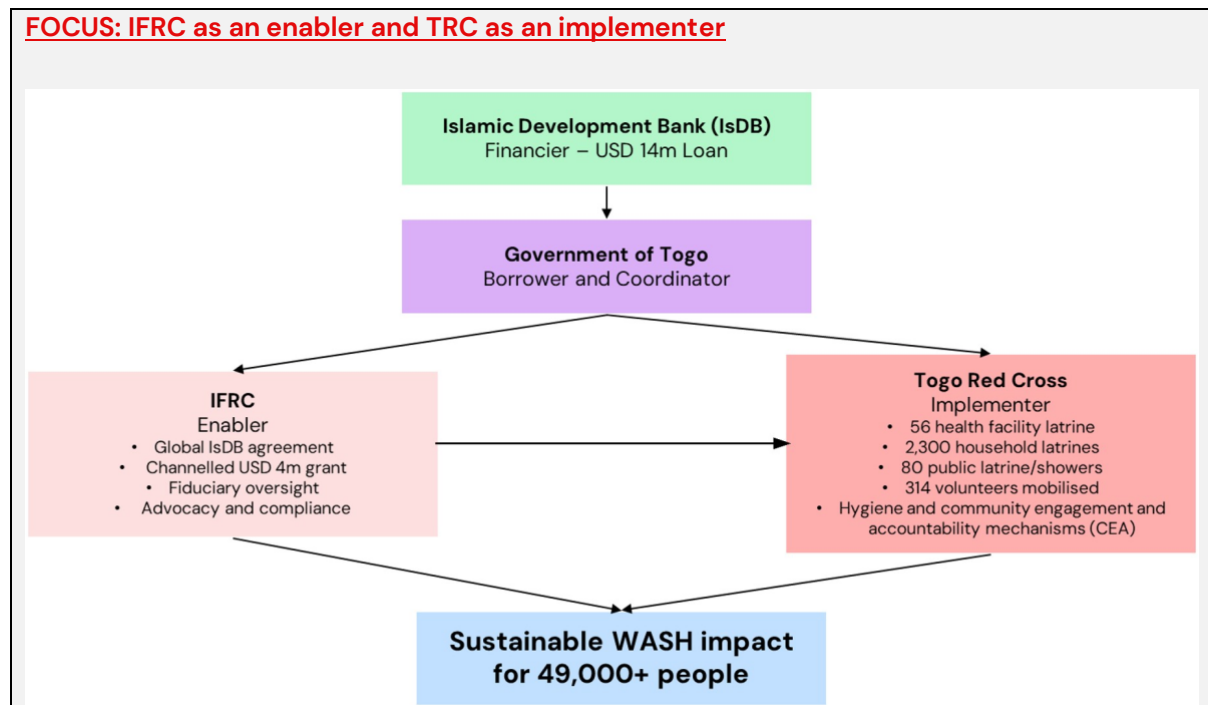
- UNICEF was initially included in the agreement; however, it had to withdraw. This led to TRC/IFRC absorbing additional responsibilities, including **2,300 household latrines and 65 school latrines**.
- While this expanded TRC's portfolio, it also stretched capacity and created pressure on timelines.

### 4. Administrative Bottlenecks

- Lack of clarity between IFRC, TRC, and the Project Management Unit (PMU) created overlaps in responsibilities and slowed procurement and reporting.
- Initial recruitment delays (e.g., WASH coordinator, procurement officer) slowed early implementation.

## Results and Impact

- 42 health facility latrines completed (as of June 2025); 14 under construction.
- 55 public sites secured with municipal land deeds for latrine installation.
- 11,500+ people reached with hygiene promotion, half of whom are women
- TRC expanded its WASH portfolio, technical capacity, and visibility with government and donors.
- **TRC is now positioned as a trusted development partner, not just a humanitarian actor.**



The [HIFHUB Humanitarian Blended Finance \(HBF\) Briefing Paper](#) highlights that humanitarian actors can assume four main roles in HBF:

- **Convener** – bringing actors together,
- **Advisor** – ensuring alignment with community needs,
- **Enabler** – developing investment-ready projects,
- **Implementer** – executing projects.

This case provides two examples:

- **IFRC as Enabler:** Leveraged its global framework agreement with IsDB, channelled USD 4 million in grants for sanitation activities, ensured fiduciary compliance, and advocated for Togo Red Cross (TRC) inclusion.
- **Togo Red Cross (TRC) as Implementer:** Mobilised 314 volunteers, built latrines in health facilities, schools, and public places, and led hygiene promotion and community engagement, benefiting more than 49,000 people.

## Replication and Scale

The successful establishment of the sanitation project has already encouraged the Government of Togo to explore ways of replicating and expanding this model. Building on the effective partnership with TRC and IFRC, the government is now seeking to integrate the National Society more systematically into larger development initiatives, particularly those financed through concessional loans and blended funding structures. For example, TRC is finalising a EUR 599,306 grant agreement with the Ministry of Agriculture and IsDB as part of a EUR 63.3 million integrated rural development project in the Mo plain.

**These examples show a pathway for National Societies to be formally included in government-led, loan-financed development initiatives – a major step toward bridging humanitarian and development financing.**

## Lessons Learned

- **Humanitarian Blended finance is a powerful tool:** It enables large-scale and long-term investment while maintaining flexibility for community-based implementation.
- **A strong institutional setup unlocks efficient collaboration:** The agreement between IFRC and IsDB, and the funding flow via IFRC to TRC, allowed for direct, accountable

implementation. Additionally, alignment with the government's strategic priorities facilitated the project establishment.

- **The auxiliary role must be clearly defined and visible:** While National Societies (NSs) are naturally positioned to operate in their countries, TRC's consistent relationship-building with the government paid off when new opportunities arose.
- **Multi-year planning is essential:** Infrastructure projects require internal planning systems that allow budgeting for longer-term, with resource commitment beyond one year.
- **Trust and timing matter:** Institutional trust — built through years of collaboration — is as important as technical capacity.

## Want to Know More About Humanitarian Blended Finance?

To explore how your National Society can engage in similar partnerships:

- Read the HIFHUB's [Humanitarian Blended Finance Briefing Paper](#)
- Visit [HIFHUB.org](https://www.hifhub.org) for tools, publications, and updates
- Contact the [Humanitarian Innovative Finance Hub](#) for tailored advice and support

