

Case study: Costs, Benefits and Financing of Post-2015 WASH Targets

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Short summary

It is expected that basic water, sanitation and hygiene (WASH) will be part of a future water sustainable development goal (SDG). A study is ongoing to estimate the global costs, benefits and financing to meet the proposed target of reaching universal basic WASH access by 2030. The study estimates costs based on the incremental costs of extending services to the unserved as well as the costs of maintaining coverage for the already served. Costs and benefits are estimated for income quintiles separately. Public financing required to extend services to reach universal access is estimated based on what proportion of investment costs should be covered by public (or donor) finances, by income quintile. These values are compared to existing financial allocations. This study provides some key evidence for discussions that will be held at global as well as country level on how universal WASH access can be provided for households.

Key words:

Reduce economic losses ; Protection of the poor and vulnerable; Universal and equitable access to drinking water ; Safe drinking water ; Affordable drinking water ; Adequate and equitable access to sanitation for all .

Issues addressed:

WASH (inequalities, schools, health centers, refugee camps, women and girls)

Costs, financing and benefits are presented separately by each income quintile, but for households only

Risks (mortality, economic losses caused by natural and human-induced disasters)

Health impacts of poor WASH are estimated in economic values

Tools for implementation:

Financing / economic instruments: Cost-benefit analysis and financial analysis

Technology: CBA identifies a mix of WASH technologies to be provided to populations

Lessons Learned:

Triggers: Economic evidence has proven to be important in emphasizing to policy makers the importance of WASH. The objective of this study is to better inform decision making on the selection and financing of WASH interventions (at global and country levels), leading to improved outcomes for the poor and services that are efficiently delivered.

At the global level, the results will be used to influence the funding decisions of WASH sector donors and multilateral development banks, in terms of which countries to work in, which WASH interventions to select, which populations to target, and which service delivery methods are most cost-effective. By comparing the investment and O&M needs with the financing available and the income of poor households, priorities for investment plans and preferred financing mechanisms/sources can be proposed.

At the country level, it is recognized that a global study may not be precise enough or provide the specific evidence required to strongly influence local policy makers. Therefore, it is expected that the country results provided by the global study will initiate further debate on WASH sector targets and intervention financing and efficiency in countries, leading to further economic studies at country level.

Drivers: World Bank leads the study, with WHO, UNICEF and other partners closely involved, especially partners contributing to the JMP post-2015 WASH proposals

Barriers: Lack of underlying data for many countries on the costs and benefits of WASH.

What has worked well? The study is in progress. It utilizes MS Excel software to build an economic model to make the estimates

What could be improved? At a later stage, more advanced services than just basic WASH will be assessed, including both household safe (regulated) piped water supply and full excreta management. The constraint on this part of the study is the lack of underlying data on current household coverage of these services.

The way forward: The results of the study will be finalized in early 2015 and disseminated widely. It is expected that the economic case for universal WASH access will strengthen the case for including WASH within the water SDG.

Links: Previous global cost-benefit study:

http://www.who.int/water_sanitation_health/publications/2012/globalcosts.pdf