



WASH Affordability: Monitoring and Response Options

Stockholm, World Water Week

28th August 2018



WHO
UNICEF



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Purpose of This Event

- Participants sensitized to ongoing global initiative to measure and monitor WASH affordability
- Participants understand what affordability means from different perspectives, and the trade-offs when measuring it
- Links are made between affordability monitoring and policy/programme responses
- Audience feeds back and new partners identified

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Introduction to WASH Affordability and to the Global Initiative on Monitoring It

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Why WASH Affordability?

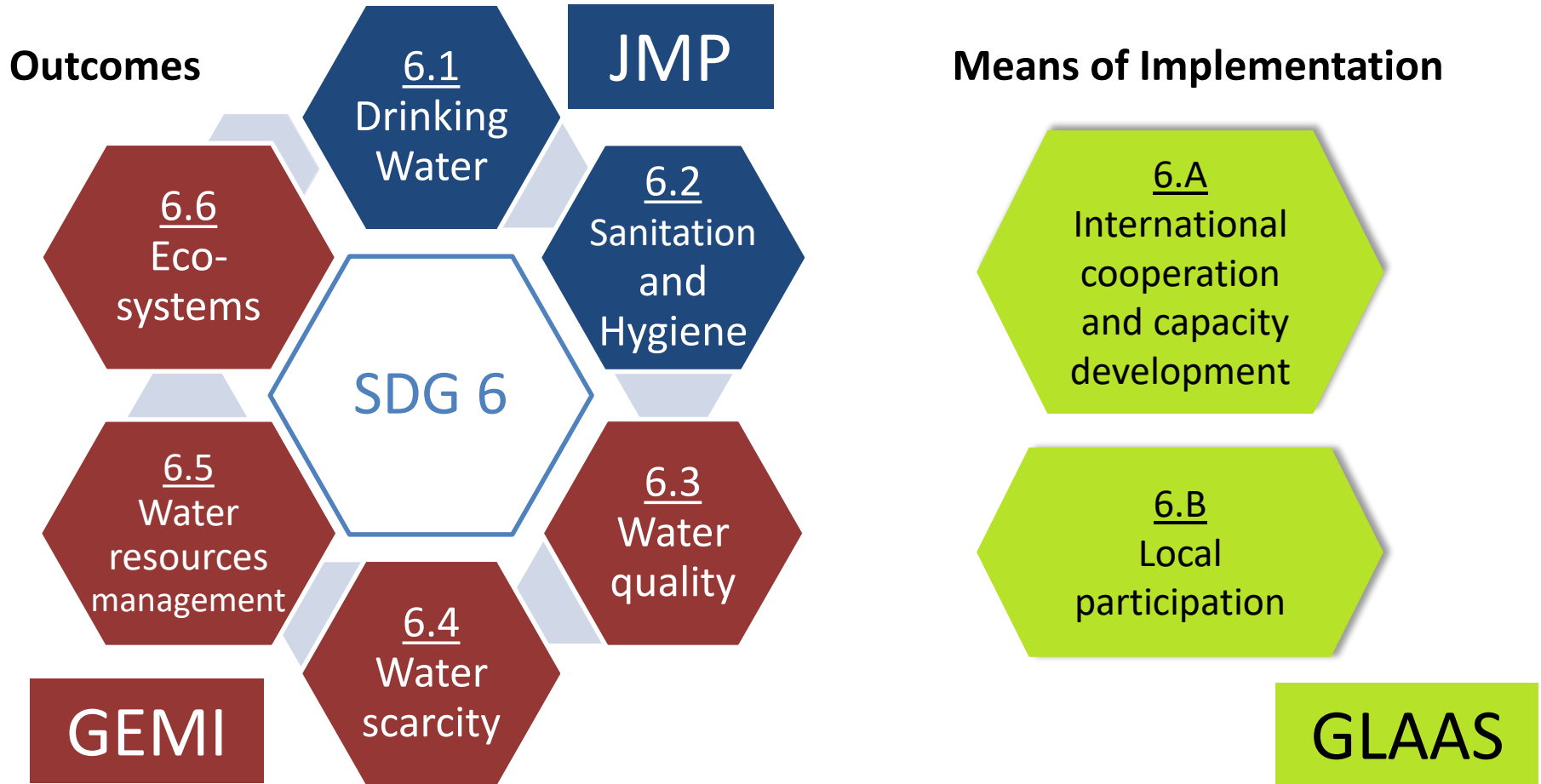
- Normative criteria of the human rights (HRTWS)
- Explicit mention in the SDG WASH targets
- Financing gap – costs of achieving SDG WASH targets exceeds historic financing
- Measurement helps identify those needing financial assistance, and informs decisions about how assistance can be targeted

Affordability Mainstreaming in SDGs

- SDG 3.8: Financial risk protection (health coverage).
- SDG 3.b: Affordable essential medicines & vaccines.
- SDG 4.3: Affordable education.
- SDG 6.1: Affordable drinking water.
- SDG 7.1: Affordable energy services.
- SDG 9.1: Affordable infrastructure.
- SDG 9.3: Affordable credit
- SDG 9.c: Affordable internet access.
- SDG 11.1: Affordable housing.
- SDG 11.2: Affordable transport systems.

Conclusion:
Affordability of meeting one basic human need cannot be looked at in isolation from meeting all basic human needs

Affordability monitoring cuts across the output focus of JMP and the process focus of GLAAS



Guidance on how to measure WASH affordability is limited

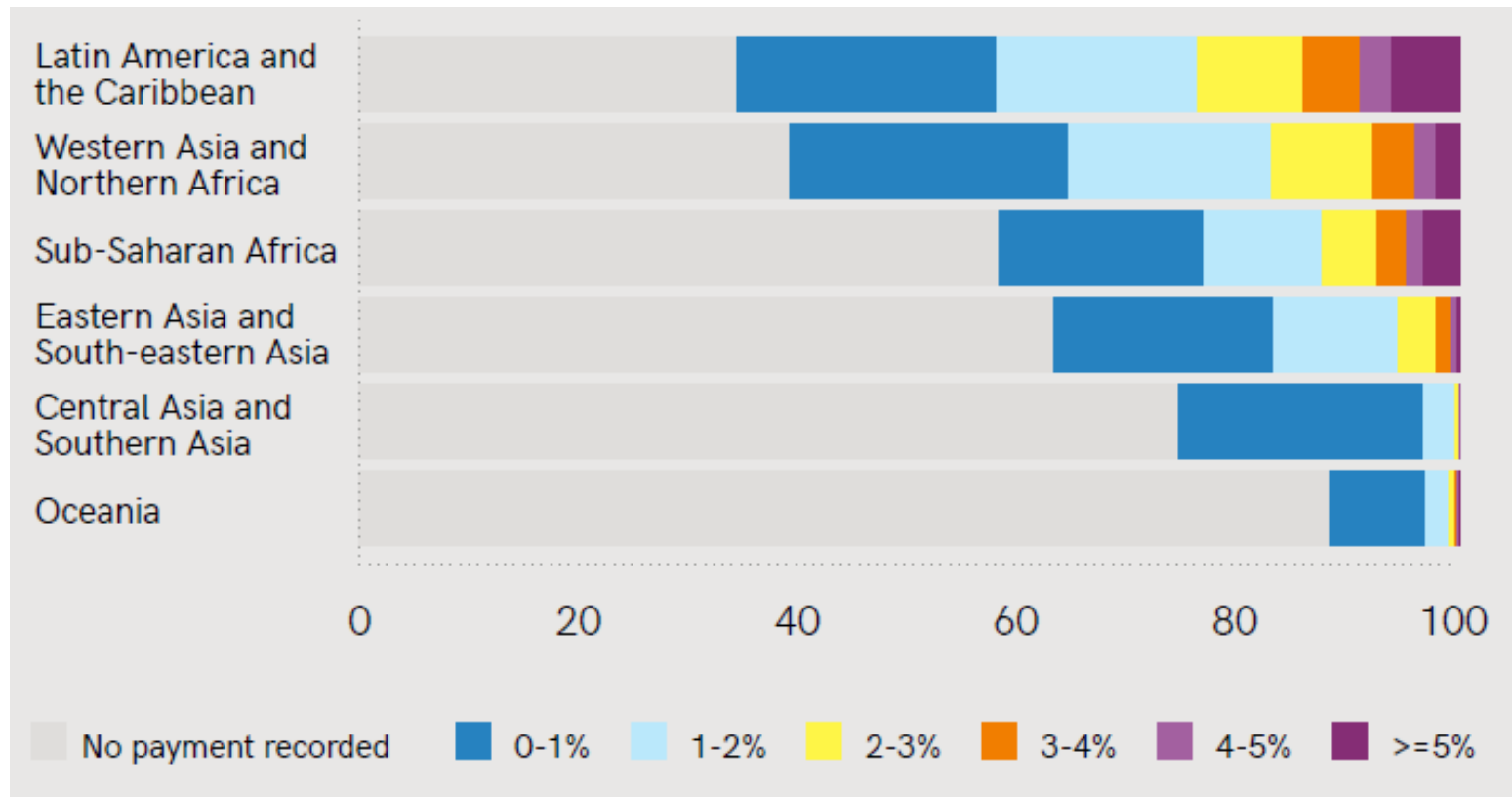
- General comment: “...*payment for water services has to be based on the principle of equity... that **poorer households should not be disproportionately burdened with water expenses***”
- Former Special Rapporteur: “*Access to water and sanitation must not **compromise the ability to pay for other essential needs** guaranteed by human rights...*”

Common practice

- Some countries and international organizations assess levels of spending on WASH as share of total household income (or expenditure):
 - Income and expenditure surveys available every 3-5 years
 - Capturing (mainly) regular water and wastewater tariffs
 - Data from these surveys not freely available
 - For households with regulated utility services, expenditure data available on water and wastewater services
- Many have set affordability thresholds for WASH expenditure as % of income varying between 2% - 6%

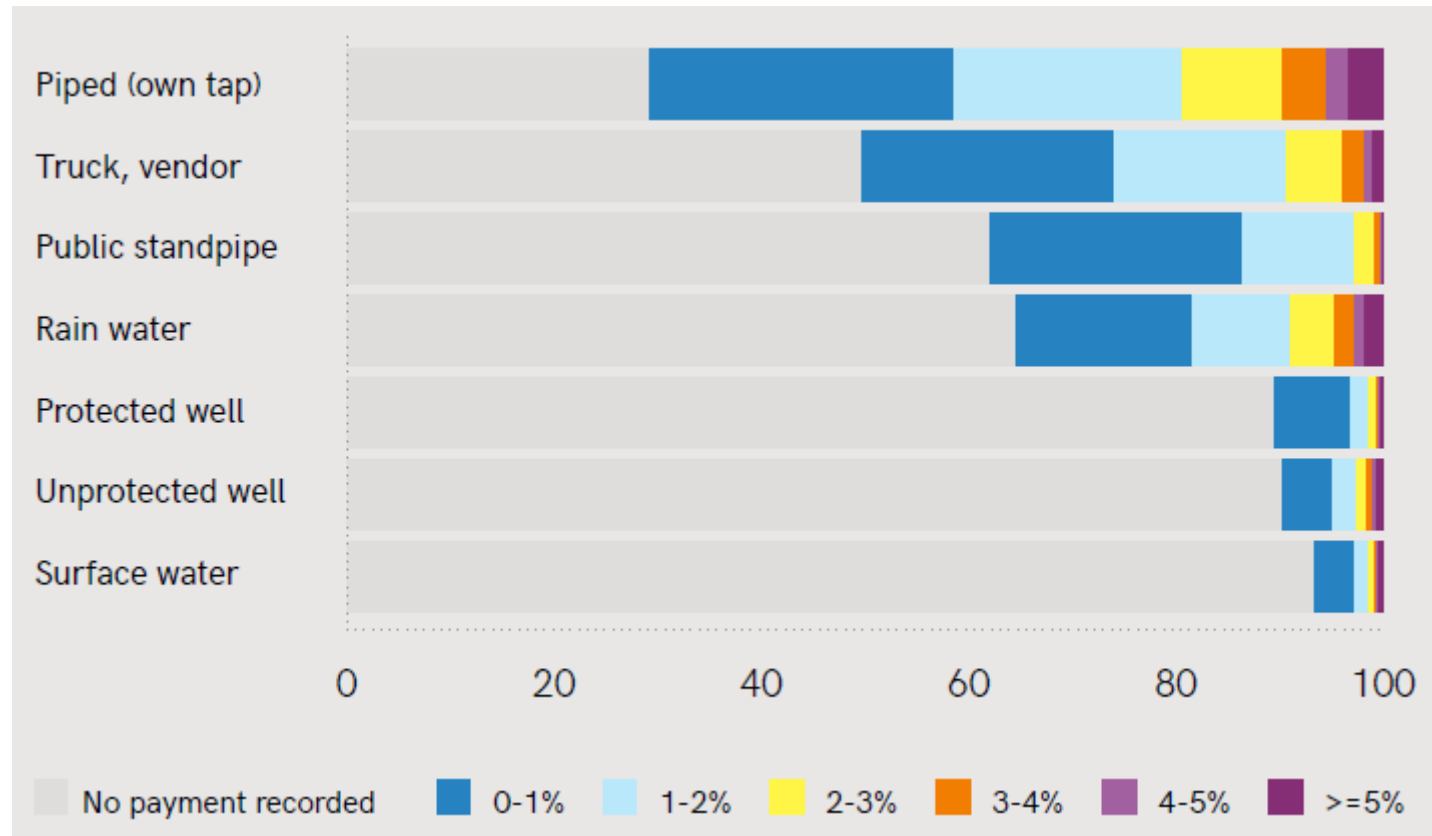
WASH Costs as % of total spending was presented in JMP SDG baseline

Proportion of total household expenditure on WASH services, by region

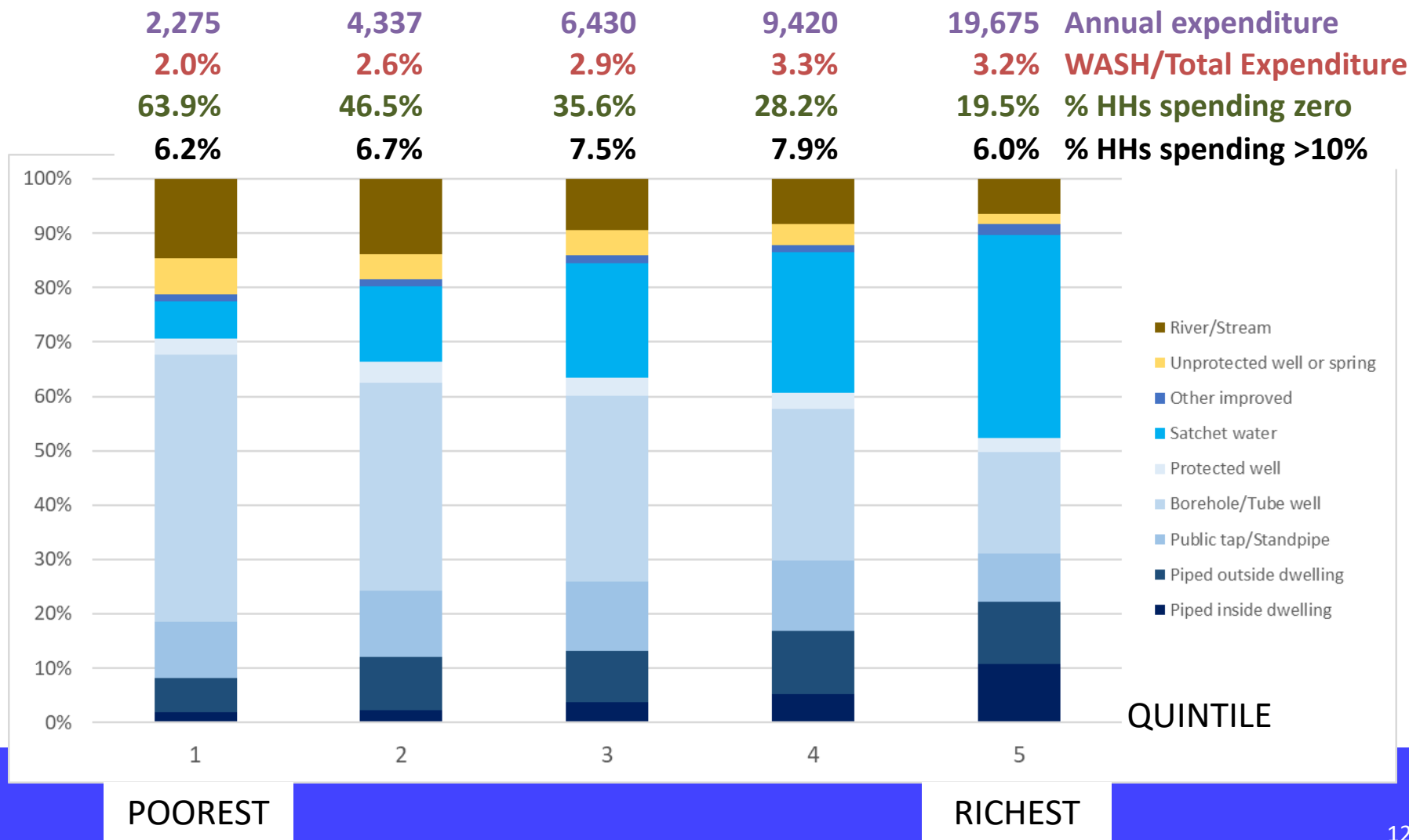


..and concluded that affordability varies by water source (service level)

Households are more likely to pay for piped water than other sources



New data analyses ongoing explore the data sets more deeply



However, current spending misses an important part of the picture

An affordability framework

Estimate how much it would cost to provide the 'minimum' level of service (defined by authority)

Unaffordable

Affordable

With minimum service

A

C

Without minimum service

B

D

C. No problem.

- Increase service level, keeping affordable?

D. The cost that would be required for minimum service is 'affordable'.

- Examine non-financial constraints.

Hutton and Andres (Routledge, 2018)

However, current spending misses an important part of the picture

An affordability framework

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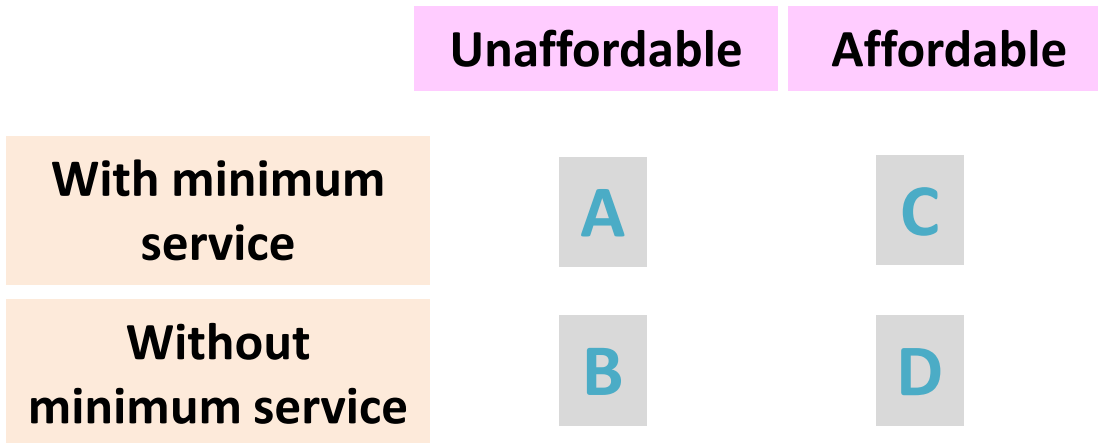
A. Households spend to cover minimum WASH needs but exceeds 'threshold' or other essential needs are contravened.

- Targeted support.
- Lower service level.
- Increase efficiency.

Hutton and Andres (Routledge, 2018)

However, current spending misses an important part of the picture

An affordability framework



Hutton and Andres (Routledge, 2018)

B. The cost that would be required for minimum service is not 'affordable'. Financial constraints might explain why households are not consuming the minimum service level.

- Provide service with targeted support.
- Increase efficiency.

But how do you define affordability?

It is not absolute, but *relative*

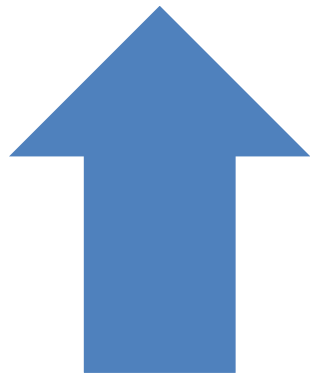
WASH affordability is made up of 3 main components:

1. The price of the good or service plus household labour (to meet a 'minimum' need, to be defined)
2. The spending power of consumers (income / wealth)
3. The competing nature of different needs considered 'essential' (and spending required)

Whether any specific household can 'afford' WASH services will depend on the interaction between these - by implication, affordability will be very context-specific

We need to weigh up the pros and cons of multiple indicator options

For example:



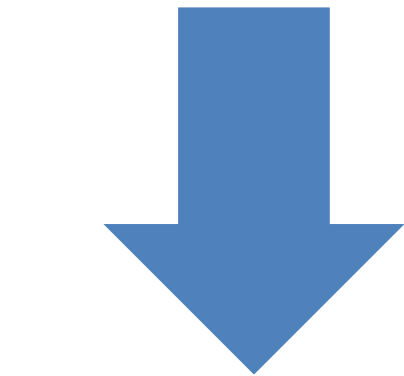
Impact of WASH spending on other needs



Captures essence of HRTWS



Hard to define standard measurement, no current data sources



Proportion of overall spending on WASH



Measurable, reflects common practice



No global % benchmark, is a proxy, ignores actual WTP or other expenses, current data incomplete

Policy and programme responses give valuable insights on likely affordability

Measures to address affordability either

1. Reduce the cost of delivering a service, or
2. Direct subsidies to reduce the prices faced

For example:

- Constitutional and legal measures
- Policy / strategy concretely address HRTWS
- Targeting of public funds (=> benefit incidence analysis)
- Progressivity of service pricing & financing options (loans)
- Standardized low cost designs
- Enhancing competition
- Governance and anti-corruption measures

The initiative on strengthening global monitoring of affordability

Goal: To build a consensus and develop a vision and methodology for monitoring WASH expenditure / affordability globally for the SDG period and beyond

- Developed collaboratively with partners from a range of constituencies – expert consultative group
- Actionable monitoring plan based on proof-of-concept case studies => reporting of WASH affordability in global reports
- Plan for progressive improvements as more data sets become available
- Indicators for monitoring linked with the policy responses to make WASH services more affordable

Thank you





UN-Water Global Analysis
and Assessment of Sanitation
and Drinking-Water

GLAAS and monitoring affordability

Sofia Murad, WHO

World Water Week, Stockholm, Sweden

28 August 2018



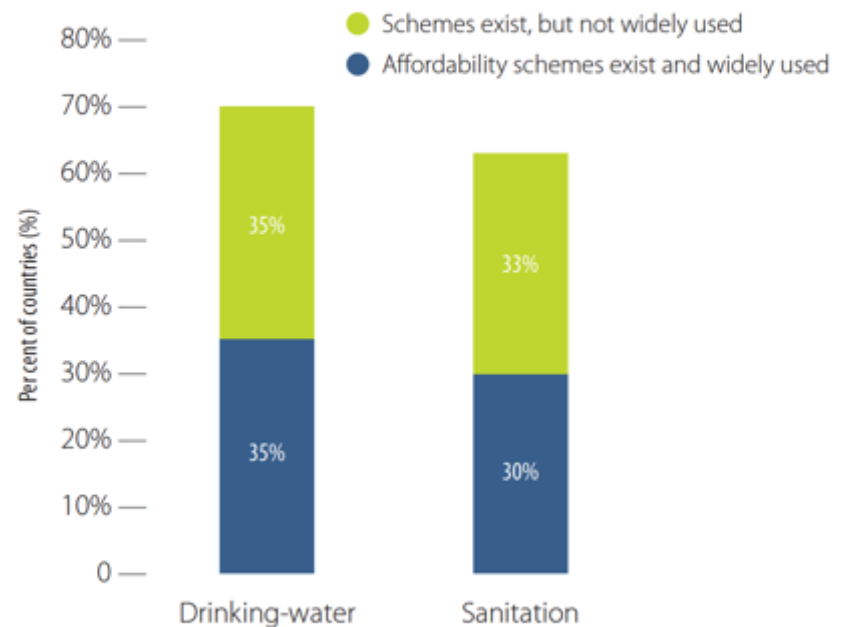
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Affordability in the GLAAS 2016/2017 cycle

Over 60% of countries indicate that affordability schemes exist for drinking-water and sanitation services; however, only half of these schemes are widely used

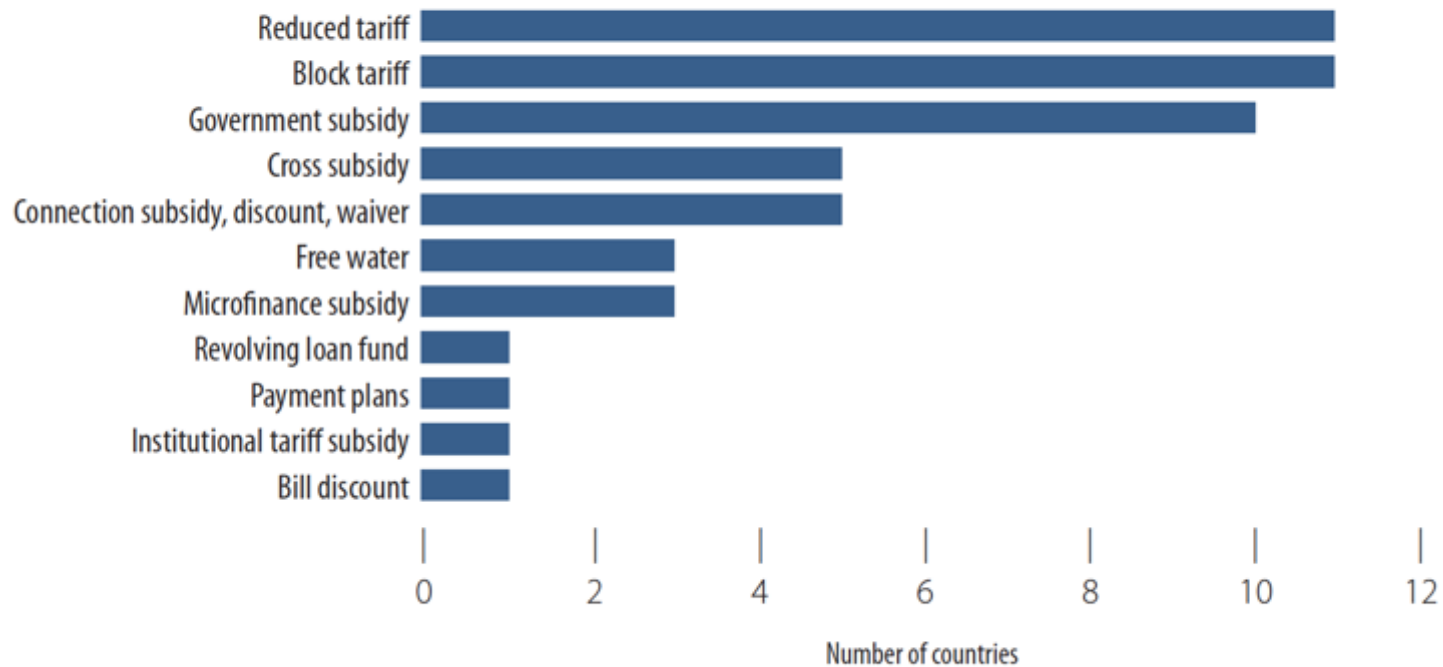
Existence of financial schemes to make access to WASH more affordable to vulnerable groups (n= 67)



Source: GLAAS 2016/2017 country survey.

Affordability in the GLAAS 2016/2017 cycle

Prevalence of affordability schemes (n= 43)



Source: GLAAS 2016/2017 country survey.

Affordability in GLAAS 2018/2019 cycle

D6. Affordability: Are there financial schemes to make access to WASH more affordable for vulnerable groups?

| | | No schemes exist | Affordability schemes exist, but are not widely used | Affordability schemes exist and are widely used |
|----|-----------------------------|--------------------------|--|---|
| a. | Urban sanitation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. | Rural sanitation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. | Urban drinking-water supply | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. | Rural drinking-water supply | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

e. Is affordability of WASH services defined in policies or plans (e.g. no more than 2% of median household income)? If yes, please indicate how it is defined and whether affordability levels are monitored on a periodic basis.

f. Please provide examples of affordability schemes in use and the scope of coverage, including how specific groups are targeted for these schemes.

Also a questions on specific measures to target poor populations in policies and plans and financing plans.

New aspects of affordability in 2018/2019 cycle

- Focus on national WASH policies, plans and targets
- Analysis will include how countries' policies, plans and targets are aligning with SDG6
- Questions on affordability include:
 - If affordability measures are included in urban and rural drinking-water policies and plans
 - If there are targets for urban and rural drinking-water affordability



UN-Water Global Analysis
and Assessment of Sanitation
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Thank you!

*For additional information or assistance please
contact glaas@who.int*



**World Health
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