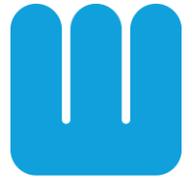


Mission-critical: Invest in water, sanitation and hygiene for a healthy and green economic recovery

WaterAid
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WaterAid

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1

Introduction

Strengthening investments in the water, sanitation and hygiene (WASH) sector has never been more critical.

In the wake of COVID-19 and increasingly frequent climate shocks, it is vital to build investment in WASH facilities to help people prepare for future health and climate crises, and to strengthen country economies.

WaterAid has worked with Vivid Economics on a new report to strengthen the economic case for investment in these essential services and highlight the updated benefit cost ratios for WASH as a core focus.

Wide-ranging literature review identifies benefits of improved water, sanitation and hygiene

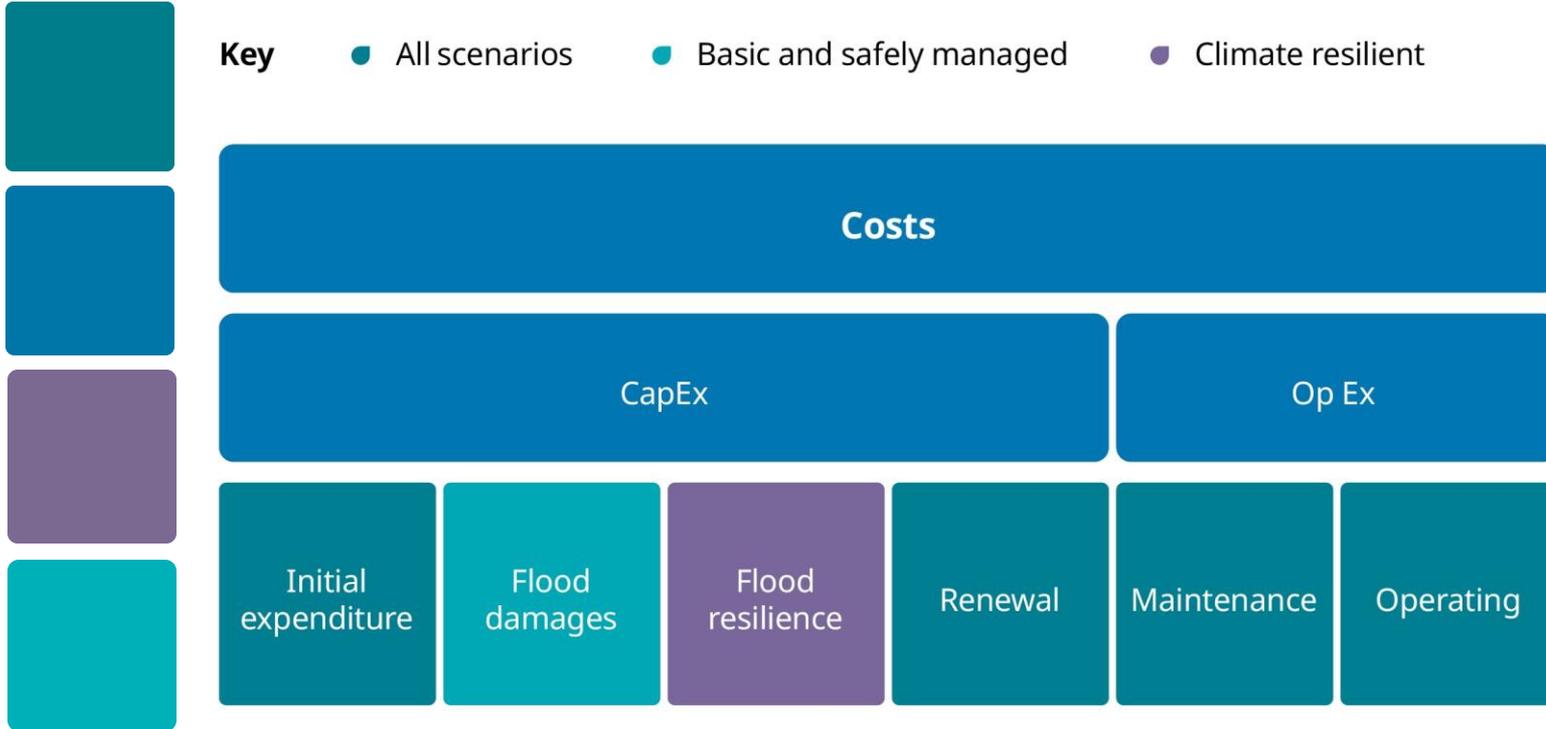


	Health	Environment	Social
	Reductions in diseases	Reduced environmental pollution Circular economy opportunities	Reduced time spent travelling or waiting for water Improved menstrual hygiene facilities
	Reduced mortality and quality of life impacts Improved productivity Reduced healthcare expenditure Increased educational attainment	Environment for recreation and exercise Quality of life impacts Tourism Property values	Opportunity cost of time Increased educational attainment Reduced risk of violence for girls and women
	Healthcare system resilience Epidemic resilience Human capital growth Economic opportunities	Environmental resilience Water security Climate resilience Economic opportunities	Economic opportunities Education Leisure Gender equality
	Economic growth and sustainable development		



Sources: WHO 2012, UNICEF 2016, UNICEF 2020

Cost-benefit analysis considers basic, safely managed and climate-resilient scenarios



Cost-benefit analysis considers basic, safely managed and climate-resilient scenarios

Key ● All scenarios ● Basic and safely managed ● Climate resilient

Benefits

Averted cases of diarrhoeal disease, helminths and respiratory infections

Time savings

Averted income losses from absenteeism

Averted healthcare expenditure

Averted DALYS

Economic value

Service disruptions

Cost-benefit analysis considers basic, safely managed and climate-resilient scenarios

Figure 1: Annualised net benefits of achieving universal services 2021–2040 (USD billions)



Note: The area of each circle corresponds with the magnitude of net benefits from 2021–2040.

Source: Vivid Economics



Case studies: Bangladesh and Ethiopia



The *Mission-critical* report includes case studies from Shyamnagar in Bangladesh and Burie in Ethiopia. These highlight the health, time-saving and gender benefits of WASH investments for marginalised groups, and women and girls.

- Bangladesh: Project designed to provide climate-resilient WASH facilities for households and community sites.
- Ethiopia: Project was a partnership with DFID and local government to provide WASH in a vulnerable underserved district in Amhara.



Key messages

Key messages

- ❖ Investment in water, sanitation and hygiene (WASH) by governments, businesses and donors is **mission-critical** to a healthy, just and environmentally-sustainable COVID-19 recovery.
- ❖ Achieving universal access to WASH can **unlock trillions of dollars** of value over the next two decades.
- ❖ Basic services are **a vital milestone** towards safely managed, climate-resilient WASH and can provide up to 21 times more value than upfront costs.
- ❖ Achieving universal safely managed water supply will yield **net benefits of \$37 billion per year** between 2021 and 2040 – with substantial health and time-saving benefits for women and girls.
- ❖ Achieving universal safely managed sanitation will yield **net benefits of \$86 billion per year** between 2021 and 2040, preventing up to 6 billion cases of diarrhoea and 12 billion cases of helminths between 2021 and 2040.

Key messages

- ❖ Every \$1 spent on ensuring WASH infrastructure is resilient to flooding could **avoid at least \$62 in flood restoration costs** and prevent life-threatening contamination of water sources.
- ❖ Hand hygiene is a cornerstone public health recommendation for defence against COVID-19 and any infectious disease outbreak: universal access can **reduce cumulative infections by up to 20%** in a COVID-like respiratory disease epidemic in the absence of other interventions - saving days that COVID-19 shows can be vital for response and containment efforts to limit the spread of infections and help prevent already-fragile health services being overwhelmed.
- ❖ Providing basic water services could **save women and girls the equivalent of 77 million working days per year** that they currently spend on water collection. Safely managed services would free up a further 122 million working days annually. This would reduce the amount of unpaid domestic work shouldered by women and girls, positively impact their health, increase their life and work options, accelerate a country's economic success, and be transformative for gender equality.
- ❖ For too long, women's unpaid labour has subsidised insufficient WASH investments. COVID-19 has seen a further backsliding in women's economic empowerment. Sufficient and targeted investment in WASH is needed to help reverse this, and help **accelerate us towards gender equality.**

Key messages

- ❖ Investment in water and sanitation infrastructure meets the criteria for a **strong 'green' economic stimulus investment**. It can be timely, targeted and transformational, enabling a durable recovery from COVID-19 and economic recession.
- ❖ WASH investments are an **essential component of pandemic response and preparedness**, making developing country finances and economies more resilient to future pandemics and shocks.
- ❖ Case studies of WASH investments in Burie in Ethiopia and Shyamnagar in Bangladesh show **significant health and time-saving benefits**, especially for women and girls, and marginalised groups.
- ❖ By increasing attendance in school and helping to prevent drop-out, investments in menstrual health and hygiene can have **long-term benefits on the wellbeing of people who menstruate**. For example, one additional year of education in low-income countries has been correlated with an average long-term increase in income of 8-10%.



4 Calls to action

Calls to action

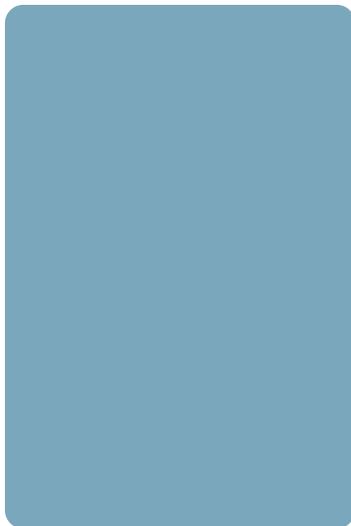
- ❖ Governments, international organisations, donors and business should **substantially increase investments** in water, sanitation and hygiene infrastructure and services in low-income countries (LICs) and low-and-middle-income countries (LMICs) during 2021 and 2022.
- ❖ Investments must be part of an **essential public health response to COVID-19**, a mission-critical fiscal stimulus for economic recovery, and a core element of future pandemic preparedness plans.
- ❖ The mobilisation of resources is **central to financing the annual \$229 billion capital requirement** for LICs and LMICs to put us on track to achieve SDG 6.
- ❖ Financing must meet the \$6.5 billion needed to ensure **every healthcare facility** in least developed countries (LDCs) has access to safe WASH services.

Calls to action

- ❖ G20 governments should urgently **phase out their \$580 billion fossil fuel subsidies** and redirect to support a healthy and green stimulus.
- ❖ High-income countries (HICs) should lead a **200% increase in ODA to water, sanitation and hygiene** in 2021 and 2022 to support the fiscal stimulus.
- ❖ Investments must be part of a 'race-to-the-top' to **realise and surpass** the 50-year-old pledge to spend 0.7% of GNI on ODA.
- ❖ All HICs should fulfil their responsibilities to provide **new and additional climate finance** in line with the \$100 billion annual commitments, with substantial increases in grant-based adaptation funding to WASH in LICs and LMICs.

Calls to action

- ❖ Multilateral and bilateral donors, and private sector investors, must create the enabling environment for **increased preferential water investments to the poorest, most vulnerable communities** in climate change hotspots.
- ❖ HICs, multilateral and private creditors should provide **comprehensive debt cancellation** to debt-distressed LICs and LMICs.
- ❖ G20 governments should **reallocate special drawing rights to LICs and LMICs** to support fiscal stimulus and enable investment in WASH.



Read the full report at
washmatters.wateraid.org/mission-critical