**Terms of Reference:** Strengthening the economic case for investment in water supply, sanitation and hygiene for a healthy and green recovery from COVID-19

Safely-managed water, sanitation and hygiene services are essential foundations for human health, livelihoods and economies, yet in many parts of the world they are undervalued and underprovided: over two billion people are without access to safely managed drinking water, over 4 billion without safely managed sanitation and 3 billion lack basic handwashing facilities. The global COVID-19 pandemic and the accelerating climate and environmental crisis underscore the importance of achieving Sustainable Development Goal (SDG 6) and ensuring that the necessary investments are in place. However, the financing available in developing countries falls far short of what is required, with women and girls, vulnerable and marginalised populations most impacted and at risk from this chronic underinvestment.

In a context where most countries face severe economic recession due to COVID-19 impacts and constraints, WaterAid is seeking to strengthen the economic case for investment in the water, sanitation and hygiene (WASH) sector as part of a healthy and green recovery. We are seeking Expressions of Interest to conduct economic research and analysis of the WASH sector in developing countries. The principal outputs for the research are:

* **detailed economic cost-benefit analysis of climate-resilient WASH interventions at global, regional and national level**
* **how investment in WASH infrastructure, services and jobs can support a healthy and green economic recovery (“building back better”)**
* **recommendations for how best to frame or articulate this analysis to support advocacy by WaterAid teams targeting governments and bilateral and multilateral donor agencies[[1]](#footnote-1)**

The cost-benefit analysis (CBA) should include consideration of the costs for relevant climate-resilient WASH interventions and technologies for water supply, sanitation and hygiene in household, school and healthcare environments and within the context of SDG 6 targets. For water supply, this might mean the cost of connection of a household to a networked supply, construction of borehole, water pump, protected well, rainwater harvesting system, or small or large systems to improve water quality to a safe standard. For sanitation, it might mean the cost of flush or pour flush toilets to sewer systems, septic tanks or pit latrines, ventilated improved pit latrines, or the cost of safely managing faecal waste either on- or off-site. For hygiene, this would include the cost of a handwashing facility with soap and water, measures to support menstrual hygiene management, hygiene awareness and behaviour change campaigns, just-in-time interventions in the context of COVID-19. Costs should also include those additional costs related to ensuring that WASH interventions are climate-resilient (location, robustness of construction etc.). Estimated costs should include both capital costs for infrastructure costs for operations and maintenance. They should take account of additional costs required by the current COVID-19 pandemic.

Benefits considered should include reductions in mortality and morbidity rates from cholera, diarrhoea and other waterborne disease, as well as gender, employment, productivity and Gross Domestic Product (GDP) gains from improved health, environmental and time-saving outcomes. It should also consider the benefits from WASH investment in specific environments: how WASH investment in healthcare facilities[[2]](#footnote-2) improves health outcomes and patient trust, and in schools improves attendance and learning opportunities, especially for girls. Benefits should take account of the current COVID-19 pandemic and how hygiene and WASH more generally are critical measures for preventing spread of the infection. It should aim also to factor in the long-term social and economic benefits of averting WASH-related child stunting and wasting and resultant impairment to physical and cognitive abilities. The analysis should also include the benefits of climate-resilient WASH as an adaptation measure to the negative impacts of climate change (temperature rise, drought, flooding, saline intrusion, extreme weather events etc.).

To strengthen the case for investment in WASH as core to a healthy and green recovery, the CBA of climate-resilient WASH should be placed in a broader political and economic context. This should include:

* consideration of the human rights to water and sanitation and the International Convenant on Economic, Social and Cultural Rights
* how the cost-benefit ratio for WASH compares with other social and economic sectors, such as education, health, governance, energy, agriculture and transport;
* how investment in WASH relates to these sectors, with increased investment potentially realising new synergies (e.g. how combining or integrating WASH with health interventions such as vaccines can offer additional, multiplied benefits)
* the economic importance of effective water resource management (WRM), with growing demand from agriculture, industry and urban centres, balanced against uncertain and variable supply due to climate change, and the need to protect essential water resources and ecosystems;
* the intersections between WASH and WRM and how the co-dependencies and trade-offs between these fields impacts the economics of WASH in an era of climate change and COVID-19[[3]](#footnote-3)
* how investment in WASH can contribute to sustainable growth of GDP, jobs and employment, with positive spillover effects in stronger systems, infrastructure and increased trading opportunities
* how investment in WASH can contribute to address gender inequality, including inequalities exacerbated by COVID-19, and contribute to SDG 5 (Gender Equality and Women’s Empowerment)
* how interventions in climate-resilient WASH can contribute to the transition to net-zero carbon and the circular economy[[4]](#footnote-4)
* consideration of the cost effectiveness of different WASH investments
* the financing gaps for achievement of universal access to WASH and SDG 6 and the implications of the cost-benefit analysis for decision-makers who can influence the different sources of available finance: domestic, international, public and private

WaterAid will support the work of the consultant where possible through supply of relevant research and input from WaterAid Country Programmes and regions.

The successful consultant will discuss the outcomes and implications of the research and develop recommendations for policy-makers in government, business, international organisations and civil society.

The primary audience for this research is: Heads of State/Government, Economy, Finance, Health, Climate, Environment and Water Sector Ministers and senior officials in developing countries, Foreign and Development Ministers and senior officials in Cooperating Partner Countries, Board and Executive Management in International Financial Institutions, Development Agencies and Multinational Corporations, Civil Society leaders.

Our intention is to use the findings to support WaterAid’s advocacy targeting politicians and policymakers for why substantially more domestic and international financing of sustainable WASH services should be prioritised by governments and donors in the context of the COVID-19 response, recovery and resilience to future threats. i.e. how to make the most powerful and politically attractive case for investing in WASH.

Following the CBA, WaterAid is prepared to work iteratively with the successful consultant in developing the most powerful and effective arguments for investment in WASH as a core part of a healthy and green recovery.

Outputs & Indicative Timeline:

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| --- | --- |
| **Output** | **Date for Completion** |
| Inception report – setting out methodology and approach  | 21st August 2020 |
| First draft report  | 18th September 2020 |
| Final Report | 16th October 2020 |

Total budget available: £30,000, including VAT.

Expressions of Interest including CV of consultant(s) briefly outlining your organisation, expertise and suitability to be sent **no later than 17:00 BST, Friday 24th July 2020** to: Dan Jones DanJones@wateraid.org;Tina Mlinaric TinaMlinaric@wateraid.org; Claire Seaward ClaireSeaward@wateraid.org; and johngarrett@wateraid.org. We will then review the EoIs and select the successful consultant.

We are looking for organisations with capacity in these areas:

* Expert knowledge of economics, cost benefit and cost effectiveness analysis and approaches
* Expert knowledge of the water, sanitation and hygiene sector, SDG 6 and Agenda 2030
* Expert knowledge of water resources and their central role in national and local economic development
* Ability to apply cost benefit and cost effectiveness approaches to the water, sanitation and hygiene sector
* Ability to place this analysis in the context of the broader water sector and other economic contexts

Relevant sources and previous research:

<https://www.who.int/water_sanitation_health/publications/2012/globalcosts.pdf>;

<https://www.copenhagenconsensus.com/sites/default/files/water_sanitation_assessment_-_hutton.pdf>

<https://www.wsp.org/content/economic-impacts-sanitation>

<https://www.lixil.com/en/sustainability/pdf/the_true_cost_of_poor_sanitation_e.pdf>

<https://www.circleofblue.org/wp-content/uploads/2012/06/HSBC_June2012_Exploring-the-links-between-water-and-economic-growth.pdf>

1. i.e. How to make the most powerful and politically attractive case for investing in WASH as part of a green and healthy recovery [↑](#footnote-ref-1)
2. For example, how investment in WASH can reduce: maternal and new born mortality rates (around time of birth from causes such as sepsis), the spread of infectious diseases such as COVID-19, health care-associated infections and unnecessary use of antibiotics. [↑](#footnote-ref-2)
3. For example, looking at the impact of (the absence) of sanitation on water quality and the cost of treatment etc. Or the impact of flooding (and poor water management) etc. [↑](#footnote-ref-3)
4. For example, reducing carbon footprint through increased use of renewable energy, grey-water recycling, or fertiliser/biogas outputs from the sanitation value chain. [↑](#footnote-ref-4)