Affordability in the work on equitable access under the Protocol on Water and Health

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Affordability in the 10-years of work on equitable access

- Define the concept of affordability
- Assess the public policies and measures in place or not to ensure affordability
- Guidance to determine specific actions to address affordability policy gaps identified
- Provide examples of measures / actions implemented in the pan-European region
Affordability: what is it?

Affordability concerns relate to whether a household has enough income to pay for water and sanitation services without forcing serious trade-offs in other essential goods and services.

- Affordability is driven by five sets of variables:
  - The income level and income distribution in a given country or area
  - The costs of provision in any given country or area
  - The subsidy policies
  - The tariff policies
  - The individual behaviours of users
General challenges related with affordability:

• Important to **combine economic** and **human rights perspectives**: ensure cost recovery of the services and find ways to ensure that all members of the population are able to pay for it.

• **Tariffs tend to increase** to ensure **financial sustainability** and reach **water quality** objectives.

• When water and sanitation prices are artificially low, it may result in a **lack of access** or **low quality access** for some countries and **work against environmental objectives**.

• Affordability is not just a water issue but also a **social protection issue**: to address it, there is a need to combine possible changes in tariff design with other measures which require a “**social policy infrastructure**”.
Main policy options to ensure affordability

**Tariff measures**
- Progressive tariff systems (IBTs)
- Cross subsidizing (connections/fixed costs)
- Preferential tariffs/social tariffs (income, family size)

**Non-tariff measures**
- "Preventive" measures
- "Curative" measures
- Disconnection bans
- Broader assistance programmes
Focus on the equitable access score-card:

- **Self evaluation tool to:**
  - Establish a baseline and collect information
  - Prompt discussions and engagement
  - Track progress

- **Assess i) the governance framework in place (or not) to achieve equitable access and ii) the public policies in place (or not) to:**
  - Reduce **geographical disparities**
  - Address the **needs of vulnerable and marginalized groups**
  - Ensure **affordability** in access to water and sanitation
Overview of the structure of the score-card:

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<th>SECTION</th>
<th>AREA OF ACTION</th>
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<td>Steering governance frameworks to deliver equitable access to safe drinking water and sanitation</td>
<td>1.1 Strategic framework for achieving equitable access</td>
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<td>Reducing geographical disparities</td>
<td>1.2 Sector financial policies</td>
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<td>1.3 Rights and duties of users and right-holders</td>
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<td>Keeping water and sanitation affordable for all</td>
<td>2.1 Public policies to reduce access disparities between geographical areas</td>
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<td>2.2 Public policies to reduce price disparities between geographical areas</td>
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<td>2.3 Geographical allocation of external support</td>
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<td>3.1 Public policies to address the needs of vulnerable and marginalized groups</td>
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<td>3.2 Persons with special physical needs</td>
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<td>3.3 Users of health facilities</td>
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<td>3.4 Users of educational facilities</td>
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<td>3.5 Users of retirement homes</td>
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<td>3.10 Persons living in housing without water and sanitation</td>
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<td>3.11 Persons without access to safe drinking water and sanitation in their workplaces</td>
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How is the affordability policy framework being assessed in the Score-Card?

Via both quantitative and qualitative questions analyzing:

- The public policies in place to ensure affordability;
- The existence of tariffs measures;
- The existence of social protection measures.
Examples of findings on affordability from pan-European countries using the score-card:

- Sometimes affordability is also an issue for self-supply households and not just for households serviced by networks (e.g. no financial support for self-supply settlements)

- Not all mechanisms to address affordability issues can be used in all countries (e.g. metering)

- Governance also affects affordability (e.g. municipality responsibility)

- The lack of information makes understanding affordability concerns more difficult and prevents the development and adaptation of affordability measures.
Specific actions on affordability taken by countries (by 2018):

- **Awareness raising.** In Ukraine, the findings of the self-assessment for the city of Sevastopol furthered discussion among the different stakeholders on the options and costs of connecting households to the main sanitary sewer and on financing mechanisms that can ensure the affordability of water and sanitation for all users.

- **Connection fees.** In Hungary, since 2017, some administrative costs of connection to public utilities are free for individual consumers in order to ensure affordability.

- **Regulatory changes.** A statutory regime that automatically attributes a social tariff for the provision of water services to lower income consumers was approved by Parliament in 2017.
Ways forward..

• Continue to **support countries in assessing affordability policy framework** using the **equitable access score-card**

• Develop a **brochure on good practices to ensure affordability of drinking water supply and sanitation services in the pan-European region**, which aims to:
  - Raise the profile of affordability issues among policymakers;
  - Enhance the understanding of how affordability concerns can be addressed;
  - Inspire and promote further action on ensuring affordability of water and sanitation services in the region.
Thank you for your attention!

No one left behind: Good practices to ensure equitable access to water and sanitation in the pan-European region [https://bit.ly/3qaTuap](https://bit.ly/3qaTuap)


The Guidance Note on the development of action plans to ensure equitable access to water and sanitation [https://bit.ly/2Z3H1JZ](https://bit.ly/2Z3H1JZ)