Launching of the new Policy Brief on Affordability under the Protocol on Water and Health

Ms. Diane Guerrier
UNECE joint secretariat

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#ProtocolWaterHealth
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 affordability measures/actions implemented in the pan-European region
- Unpack the affordability concept for policy makers and provide good practices examples
Launching of a new Policy Brief:

Making water and sanitation affordable for all: policy options and good practices to ensure affordability of safe drinking water and sanitation services in the pan-European region

- March 2021: 6th meeting of the Expert Group on Equitable access to water and sanitation to brainstorm on the outline of the document
- April-October 2021: Collection of good practices from interested Pan-European countries and development of the policy brief
- Early 2022: Finalization of the Policy Brief
Objectives:

→ 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 at the national and local level.

Target audience:

Government representatives from ministries responsible for water and sanitation services, social protection, and finance; Water regulatory authorities; Local authorities (municipalities); Providers of water and sanitation services.
Overview of the Outline of the Policy Brief

- About this policy brief
- Why does affordability matter?
- What is affordability?
- What policy options are available to ensure affordability?
- Adopting strategic approaches
- Implementing water and sanitation policy measures
- Implementing social protection policy measures
- How can affordability measures be financed?
- What needs to be done now?
Affordability concerns relate to whether a household has enough income to pay for water and sanitation services without compromising its ability to pay for other essential needs (e.g. food, housing, health care..).

Affordability is driven by different sets of variables (e.g. income level, cost of provisions..). Before developing policy responses to address affordability gaps, country specific situational analyses must be taken into consideration (e.g. causes of the affordability concerns, administrative capacity, governance environment..) to adopt a strategic approach.
Exploring policy options to address affordability concerns

Water and sanitation policy measures include:
- Access to subsidies;
- Tariff measures;
- Payment facilities.

They have an effect on expenditures in water and sanitation services.

Social protection policy measures include:
- General social protection programmes;
- WASH-specific social protection initiatives;
- Disconnection bans.

They have an effect on the income of households.
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<th><strong>Water and sanitation policy measures</strong></th>
<th><strong>Social protection policy measures</strong></th>
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<td><strong>Access subsidies</strong></td>
<td><strong>General social protection programmes</strong></td>
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<td><strong>Water and sanitation tariff measures</strong></td>
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<td>Increase progressivity of tariff system by reducing or eliminating the fixed part</td>
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<td>Free water allowances</td>
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<td>Increasing block tariffs (IBTs)</td>
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<td>Cross-subsidies between domestic and non-domestic users</td>
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<td>Social tariffs</td>
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**Flexible payment systems**
Featuring good practices from 12 countries from region:

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<th>Policy options</th>
<th>Good practice examples</th>
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<td>Implementing water and sanitation policy measures</td>
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<td>Social protection programmes targeting water and sanitation services in Romania</td>
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<td>Using water and sanitation affordability thresholds to target social protection programmes in Lithuania</td>
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The Policy brief proposes some avenues of reflexion regarding the challenges and opportunities related with the financing of affordability measures such as:

- The 3Ts (taxes; tariffs and transfers)
- The combination of different sources of funding
- Cross-subsidies from other users for water and sanitation policy options
- National and local public budgets for social protection policy options
Some ways forward..

- Recognize that affordability of water and sanitation services is a **national policy issue** and identify the **extent and importance of affordability concerns**.

- Adopt a **strategic and tailored approach** to addressing affordability constraints.

- Enhance the **engagement of relevant stakeholders** across the WASH and social protection policy communities.

- Evaluate past and new efforts to address affordability concerns and promote **internal and crosscountry learning**.
Thank you for your attention!

Policy brief on affordability available in ENG (and soon in FR and RU) here: https://bit.ly/3PugDC2

Contacts:
protocol.water_health@un.org
diane.guerrier@un.org