



The *POVERTY* Millennium Development Goal

What water, sanitation and hygiene can do

The Millennium Development Goals

In September 2000, the United Nations Millennium Summit agreed a set of time-bound and measurable goals aimed at combating poverty, hunger, illiteracy, environmental degradation and discrimination against women.

The first Millennium Development Goal (MDG) is to eradicate extreme poverty and hunger. The target is to halve the proportion of people living on less than a dollar a day and those who suffer hunger by the year 2015.



Headline facts

The MDGs are strongly inter-dependent and programme interventions must reflect this. *Water, sanitation and hygiene deliver outcomes across the MDGs.*

Why is water, sanitation and hygiene so important for the poor?

- *The Urban and Rural Poor*
The poor receive the least adequate access to safe water, sanitation and hygiene, but this can be alleviated by allowing them greater autonomy over service provision.
- *Willingness to Pay*
Setting differential tariffs and establishing pro-poor payment systems enables poorer households to pay for services.
- *Income Generation*
Appropriate provision of water and sanitation can lead to income generating opportunities for the poor.
- *Health and Poverty*
Access to safe water and appropriate sanitation and hygiene services leads to significant health benefits for the poor.



The Urban and Rural Poor

The facts

- In Tanzania, households below the poverty line are between twice and six times as likely to use unprotected water sources as those who are not.
- Definitions of 'access' and 'coverage' often mask the inequity which exists within poor communities.
- Within rural communities, not all households are equally served, with only 40% having reliable access in one community-managed programme.

Why water, sanitation and hygiene?

Approaches have been developed that help alleviate the hardships related to inadequate water sanitation and hygiene provision, especially those experienced by the urban poor.

Utilities can give poor neighbourhoods more autonomy over their services or can make special provisions for them.

- The urban water utility of Malawi supplies water through group connections. Households form a user group, elect a management committee, and share the water bill. Evaluations have shown that the approach works and could be improved.
- In the urban slums of Bangalore, the Water Supply and Sewerage Board provide several households with a single yard tap.
- In Honduras, the utility established a separate section to serve the urban poor. Local committees distribute the water within their neighbourhoods and take care of the local administration, operation and management, greatly improving access.

Willingness to Pay

The facts

- Many poor households already pay more for water than middle and upper income households. In Mexico, poor households paid 25 times more for water than wealthier households.
- Poor households are willing to pay for improved water supplies and sanitation.
- If long distances need to be travelled in order to make a payment, the level of co-operation reduces.

Why water, sanitation and hygiene?

Setting differential tariffs and establishing pro-poor payment systems allow poorer households to manage metered connections more easily.

- In Ceará, Brazil, the poorest farmers are not charged for water, including women who use it for domestic consumption and small-scale production. In the cities, the tariff increases with use, with smaller amounts used by low-income households being heavily subsidised.
- Weighted tariffs based on indicators of poverty, such as type and size of house, avoid the need for costly metering systems. These indicators are most effective when set locally using participatory methods of welfare ranking and social mapping.

- Pro-poor payment systems adjust payment frequency, form and location according to income. In the Philippines, Kerala (India) and several Latin American countries, spreading water supply connection costs by including them in the tariffs made house connections more affordable. Payments in kind are also possible.
- In Santiago de Chile, women pay at a mobile van which visits the slums at fixed days and times.
- In peri-urban settlements in Malawi, users pay the local treasurer of the water users group.



Income Generation

The facts

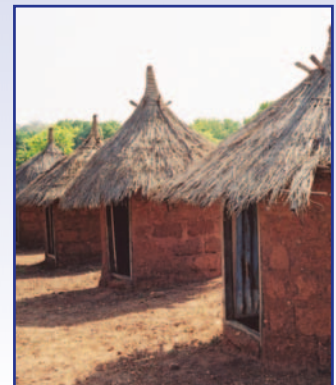
- The water and sanitation sector can provide work and income for poor people.
- In African cities, small scale independent providers are an important alternative to utilities when it comes to supplying the poor with water and sanitation.
- Sanitation improvements provide income generating opportunities, including for poor women.
- Poor families can benefit considerably when water projects are also planned and managed for small scale productive uses by poor people.

Why water sanitation and hygiene?

The following are examples of income generation through the provision of safe water, sanitation and hygiene.

- Water vendors are an example of small scale providers. The advantages are that they generate income, payment is on delivery, and small quantities can be delivered daily. Associated problems are the high variations in tap water in cost per litre, soaring prices during drought and poor water quality.
- In Lesotho, local latrine builders who worked full time in improving sanitation earned the equivalent of the mean monthly income in the country. 45% worked part-time for an additional income. The programme also boosted local industries such as brick and block production.

- The impact of water, sanitation and hygiene provision on micro-entrepreneurs in Uganda includes reduced costs and improved reliability of water supply, increased production and sales, increased demand for the firm's goods or services and the possibility of introducing new water-related goods or services.
- A working water supply allowed women entrepreneurs in Gujarat to earn Rs. 750 to Rs. 5500 per year by part-time work. The enterprises developed were dairying, crafts, tree nurseries, and salt and gum production.



Health and Poverty

The facts

- Poor families suffer worse health conditions than those with higher incomes.
- There is a correlation between water and sanitation-related disease and poverty.
- Promoting better hygiene can greatly improve health, provided poor families also have access to affordable water and sanitation.
- The means of achieving improved hygiene are less affordable to poor households.

Why water, sanitation and hygiene?

Reductions in water and sanitation related diseases bring macro-economic benefits as well as reducing household costs. There are synergies between water and sanitation-related health impacts, poverty and benefits of improved services.

- Waterborne diseases cost the Indian economy 73 million working days each year.
- A cholera outbreak in Peru in the early 1990s cost the economy US\$1 billion in lost tourism and agricultural exports in 10 weeks.
- Illness from diarrhoeas, eye infection and skin diseases (all hygiene-related) results in an aggregated cost of US\$ 10-11 per person per year for rural households in Uttar Pradesh, India.

- Households in Bobo-Dioulasso, Burkina Faso who adopted improved hygiene practices invested \$8 per household per year mainly on soap for hand washing. However, these households will be saving almost twice as much in medical care bills and will benefit from higher productivity.
- Improved water sanitation and hygiene also has nutritional and development benefits. Households with a distant water source cooked little, and only once a day because of a lack of water.
- Projects in Bangladesh, India and Indonesia which provided free soap found a positive impact on health but such support was not sustainable and use of soap decreased.
- Public-private partnerships between soap producers and hygiene programmes to promote soap use are now under way. Women in Dosso, Niger, learned how to make and market soap as part of a sanitation and hygiene programme.

This Briefing Note presents evidence for the impact of water supply, sanitation and improved hygiene on poverty reduction.

Key references

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- Van Wijk, C. (1998). Gender in water resources management, water supply and sanitation: roles and realities revisited. IRC Technical Paper no. 33, The Hague, The Netherlands, IRC and World Bank.

Full details of all the material used in support of this briefing note are available at www.lboro.ac.uk/well

There are six briefing notes in this series:

1. The Poverty Millennium Development Goal: What water, sanitation and hygiene can do
2. The Education Millennium Development Goal: What water, sanitation and hygiene can do
3. The Child Health Millennium Development Goal: What water, sanitation and hygiene can do
4. The Gender Millennium Development Goal: What water, sanitation and hygiene can do
5. The HIV/AIDS Millennium Development Goal: What water, sanitation and hygiene can do
6. The Environmental Sustainability Millennium Development Goal: What water, sanitation and hygiene can do

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