

Al-Attiyah Foundation Monthly Sustainability Digest

Expert sustainability opinion and insight

The True Cost of Water:

What will it cost nations to provide sustainable water and sanitation for all its citizens?

The UN Sustainable Development Goal 6 (SDG 6) aims to "ensure availability and sustainable management of water and sanitation for all". Meeting the targets of SDG6 will require large investments in terms of finance and resources. By the year 2050, the UN estimates that 1 in 4 people will be affected by recurring water shortages. With an estimated population of 9.7 billion in 2050, there will be close to 2.5 billion people facing acute water shortages and without access to hygienic sanitation. The World Bank has estimated that globally, current levels of financing for Water, Sanitation and Hygiene (WASH) are only sufficient to cover the capital costs of achieving basic services by 2030.

Meeting SDG6 will require a tripling of capital investments to US\$ 114 billion per year, not to mention operations and maintenance (O&M) costs, which are key for sustainable services. Governments are challenged to find the financial solutions to meet the SDG6 goal, which mechanisms to use and how to increase financial efficiency in infrastructure development and viable approaches to tariff-setting. What is the expected total required expenditure and where are nations planning to source the financing? What appropriate strategies would help governments balance the competing needs within their national developmental agendas?



Key Messages

- National strategies to ensure availability and sustainable management of water and sanitation are now widespread as more countries prosper.
- To meet SDG6 targets, countries are developing and implementing national financial plans and prudent budgeting.
- Trends in national budget allocations indicate general increases in funding but estimates suggest these still fall short of required investment.
- The sources of financing for drinking-water and sanitation services differ from country to country with the household tariffs and fees being universally prominent.
- Despite the enormity of the challenges faced in the global effort to provide WASH services, the trends of technology innovations, financing and governance indicate that these challenges can be overcome.

