world water vision

• P R E S S R E L E A S E •

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The Poor Pay Much More for Water...

Use Much Less – Often Contaminated

*Ismail Serageldin, Chairman of the **World Commission on Water for the 21st Century**, is available for interviews in Washington, D.C. on Wednesday, August 4, 1999. Please call 703-820-2244 to schedule time.*

Poor people in the developing world pay on average 12 times more per liter of water bought than fellow citizens connected to municipal systems; these poverty-stricken people use less water, much of which is dirty and contaminated, according to information collected by the **World Commission on Water for the 21st Century** and confirmed by world-wide consultations.

In some cities, the poor pay huge premiums to water vendors over the standard water price of those hooked up to municipal systems: 60 times more in Jakarta, Indonesia; 83 times more in Karachi, Pakistan; and 100 times more in both Port-au-Prince, Haiti and Nouakchot, Mauritania.

In slums around many cities, the cost of water accounts for a large part of household expenses – 18 percent in Onitsha, Nigeria and 20 percent in Port-au-Prince, Haiti, for example.

Many cities subsidize water services in order to benefit the poor. Invariably, this results in inadequate services with many of the rapidly growing poor neighborhoods going without municipal services—in effect rationing the poor out—who then end up buying water of unknown quality from water vendors at 4 to 100 times the subsidized price the rich pay for treated, piped water.

"It is stunning that the poor pay more than 10 times as much for water as the rich do, and get poor quality water to boot," adds Ismail Serageldin, Chairman of the **World Commission on Water for the 21st Century** and a Vice President of the World Bank. "A direct link exists between this lack of access and a host of diseases that attack the poor in developing countries."

Some 1.2 billion people around the world lack access to safe water. Dr. Serageldin warns that unless action is stepped up, the number of people without access to safe water will increase to 2.3 billion by 2025.

Some 3.4 million of these people die each year from water-related diseases, caused either directly by infection through the consumption of contaminated water or food, or indirectly by disease-carrying organisms, such as mosquitoes, that breed in water. These diseases include: diarrheal diseases (2.2 million deaths annually); malaria (1.1 million annual deaths); trypanosomiasis, or sleeping sickness (40,000 annual deaths); intestinal nematode infections, such as hookworm or roundworm, (17,000 annual deaths); dengue fever (15,000 annual deaths); and schistosomiasis (7,000 annual deaths).

Contributing to the problem is the quality of water sold by vendors in developing world cities who respond to a need for water in the absence of satisfactory formal services. The water is usually sold from trucks that draw their water from polluted rivers and other, unknown sources, generally without any quality control. Most of these deaths are caused by poor hygiene practices, and safe water is a requisite for proper hygiene.

"It is clear that many municipalities constructed and have maintained water systems with government funds in order to help the poor, but the real effect has been to give subsidies to the middle class and wealthy, along with many working class families," says William Cosgrove, Director of the **World Water Vision Unit**. "Millions of poor urban dwellers have been left without water supply and sanitation in the rapidly growing cities of the developing world. The poor are often forced to pay exorbitant unit prices for untreated water, much of it deadly."

The **World Commission** findings result from a worldwide consultation among water professionals and users as part of the **World Water Vision** process, begun just a year ago. The

consultation has reached water professionals and users in both developed and developing countries.

"Water is scarce and our research supports the contention that it should be priced according to what it costs to provide the service. Although conventional wisdom holds that poor people cannot afford to pay for the household water they need, a survey shows that both rural and urban poor are willing to pay higher fees in order to have a reliable and safe water supply," William Cosgrove adds. "This policy, if adopted by governments that now provide large water subsidies siphoned by the rich, would actually enable many more poor to have access to safe, reliable water at much lower cost than they now have to pay."

In the Northeastern part of Pakistan, households paid as much as 40 percent more per month for a new, dependable service than the existing (unreliable) service. In Jakarta, Indonesia, residents connected to an unreliable piped water system were willing to pay 30 percent higher water fees to have a dependable service.

The first results of the Vision exercise will be discussed during the Second Meeting of the **World Commission on Water for the 21st Century**, to be held in Stockholm August 9-10, 1999. The Stockholm meeting, to be chaired by Dr. Serageldin, will guide the development of the **World Water Vision** and **Framework for Action**, a program that will be presented at the 2nd World Water Forum and Ministerial Conference, scheduled for World Water Day, 2000, March 17-22, in The Hague, Netherlands. This conference is aimed at converting public awareness on water into political commitment.

The information gathered by the **World Water Commission** shows that consumers connected to water systems pay widely divergent prices for water around the world. A 1998 survey[i] showed consumers in Canada pay the least amount for their water among residents of the industrialized world, with an average price of $0.31 per cubic meter (pcm), while Germans pay the most, $2.16 pcm, about five times as much. If the disposal of wastewater is included, Germans pay about $5.71 pcm. Residents of Jakarta, Indonesia, on the other hand, pay just $0.09 pcm, but few developing country cities have proper wastewater disposal.

Other nations surveyed in 1998, in descending order of price, include Belgium, $1.55 pcm; France, $1.35 pcm; Netherlands, $1.30 pcm; UK, $1.28 pcm; Finland, $0.77 pcm; Italy, $0.70 pcm; Sweden, $0.69 pcm; Ireland, $0.61 pcm; Spain, $0.47 pcm; the United States, $.040-0.80 pcm; and South Africa, $0.45 pcm.

Some 1996 municipal water system prices in the developing world include: Algeria, $0.27-0.57 pcm; Botswana, $0.28-1.48; India, $0.01-0.82; Madagascar, $0.392; Nambibia, $0.22.045 Pakistan, $0.06-0.10; Sudan, $0.08-0.10; Taiwan, 0.25-0.42; Tanzania, $0.062-0.24; Tunisia, $0.096-0.53; and Uganda, $0.38-0.59.

The **World Water Commission** is assembling its data from a wide variety of sources, including its own research, World Bank reports, UN data, private sector surveys, non-governmental organizations and other internet sources. The findings are preliminary rather than definitive, but do show trends.

In the absence of municipal services, people in the developing world have to provide their own services, often at high cost. A review of water vending in 16 cities has shown that the unit cost of such water is always much higher – typically from 4 to 100 times, with a median of about 12 – than the cost of a unit of water from a piped city supply.

The situation in Lima, Peru is typical. A poor family pays a vendor $3 per cubic meter of water, more than 20 times what a middle class family pays for water via a house connection. The poor family uses only one-sixth as much water as a middle-class family, but its monthly water bill is three times that of the family connected to a municipal water system.

In Abidjan, Cote d'Ivoire, the poor pay five times more than people connected to the public system; in Cali, Colombia and Tunis, Tunisia, 10 times more; in both Nairobi and Lagos, 11 times more; in Lima, 17 times more; in Guayaquil, Ecuador, 20 times more; in Dhaka, Bangladesh, 25 times more; in Cairo, 40 times more. A minimum of 40 liters per day is recommended by the **World Commission on Water** as a basic human need.

By 2000, there will be 21 cities in the world with more than 10 million inhabitants, and 17 of them will be in developing countries. By 2030, global urban populations will be twice the size of

rural populations. Developing world cities as a whole will grow by 160 percent over this period, whereas rural populations will grow by only 10 percent

According to information collected by the **World Commission on Water for the 21st Century**, water subsidies have rarely benefited the poorest households simply because they tend to live away from piped services or irrigation perimeters. Thus, the removal of a subsidy may have limited or no impact on those not connected, because they have few water assets to lose.

"The health benefits provided by better water and sanitation services are huge. When services were improved in industrial countries in the 19th and 20th centuries, the impact on health was revolutionary," says John Briscoe, Senior Water Advisor at the Word Bank and Advisor to the **World Commission on Water for the 21st Century**. "For example, life expectancy in French cities increased from about 32 years in 1850 to about 45 years in 1900, with the timing of this advance corresponding closely to changes in water supply and wastewater disposal."

In the early 20th century, some cities in the Ohio River valley used untreated water while others in the valley treated their water. Over a 10-year period, death rates from typhoid fever were constant in the former group, but declined by more than 80 percent in cities that treated their water.

The poor are often forced to pay even more in order to purify this "street water." The United Nations Development Programme estimated in 1992 that households in Jakarta, Indonesia spend a combined total of up to $50 million per year to boil drinking water, an amount equal to one percent of the city's gross domestic product.

"But many others are too poor even to be able to afford to boil their water, which means they will consume an unsafe resource, or use even less water," Dr. Serageldin says.

In Bangladesh, for example, boiling drinking water would take 11 percent of the income of a family among the lowest earning 25 percent of all households. With the outbreak of cholera in Peru, the Ministry of Health urged all residents to boil drinking water for 10 minutes. The cost of doing so would have amounted to 29 percent of the average household income in a squatter settlement – such people found the recommendation too tough to meet.

"Improved water supplies also provide economic benefits. For many rural people, especially women, getting water is time-consuming and heavy work, taking up to 15 percent of women's time," Dr. Briscoe says. After one improvement project in a village on the Mueda Plateau in Mozambique, for instance, the average time that women spent collecting water was reduced from 120 to 25 minutes a day.

"That reduction translates into a gain in well-being for women and their families, whether the time is used to cultivate crops, tend a home garden, trade in the market, keep livestock or care for children," adds Dr. Serageldin.

Unfortunately, the cost of providing universal water access by 2010 is high, between $31 billion and $35 billion annually. The poorest developing countries are unlikely to have the funds, even through international aid, to finance such development.

"Clearly unit costs of providing water must be reduced," says Dr. Serageldin. "The 'appropriate level of service' is an important part of this."

The World Commission on Water for the 21st Century is supported by all agencies of the United Nations and the World Bank, and has been set up to bring together the work of thousands of scientists, economists and members of civil society from across disciplinary boundaries to devise solutions to the water crisis and alert decision-makers of its dangers. Sponsors include The Netherlands (NEDA), Luxembourg (Ministry of Foreign Affairs), United Kingdom (DFID), Finland (FINNIDA), Sweden (SIDA), Japan (Ministry of Construction), Canada (CIDA), the Global Environment Facility, the Global Water Partnership, and the Ford Foundation.

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[i] Prices in OECD countries based on purchasing power parity method using 1998 OECD PPP figures