DUTCH WASH ALLIANCE

Financial sustainability

in relation to other aspects of sustainability

To what must you pay attention to when you want to promote sustainable development in water, sanitation and hygiene (WASH)? You need to take into account financial, institutional, environmental, technological and social (FIETS) aspects of sustainability.
The Dutch WASH Alliance is convinced that all of these aspects require attention; not separately, but all of them, integrated. This fact sheet explains the relationship between financial sustainability and each of the other FIETS elements.

The Dutch WASH Alliance

... is active in the fields of water, sanitation and hygiene (wash) in Africa and Asia. We always work in partnership with local parties: from local community and governments to businesses, financial institutions and civil society organisations. The solutions vary from hygiene awareness campaigns to business support programmes and from training courses for wash committees to the construction of water systems or sanitary facilities. Our work is always focused on achieving sustainable results. In order to realise these goals, we follow the 'FIETS' strategy.

1 Social and financial sustainability

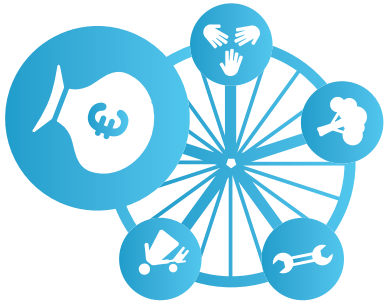
WASH interventions are institutionally sustainable when local organisations invest in them (financially sustainable) and take responsibility for them (institutionally sustainable). To make sure water or sanitation services are sustainably financed, suppliers and customers need to agree on prices, but also governments and financial institutions need to be involved. For example, where customers such as households can pay for construction of toilets and for pit emptying services, governments can allocate budgets for the construction, operation and maintenance of safe disposal or treatment sites or for setting up awareness campaigns. If the financial risks are mitigated, micro-finance institutions, in turn, could lower interest rates to make loans for toilets affordable to the poorer population.

2 Financial and environmental sustainability

WASH interventions are environmentally sustainable when the selection of these interventions and technologies is done in such a way that the quality of life of the local community is being improved without detriment to the natural environment. From a financial sustainability perspective this means that the costs of environmentally unfriendly WASH practices should be paid for. For example, high costs result from open defecation and unsafe disposal of human waste. These practices directly threaten the health of the natural environment: the lowered quality of the groundwater and the spread of diseases amongst people and animals. This results in high costs for expensive activities such as cleaning water and treating people who have water-related diseases.

3 Financial and technological sustainability

WASH interventions are technologically sustainable when the technologies and hardware used can be operated and maintained with locally available materials and equipment, and are of high quality and affordable. This way, technological and financial sustainability are closely connected: using locally available and affordable WASH technologies and hardware makes sure water and sanitation systems can be utilised on the long term. At the same time, these practices promote local entrepreneurship, market development and stimulate employment creation in the local communities.



4 Financial and social sustainability

WASH interventions are socially sustainable when they do not hinder a person from having access to water, sanitation and hygiene, and certainly not based on gender, age, economic status, social position, sexual preference, religion or culture. The financial component within social sustainability is therefore about financial inclusion. This means ensuring that marginalised people also have access to financing. For example, poor households should be able to get a loan to build or purchase a toilet. At the same time, small-scale entrepreneurs providing WASH services have to get access to finance as well.

A story about "white elephants"

Everyone on the planet seems to want a 'flush toilet'. But flush toilets need sewerage systems and sewerage systems need water - which was a great solution for countries with enough water. But this technology is now under serious discussion: it is too expensive, for example because the system is very expensive to upgrade.

This doesn't mean sustainable WASH technologies and hardware cannot be high tech, but they need to be affordable, adequate and locally available. Also, they should be able to be maintained and repaired locally. The great risk with technology is over-dimensioning: we often go for the very best solution that people cannot afford. All over the world you can find the remains of these 'white elephants': water treatment plants, flush toilets and sewerage systems that do not function anymore because there is no (more) water, or because the capacity to operate and maintain these technologies is lacking.

In Parakou in Benin, for example, a Waste Water Treatment plant was built in 2003. To this day it has never been used. Even the designs and manuals of the plant are missing. A couple of years later, a partner of the Benin WASH Alliance that is active in the same region, introduced a cost-efficient alternative that can be built, maintained and repaired locally: the Urine Diversion Dry Toilet (UDDT). And guess what? People are actually using the toilets. The toilets are hygienic, don't smell and are low-cost: exactly what the people of Parakou needed. This way, the Urine Diversion Dry Toilet proved to be the local and adequate alternative to the white elephant.