

Annex B

An OECD survey on investment needs for water supply and sanitation

The OECD Secretariat recently surveyed the estimated capital cost needed to attain two levels of universal water, sanitation and sewerage coverage worldwide by 2050. It concentrated on municipal (domestic and commercial water provision) and domestic rural coverage. The survey did not cover operations, maintenance or financing. It did not cover other types of water infrastructure (for irrigation, storage, or else). The survey covers capital spending between 2008 and 2050.

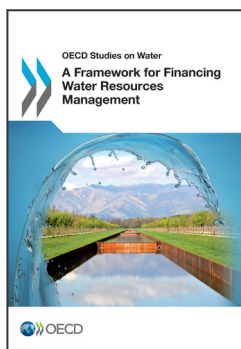
A “full” coverage scenario was developed where all people living in urban areas have access to piped water and household sewerage. In the “basic” scenario, half of those living in slum areas get local access to a continual supply of potable water and fully managed sanitation blocks, while the other half have full household coverage. For the rural population, “basic” access means appropriate sanitation facilities and local access to potable water while under “full” coverage, piped water is available on a household basis.

Cost elements needed for universal coverage were developed for bulk water distribution and treatment, household water delivery, household sewerage and sanitation, mains sewerage and sewage treatment and recovery, along with water metering, systems monitoring and where appropriate desalination and advanced water and sewage treatment.

A series of datasets were developed for 156 countries worldwide, where reasonable access to data was available and the population exceeded 0.5 million. The outputs were grouped by region and into World Bank categories by income, as well as OECD members (all but Iceland and Luxembourg being surveyed) and the BRIC (Brazil, Russia, India, China) countries.

The database was designed to allow it to be modified as new and improved data becomes available and to develop a series of new scenarios as and when these are needed. Suggestions for further research are also made.

The global capital spending forecast is for USD 7.52 trillion under the “basic” scenario and USD 9.23 trillion under the “full” scenario. These figures cover the 43-year period between 2008 and 2050. They do not cover operation and maintenance costs, but include the complete rehabilitation of existing networks. It was noted that the range of forecasts for various coverage targets in the past have varied markedly. Compared to some of the more recent ones, the forecasts may appear conservative. Using a different methodology, OECD (2006-07) estimated water infrastructure needs at USD 772 billion per annum by 2015 and USD 1 038 billion per annum by 2025; these figures cover not just the provision of new infrastructure but also maintenance needs (estimated at 3% of the replacement cost of capital stock for water and sanitation).



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