



D11.1 Affordability Assessment

This tool allows you to quickly assess the affordability of sanitation facilities and services for households and communities. If you are planning to conduct a household survey during Step 3 (see T2 on interview methods and questionnaire examples), make sure to include questions about the willingness to pay for improved facilities and services (see below for examples of some survey questions).

CARRYING OUT A RAPID AFFORDABILITY ASSESSMENT

Existing literature suggests that 2-3% of the total household income represents an 'affordable' level of financing for household sanitation facilities. This means that a household surviving on US\$ 2.50/day (US\$ 75.-/month), a maximum monthly amount of US\$ 2.25 can be considered affordable. Among the poorest households of a given community, this figure may fall to 1% to 1.5% of total income. This figure will allow you to design microloan or revolving loan mechanisms or maximum monthly fees for operation and maintenance.

You can also support your findings by using direct observation to conduct a rapid analysis of current income levels and daily household expenditures: visit some local shops and kiosks and identify what kinds of products are being sold beyond basics such as oil, tea, soap, phone cards, etc. What do people usually buy? A further source of easily accessible financial information is how much money people spend weekly on phone cards for mobile telephones.

Please consider that

- different sections of the community will be willing to pay differential amounts / rates for improved facilities;
- if direct or indirect subsidies or microloans are being considered for the implementation phase, a thorough willingness to pay survey needs to be conducted during Step 3 prior to designing the programme;
- a community-based revolving loan mechanism can make new improved facilities affordable for poorer segments of the community;
- tenants are not willing to invest in improvements that will ultimately benefit their landlord.

Once you have determined the possible monthly expenditure on a household basis, you need to determine the costs of different environmental sanitation infrastructure and services. Using tool T20 (Sanitation Costing Tool), you can determine the capital, labour and maintenance costs of possible on-site sanitation technologies and check their affordability to potential beneficiaries.

AFFORDABILITY AND WILLINGNESS TO PAY SURVEY QUESTIONS

Q1: Which assets does your household own?

Q2: Does anyone in your household currently have a loan with a friend, cooperative or bank/microfinance institution?

Q3: What are the 3 main planned main investments for your household in the next 6 months?

Q4: Do you consider your household income as: stable/instable/very instable?

Q5: What is the maximum amount that you would be willing to pay one time to have [a] *private* or [b] *shared* toilet facility to be used by your household?

Q6: What is the maximum amount that you would be willing to pay per month to have a private toilet facility to be used only by your household?

Q7: How important is it to you to invest money to build a private toilet facility?