

## T11

## Assessment of Effective Demand

**Summary:** Proper assessment of effective demand is a precondition for any area-based intervention. It is thus an important part of the detailed assessment in step 3. Estimating willingness to pay is only part of the equation, though. Just as important as economic factors are situational factors (such as prestige, well-being and privacy) or psychological and behavioural factors. Using simple methods such as affordability assessment or expressed demand analysis can help inform the planning process at an early stage.

**Application Within the Planning Process:**

**Step 3:** Detailed Assessment of the Current Situation

**Related Tools:**

**T2** Interview Methods and Questionnaire Examples

**Purpose** This tool allows users to assess if there is a real demand for improved environmental sanitation services or improved facilities at household level. Both economic and behavioural factors are used to provide a holistic diagnosis. This information will help in developing targeted approaches for creating demand later on in the process.

**How to use this tool?** Two simple demand estimation methods are presented:

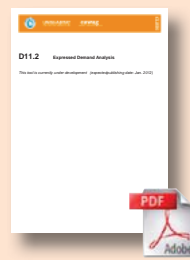
- (i) **Affordability assessment** (see Document D11.1) - can the residents afford improved sanitation services? As a rule of thumb people can afford to pay around 3% of their income for water and sanitation services, which gives an informed estimate based on available income data. It is not a very accurate figure but allows determining possible expenditure on a household basis.
- (ii) The **expressed demand analysis** format is currently under development and is based on on-going research at Eawag. This tool will be available as D11.2 in the near future.

Tool T2 introduces interview and survey methods, which are key to assessing effective demand.

## Resources



**Document D11.1:**  
*Affordability Assessment*  
[D11.1.pdf](#)



**Document D11.2:**  
*Expressed Demand Analysis*  
[D11.2.pdf](#)