

# Poor Sanitation Costs Lao PDR LAK 1.9 Trillion a Year



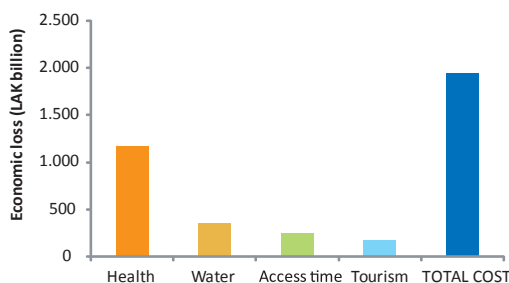
Lao PDR loses more than LAK 1.9 trillion (USD 193 million) due to poor sanitation and hygiene, according to a recent study “Economic Impacts of Sanitation in Lao PDR”, published in April 2009 by the Water and Sanitation Program of the World Bank<sup>1</sup>. This sum is equivalent to LAK 346,000 (USD 34.4) per person per year, or approximately 5.6% of gross domestic product (GDP) in 2006.

hygiene leads to at least 3 million cases of diarrhea and other sanitation-related diseases annually, and over six thousand deaths, leading to average annual economic losses of over LAK 200,000 (USD 20) for each and every Laotian. The real impacts could be considerably higher, as lack of data meant that several health-related impacts could not be quantified.

**Over three million Laotians (out of a total population of 5.6 million) are living without improved sanitation,** that is, without an easily accessible, private and safe place to urinate and defecate. Over 62% of rural-dwellers have

no facility at all, corresponding to 2.5 million people. In addition, most pit latrines in the country do not properly isolate human excreta from percolation to groundwater or surface water, and treatment rates of sewage in urban areas are extremely low, thus posing a significant threat to the environment and human health.

**Health impact.** Increased exposure to disease-causing pathogens through poor sanitation and



### Water resources impact.

Sewage discharged untreated to water bodies and leaking pit latrines are a cause of water resource pollution in Lao PDR, infecting rivers, lakes and ground water, which serve as the drinking water supply for most Laotians. Water treatment

for drinking and other household purposes cause average annual economic losses of over LAK 63,000 (USD 6) per person.

**Population welfare impact.** In an increasingly prosperous country with continued population growth and modernization, having to defecate in the field or forest, or share a toilet with many other families, is not considered an improved standard of living. Poor sanitation impacts on well-being of the population,

<sup>1</sup> Hard copies available from World Bank office: Economic impacts of sanitation in Lao PDR. Hutton G, Larsen B, Leebouapao L, Voladet S. World Bank, Water and Sanitation Program. 2009.

particularly women, when considering aspects such as toilet comfort and cleanliness, convenience, privacy, security, and social status. Equally important, inadequate toilets and hygiene standards at schools are thought to cause higher rates of school drop-out and welfare loss, especially among girls. In quantitative terms, it is estimated that poor sanitation leads to waiting time for shared latrines and travel time for open defecation, which when valued in monetary terms gives LAK 44,000 (USD 4) per person per year.

**Tourism impact.** Although Lao PDR has strong potential growth in tourism, poor sanitation and hygiene practices are an obstacle to the achievement of the anticipated growth rate in tourist numbers, causing environmental and water degradation for enjoyment by tourists, risk of diseases picked up from the environment, and threatening food safety. Hence to safeguard future foreign exchange earnings and incomes of those increasingly relying on the tourist trade, more funds need to be allocated for sanitation to make Lao PDR a more attractive tourist destination.

**Conclusions.** This is the first study in Lao PDR to compile economic evidence on a range of impacts of poor sanitation and hygiene. The results indicate that poor sanitation and hygiene have significant costs, with major implications for the socio-economic development of Lao PDR and the attainment of short-, medium- and long-term development goals. The study highlights the links between improved sanitation and several other MDG targets, including poverty, hunger reduction, gender equality, child health, and access to safe drinking water.

**What needs to be done?** Given the huge economic costs of at least LAK 2 trillion (US\$193 million) of not having improved sanitation and hygiene, it is recommended to:

- **Allocate higher investments to sanitation hygiene promotion** in order to avert the economic losses and realize massive development benefits. This requires further strategy development in the sanitation sector.



Landfill Km. 30 in Saysetha District, Vientiane Capital

- **Target investments to rural areas as well as to the urban poor.** Sanitation programs should in particular target families with young children, families with limited cash income and spending power, and families without land or house ownership. With scarce financial resources for sanitation programs, national investments should target these and other vulnerable population groups. Sanitation programs and selected technologies should be based on the demand of the population.

- **Strengthen promotion and information campaigns to improve personal hygiene practices, focusing on hand washing with soap.** Politicians, public officials and communities should be targeted with information about the effects of poor sanitation and hygiene, and how to select and implement affordable solutions. The local

authorities must have an important role in sanitation and hygiene promotion activities.

- **Better monitoring and further evaluation of the impact of improved sanitation options in Lao PDR,** in order to track that sanitation and hygiene programs are having their intended impact.

