

Economics of Sanitation Initiative

Poor Sanitation Costs Over P77 Billion a Year



Poor children suffer the most from diseases and premature death caused by poor sanitation



High-value tourists will not come to the Philippines if untreated sewage drains to the beach



1,962 million cubic meters of sewage discharged to the waterways of the Philippines every year have a huge economic toll

The Philippines loses more than P77.8 billion pesos annually due to poor sanitation, according to "Economic Impacts of Sanitation in the Philippines," a study published in February 2008 by the World Bank Water and Sanitation Program (WSP) with co-funding from the United States Agency for International Development (USAID) Environmental Cooperation-Asia (ECO-Asia) program.

27.5 million Filipinos do not have sanitary toilets

According to the study, there are 27.5 million Filipinos (32.6% of the population) who do not have sanitary toilets, and only 3.3% of urban households are connected to sewers that lead to treatment facilities. As a result, there are estimated 38 million diarrhea cases per year that cause 11,338 deaths annually.

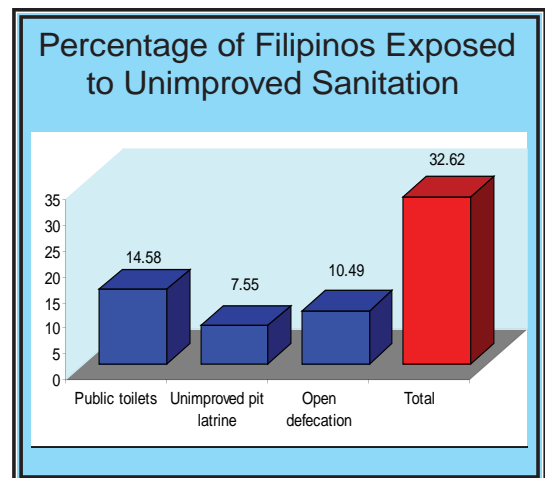
Untreated sewage causes high levels of environmental pollution. Every year, 3 million tons of feces and 23.7 million cubic meters of urine pollute water bodies. Groundwater is also being polluted by septic tanks that are not sealed on the bottom.

This alarming problem has serious impacts on health, quality of water for households and commercial users, fisheries, groundwater extraction and crops.

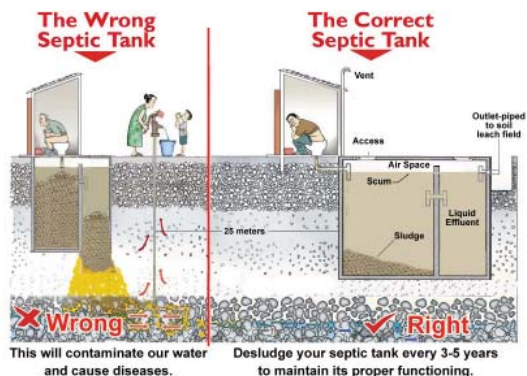
Even the country's potential to attract tourists is heavily affected by poor sanitation. Tourists stay away from holiday destinations that they suspect are unsanitary. The study concluded that improving sanitation would help the country achieve its target of 5 million tourists by 2010 and increase tourism revenues by about US\$ 40.1 million.

Poor sanitation remains a low priority in the Philippines despite huge economic losses and lost lives

Despite the huge economic losses and death toll, the Philippine government spends very little to address the water pollution problem in the country. Only about 3% of spending on the water and sanitation sector is allocated to sanitation, or about P1.5 billion, which is a mere 0.05% of GDP.



What Needs To Be Done



Information and education campaigns can be used to highlight best practices for sanitation, water protection and hygiene



Investment in Infrastructure supported by user fees and public education campaigns help drive the demand and support for wastewater treatment



Hygiene promotion through hand washing education and sanitation in schools programs teach kids and parents alike the importance of proper personal hygiene in reducing disease

It is very clear in the study that poor sanitation leads to billions in economic losses and unrealized potential revenues. At the same time, poor sanitation claims thousands of lives, especially poor children. The Philippines, therefore, needs to make improved sanitation services a high priority. The following are some of the recommendations of the study:

- **Higher investments in the sanitation sector.** The huge economic losses and impact of poor sanitation on human lives makes it imperative for the Philippine government to increase investments in sanitation.
- **Underserved areas are top priority.** When financial resources are scarce, investments should be targeted to rural regions and urban slums that have a high concentration of children. These areas have relatively low access to improved sanitation and children are more vulnerable to sanitation-related diseases.
- **Information and behavior-change campaigns.** Surveys show that fewer than 50% of Filipinos wash their hands after using the toilet. Handwashing with soap reduces the incidence of water-borne diseases like diarrhea by about 35%.
- **Evaluate technology options for improved sanitation.** This analysis is necessary to identify suitable technologies and practices that will increase success of investment projects.
- **More research on the impacts of poor sanitation.** More local and national studies and surveys need to be conducted to further evaluate the full impact of poor sanitation in the country. These studies will guide government agencies, in partnership with the private sector, in developing clear solutions to the sanitation problem.

Septage Management

The Philippine Clean Water Act calls for sewerage or septage management to be implemented nationwide by 2010. Septage management is much easier and more affordable, so it is a good first step for local government units (LGUs) and water utilities. Septage management involves desludging septic tanks every 3-5 years, treating the septage to kill pathogens, and disposing of the residue in an environmentally sound manner. LGUs should also ensure that all new septic tanks built in their area are fully sealed on the bottom, accessible for desludging, multi-chambered, and big enough for the number of users.

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