Box 2.1 Meeting Target 10: what will it cost?

Estimating the resources required to meet the Millennium Development target for water and sanitation requires analyses at two levels: the global level and the national level.

Global-level estimates are helpful in giving a sense of the magnitude of the financing required. Global financing cost estimates range from $51 billion to $102 billion for water supply and from $24 billion to $42 billion for sanitation for 2001–15. There is no "absolute" cost figure, as much will depend upon the technologies adopted and country-specific preferences and conditions. Taking an average would yield $68 billion for water and $33 billion for sanitation, for a total of $101 billion. That amounts to $6.7 billion per year – less than half what Europe and the United States spend annually on pet food ($17 billion).

At the national level, however, the critical question for developing countries is, How much it will cost to meet the target in their own country? The UN Millennium Project has developed a methodology for carrying out national-level needs assessments. This methodology is discussed in detail in the main report (UN Millennium Project 2005). A needs assessment starts by identifying needs and the necessary "interventions"—broadly defined as goods, services and infrastructure—required to meet those needs. Then coverage targets to be achieved by 2015 are defined for each set of interventions. Using detailed investment models, countries can then project the human resource, infrastructure, and financial needs for meeting the water and sanitation target. Additional information on these needs assessments is available at www.unmillenniumproject.org.

The methodology allows countries to determine the cost of the following set of interventions required to meet target 10:

- Extension, rehabilitation, and operation of the water supply and treatment infrastructure, as well as sanitation and wastewater treatment infrastructure.
- Hygiene education, community mobilization, and behavior change programs.
- The extension of infrastructure for water storage and transport coupled with Integrated Water Resources Management (IWRM) to ensure adequate supply of water for domestic, agricultural and industrial use, as well as ecosystem functioning.