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Making water count:

valuing the full returns of safe water access



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About this report

This report, *Making water count: valuing the full returns of safe water access*, was produced by Economist Enterprise, supported by Grundfos and the Grundfos Foundation. It forms part of the Water Access Imperative, a research programme that aims to spur investment in safe water access—particularly in the global south—by showing its social and economic value and by setting out a way to measure impact.

The report accompanies the Water Access Impact Tool, which translates investments in safe water access into measurable outcomes. The tool estimates the social and economic impacts of giving communities access to safe drinking water and allows comparison across countries and urban and rural contexts. It focuses on national-level analysis in countries with large access gaps and helps policymakers and investors direct resources where they will have the greatest effect.

Drawing on findings from the tool, the report uses case studies to show how investment in safe water can drive economic and social gains, and what is needed to close the water financing gap.

For more detail on how the tool was built and how it works, explore the online tool and full methodology note on [our Water Access Imperative hub](#).

Economist Enterprise thanks the experts who contributed their time and insights to the development of the tool and to this report (listed alphabetically by surname):

- **Francesca Battistelli**, senior associate, water security, World Resources Institute
- **Vedika Bhandarkar**, president and chief operating officer, Water.org
- **Nabil Chemaly**, senior programme officer, safe water, Conrad N. Hilton Foundation
- **Andrea Crowley**, senior director of partnerships, charity:water
- **Marc Dettmann**, manager, corporate water engagement, World Resources Institute
- **Joisa Dutra**, professor, Fundação Getulio Vargas
- **Jonathan Farr**, director of policy and partnerships, Resilient Water Accelerator
- **Brett Gleitsmann**, programme officer, safe water, Conrad N. Hilton Foundation
- **Manoj Gulati**, vice-president, Asia, Water.org
- **Meredith Hess**, strategic development lead, Project Dandelion
- **Cheryl Hicks**, senior adviser, WASH4Work, CEO Water Mandate

- **Guy Hutton**, senior economist and financing specialist
- **Adam Jacobi**, head of WaterAid in Denmark, WaterAid
- **Upmanu Lall**, director, Columbia Water Center
- **Pär Larshans**, chief sustainability officer, Ragn-Sells Group
- **Christopher Mutasa**, lead investments and operations officer, African Development Bank
- **Virginia Newton-Lewis**, head of programme, Water and Development, Grundfos Foundation
- **Henk Ovink**, executive director and founding commissioner, Global Commission on the Economics of Water
- **Caroline Pellaton**, operations director, Geneva Water Hub
- **Aparna Pittie**, partner and fund manager, Incofin's Water Access Acceleration Fund
- **Dina Pons**, former fund manager, Water Access Acceleration Fund, Incofin Investment Management
- **Lesley Pories**, head of policy, WASH Finance, WaterAid UK
- **Lauren Post Thomas**, senior advocacy officer, refugees and safe water, Conrad N. Hilton Foundation
- **Anise Sacranie**, senior director, Water Access and Sustainability, Grundfos
- **Tomás Serebrisky**, manager, infrastructure and energy sector, Inter-American Development Bank
- **Ben Shergold**, investment manager, The Stone Family Foundation
- **Tom Slaymaker**, chief of WASH, Climate and Environment Data Unit, UNICEF
- **Stef Smits**, director, IRC
- **Rich Thorsten**, chief insights officer, Water.org
- **Farai Tunhuma**, chief of WASH and climate, UNICEF Afghanistan
- **Katalyn Voss**, global water stewardship lead, Gap Inc.

Economist Enterprise is solely responsible for the content of this report. The views expressed do not necessarily reflect those of the experts or their organisations.

The report was produced by a team of Economist Enterprise researchers including Matus Samel, Dina Alborn, Apurva Kothari, Divya Sharma Nag and Gillian Parker.

Foreword by the Grundfos Foundation

Water is life. Water is health. Water is progress.

Long before Poul Due Jensen, the founder of Grundfos, sold his first pump to a farmer in 1945, people understood the value of water. Over the years I have seen, time and again, how reliable access to water changes lives and strengthens communities.

Water is life when families can depend on safe drinking water and enough water for daily needs. It is life when farms and livestock have the water they need. It is life when farmers are able to adapt to a changing climate, harvest nutritious food and feed their families.

Water is health when good hygiene protects dignity and ends open defecation. It is health when children no longer die from diarrhoeal diseases spread through unsafe water. It is health when hospitals and clinics can maintain high standards of hygiene, helping doctors and nurses to deliver better care.

Water is progress when people no longer spend hours collecting it. Time once lost can be spent earning an income, running a business or attending school. Communities can become more productive, local economies can grow and regions can prosper.

Yet, although most people recognise water as essential, investment decisions often fail to reflect its true social and economic value. The result is a large funding gap.

That must change. Water is also an investment. Decision-makers need clearer evidence of the returns that water investments can generate. We need better ways to show the value of these investments and explain it in terms that governments, investors and development partners can act on.

That is why we are supporting the Water Access Impact Tool. Water should be treated as an economic asset while remaining affordable and financially sustainable.

The Water Access Impact Tool helps policymakers, investors and development partners to measure benefits that are often overlooked. It helps governments to identify projects that bring water closer to households and attract private capital through guarantees and blended finance. It helps development finance institutions to build stronger investment pipelines and reduce transaction costs. It helps show how better water access can improve health, livelihoods and economic opportunity.

Kim Nøhr Skibsted
Chief executive, Grundfos Foundation

Introduction

Too often water access is still judged by what it costs to deliver, not by the value it unlocks for households, public budgets and economies. Its returns appear in fewer cases of disease, lower healthcare costs, more time in school and at work, stronger businesses and more resilient economies. Yet these gains are rarely counted in

full when investment decisions are made. “A lot of the evidence from different areas is not often put together or consolidated,” says Guy Hutton, an economist and financing specialist. Studies may capture health gains, education outcomes or productivity improvements, but rarely assess their combined effect. “If you put it all together, you’ve got a very good return,” he adds. Water projects can therefore seem expensive when assessed narrowly, even when their wider social and economic returns are large.

The Water Access Impact Tool makes visible what narrow assessments often miss.¹ Developed as part of a research programme by Economist Enterprise, supported by Grundfos and the Grundfos Foundation, the tool translates investments in safe water access into measurable outcomes including avoided disease, reduced mortality, productivity gains and wider economic benefits. It allows policymakers, investors and companies to judge not only what water infrastructure costs, but what it returns over time.

This distinction matters because the financing gap is not large when set against the returns.² Achieving universal safe water access by 2030 will require an additional US\$85.6bn a year, on top of current spending of US\$28.4bn, according to the World Bank.³ That is a large increase for the sector, but a



Figure 1: How the Water Access Impact Tool works

The tool combines user choices with cost and impact assumptions to estimate the people reached, investment required, water delivered and the resulting social and economic benefits.



2.1bn people

still lack safely managed drinking water

Source: UN Water

modest sum beside the economic and social gains that better water access can unlock. The problem is not only a lack of capital. Water is still treated mainly as a social service funded from strained public budgets, rather than as an investment that generates value.

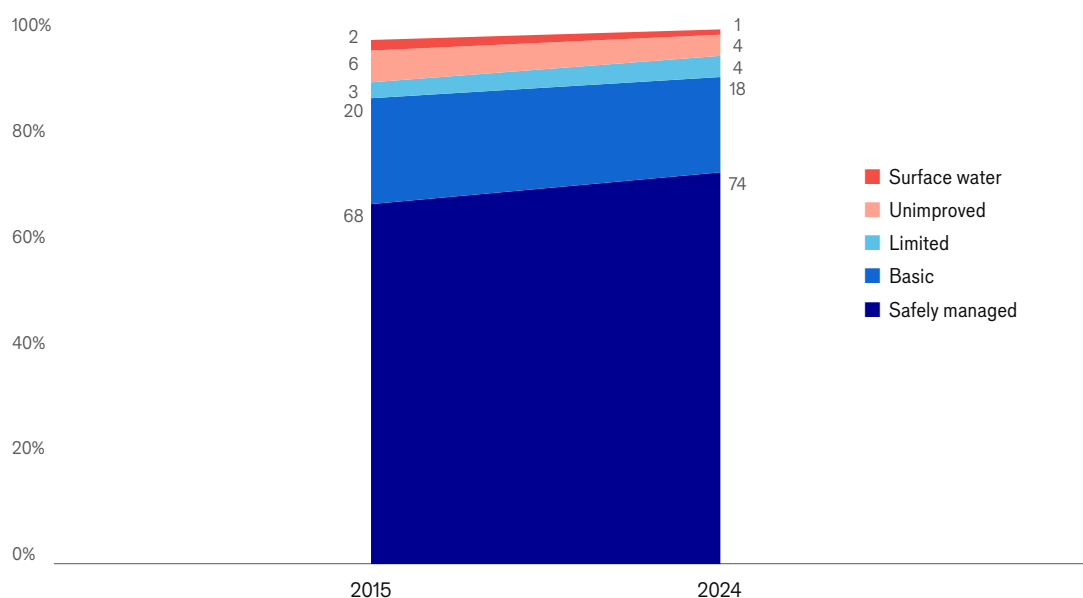
Water underpins every economy. It sustains households, food systems and ecosystems, and shapes the health and productivity of entire populations. Yet the world is failing to manage this most fundamental resource. Multiple crises—too much, too little or too polluted water—are now unfolding at once, stretching systems in different ways across regions. On current trends, global demand for water will outstrip supply by 40% by

2030. One in ten people already live in a country facing high or critical water stress.⁴ The gap between what societies need and what existing systems can reliably supply is widening.

Access remains deeply unequal. Around 50–100 litres of water per person per day is sufficient for drinking, sanitation and hygiene.⁵ But a dignified life, including adequate nutrition and consumption, requires closer to 4,000 litres.⁶ Few regions can meet that demand from local resources alone. Since 2015, 961m people have gained access to safely managed drinking water, 1.2bn have gained access to safely managed sanitation, and 1.6bn have gained access to basic hygiene services.⁷ Even so, progress is uneven. Globally, 2.1bn people still lack safely managed drinking water, with the largest gaps in underserved regions, especially parts of Africa.⁸ Many more rely on services that are partial, distant or unsafe: basic public taps or boreholes, limited sources that take more than 30 minutes to collect from, unimproved wells and springs, or rivers and lakes exposed to contamination (figure 2).⁹

Figure 2: Patchy progress

Share of the global population by level of drinking-water access, 2015 and 2024



Source: WHO/UNICEF JMP

Note: Safely managed: improved source on premises, available when needed and free from contamination; basic: improved source within a 30-minute round trip; limited: improved source requiring more than a 30-minute round trip; unimproved: unprotected dug well or spring; surface water: water collected directly from rivers, dams, lakes, ponds, streams or canals

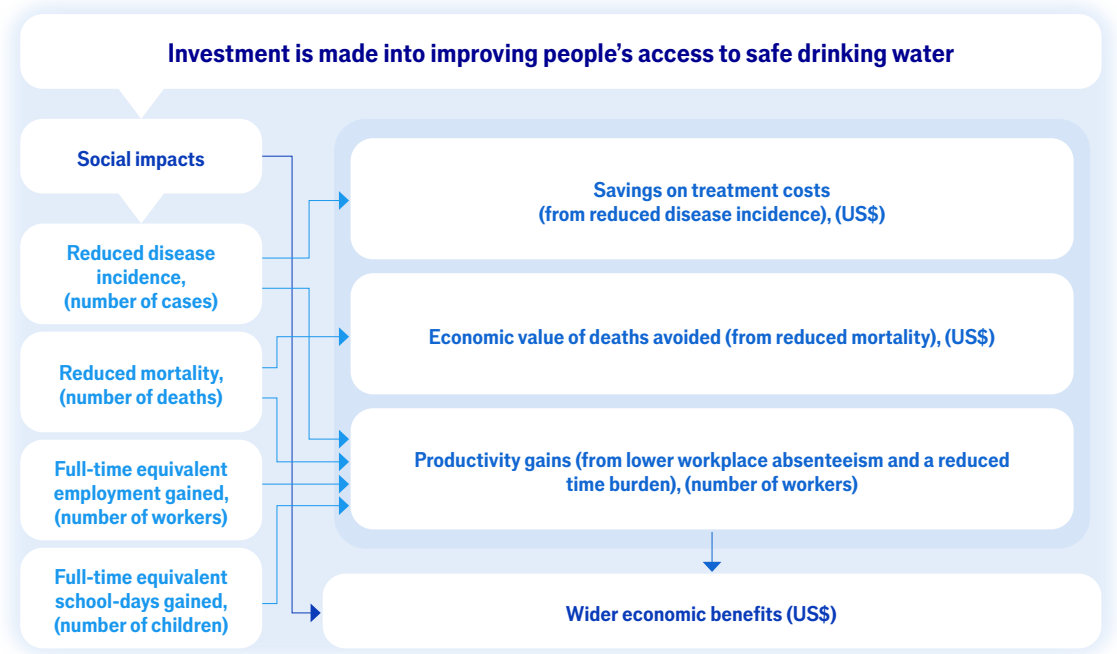
The consequences accumulate over lifetimes and across economies. Each year, nearly one million people die from diarrhoeal disease linked to unsafe drinking water and poor sanitation.¹⁰ Illness and time spent collecting water reduce time for work and education. Productivity falls, healthcare costs rise and economic potential is constrained. Together these become a persistent drag on growth.

The window for action is narrowing as the pressure on potable water supplies increases. Rapid urbanisation, industrial demand and poor resource management have already degraded many water systems. Climate change is making supply less reliable just as demand accelerates. Geopolitical tensions add further strain, as water stress increasingly overlaps with strategic competition and weakens international co-operation at the very moment it is needed most.

Closing the water-access gap will require stronger political leadership and public institutions. But it will also require private investors and companies to see water not only as a humanitarian duty or public service but as a foundation for economic growth and business resilience. By translating social and economic effects into comparable metrics, the Water Access Impact Tool strengthens the case for investments that can generate both impact and financial return.

Governments, donors and businesses need to judge water projects by their full value, not only by their upfront cost. The Water Access Impact Tool makes those returns easier to measure and compare. This paper examines where the gains are greatest, why investment still falls short and what must change to make water access a more investable proposition.

Figure 3: Measuring the returns on water
Estimating the social and economic returns on investment in safe water access through the Water Access Impact Tool



Counting the returns from water access

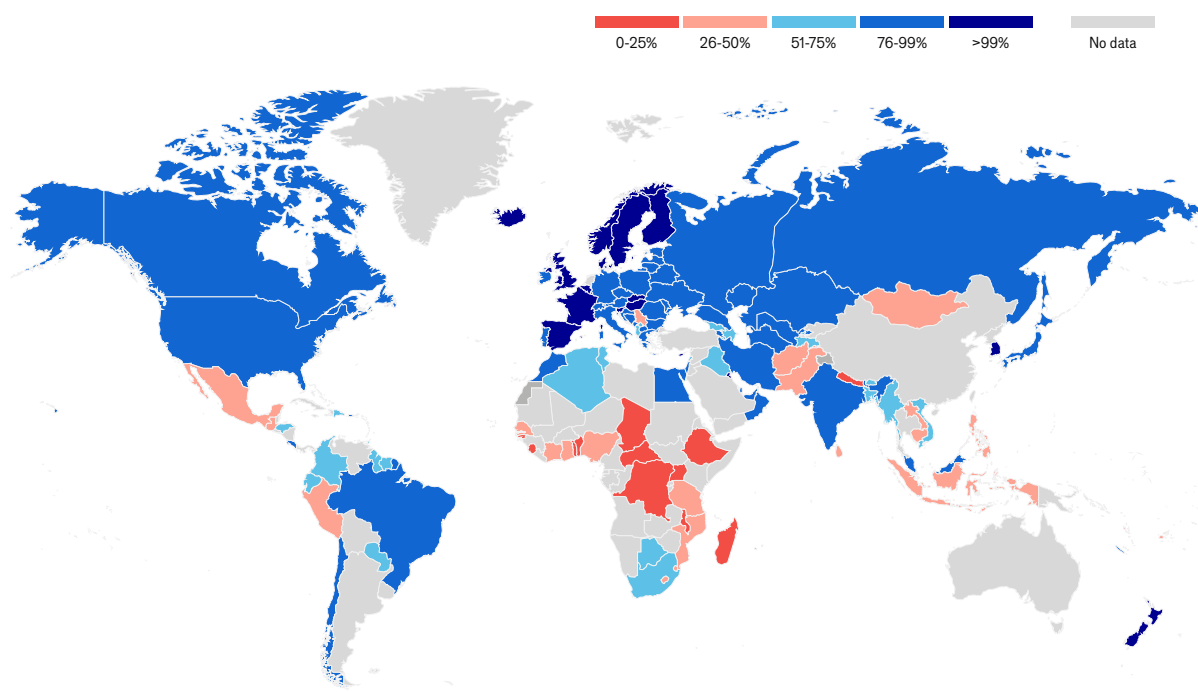
Access to safe drinking water has improved worldwide, but progress remains uneven and too slow. Higher-income countries have largely secured reliable access, while many low-income and least-developed ones have stagnated or fallen behind. Since 2000, the number of people in low-income countries without safely managed drinking water has continued to rise.¹¹ Urban access has expanded, but progress in rural areas—particularly in low-income countries—

has lagged, leaving a persistent gap in access to reliable and safe supplies.¹²

This uneven progress highlights water's potential as a powerful equaliser. Expanding access improves productivity and living standards where constraints are greatest, with the largest gains accruing to poorer and more marginalised communities. The Water Access Impact Tool quantifies these benefits by capturing improvements across health, time use, labour participation and economic growth.

Figure 4: A world apart

Share of the population with access to safely managed drinking water services, 2024



Source: WHO, UNICEF

Health gains that pay for themselves

Where access improves, health outcomes respond quickly and at relatively low cost. Evidence from low- and middle-income countries suggests that having safe water available on premises can halve the risk of diarrhoeal disease among young children.¹³ Low-cost and user-focused water interventions often deliver particularly strong returns, generating measurable health gains at scale.¹⁴

One example is the installation of chlorine dispensers at communal water points in Kenya, Malawi and Uganda. Costing about US\$1.70 per person per year, the system treats water at the point of collection, removing the burden of household water purification.¹⁵ Uptake has been high and diarrhoeal disease—especially among children under five—has fallen sharply. The model works because it is simple, proven and supported by local communities and governments.

These health gains translate directly into economic value, as demonstrated by the Water Access Impact Tool. It shows that in Ethiopia, where only 6% of people living in rural areas have safely managed drinking water,¹⁶ extending piped access to one million more people would generate an estimated US\$1.2bn in lifetime benefits, which is 2.3 times the total cost of the intervention.¹ Nearly 400,000 cases of water-borne disease could be avoided,



Women and girls spend
200m hours
each day collecting water

Source: United Nations Children's Fund

alongside roughly 7,000 fewer deaths and more than US\$5m saved in treatment costs. These improvements strengthen both public health and economic capacity.

From time lost to time invested

Time savings can be equally transformative. In many regions, water still has to be collected daily. Women and girls carry most of this burden, spending an estimated 200m hours each day fetching water.¹⁷ That is time not spent in school or in paid work, with effects that compound over time. The physical strain of carrying heavy loads and safety risks to women and girls, further undermines well-being.¹⁸ Where access improves, that burden falls sharply. In Ethiopia, where only 14% of the population have safely managed drinking water, a WASH programme that built, expanded and rehabilitated water points, reduced collection times from two to three hours per trip to less than 30 minutes, benefitting more than four million people.¹⁹

The benefits extend well beyond time savings into broader welfare and dignity; dimensions that are harder to monetise but no less consequential. A targeted rural WASH programme in India and Indonesia cut water collection times by more than half (around 60% in India and 50% in Indonesia), with 89% of women in India and 63% in Indonesia reporting improved well-being. Gains in dignity and social standing were also pronounced: 88% of respondents in India and 54% in Indonesia said they felt greater pride, while improvements in perceived social status were cited by 90% and 37% respectively. These gains translate into tangible economic effects. Around 62% of respondents linked improved access to higher incomes, driven by better health and reduced absenteeism.²⁰

For children, the impacts are especially pronounced. In northern Uganda, a WASH intervention at a primary school drove a 152% increase in enrolment, with attendance among girls rising by 170%, reflecting the combined effect of reliable water access and adequate sanitation facilities.²¹ In Pakistan, the installation of a single hand-pump in a rural village in Sindh Province

¹ Note: includes the capital expenditure (Capex), capital maintenance expenditure (CapManEx), and the operations and maintenance expenditure (Opex) over the 20-year lifespan of the water intervention.

eliminated 14km round trips to collect water, improving school attendance and retention among girls.²² Together, these examples show how even modest improvements can free time, restore dignity and expand opportunity, with effects that ripple across education and income.

Scaled across larger populations, these time savings translate into measurable gains in labour supply and human capital. In Kenya, 56% of roughly 38m rural residents lack access to basic drinking water.^{23,24} In more than half of these households, women and girls are responsible for collecting water, compared with just 11% where men and boys take on this role.²⁵ Expanding access to safely-managed drinking water for even half a million rural residents would generate large gains in labour participation and education. The Water Access Impact Tool estimates that over the lifetime of such an intervention, this would amount to the equivalent of 53,000 full-time jobs and nearly 10,000 additional students in school. The economic return is significant, with total benefits estimated at over US\$540m, or around 4.6 times the cost.^{II}

Turning access into growth

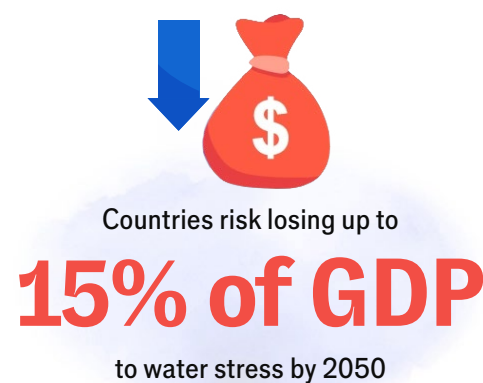
When access to safe drinking water and sanitation improves, time once spent collecting water is released back into education and paid work. Over time higher school attendance and greater labour participation leads to rising incomes. With more hours available, adults can shift into more productive or stable employment, while children are more likely to stay in school, improving their potential lifetime earnings.

These direct gains are reinforced by broader economic effects. Investment in water infrastructure generates jobs in construction and long-term operation and maintenance. In Dumai, Indonesia, expanding piped water systems created work in construction and engineering, while the scaling and professionalisation of the local utility created more durable employment in operations, maintenance and customer services.²⁶ As more households connected to the network, revenues became more stable, allowing the utility to reinvest and expand services further. Improved reliability

also lowered costs for local businesses, allowing small enterprises to operate more consistently and expand activity. In Indonesia, where 70% of the population lack safe drinking water, universal access is expected to raise GDP by around 1.2 percentage points by 2045.^{27,28}

Dumai's water project mobilised US\$160m in investment and improved access for more than 8.4m people. But even relatively modest investments can deliver outsized returns. The Water Access Impact Tool estimates that connecting just one million of Indonesia's 87m rural residents without safely managed drinking water to piped supplies on premises would generate around US\$11m in productivity gains and US\$258m in wider economic benefits over the intervention's lifetime. The total return—around US\$1.4bn, roughly five times the cost—illustrates how incremental improvements can unlock significant economic value, especially when targeted at underserved populations.

Set against these gains, the cost of inaction is far larger. When water is considered not only as a household service but as a critical input into agriculture, manufacturing and energy, it takes on economy-wide significance. Water insecurity constrains production, disrupts supply chains and raises operating costs. Under worsening stress, some countries could lose 8–15% of GDP by 2050.²⁹ Improving water access is therefore essential to sustained economic growth.



Source: Global Commission on the Economics of Water

^{II} Note: includes the capital expenditure (Capex), capital maintenance expenditure (CapManEx), and the operations and maintenance expenditure (Opex) over the 20-year lifespan of the water intervention.

Closing the finance gap

Across much of the world, water policy is not the problem. Money is. Although many countries have established formal strategies and co-ordination mechanisms, these frameworks are frequently under-resourced and only partly implemented. Around 70% of countries have urban drinking-water strategies and 67% have rural ones, but fewer than 13% have the financial and human resources needed to carry them out.³⁰ “You need a really good financing strategy as the basis for moving forward, one that not only identifies concrete measures to fill the finance gaps but also proposes better ways to use current spending patterns,” says Guy Hutton. But strategies alone are not enough. Governments must also implement them, make difficult political decisions

and ensure that investments generate credible returns. The result is a persistent gap between ambition and delivery. Implementing national WASH strategies across 70 countries would cost around US\$69bn a year, yet three quarters of countries report insufficient funding and fewer than 20% expect to meet their own national targets.³¹ Rural drinking water is especially underfunded and only 13% of countries say they have enough funding to reach national goals.

A modest gap with outsized returns

The global financing gap, while large in absolute terms, is modest relative to its returns. Achieving universal access to safely managed water and sanitation by 2030 requires an estimated US\$114bn a year, while current spending stands at only US\$28.4bn.³² More broadly, meeting Sustainable Development Goal 6.1 on drinking water and 6.2 on sanitation and hygiene would require US\$131bn–US\$141bn a year.³³ Yet these global figures obscure “massive discrepancies between regions,” according to Lesley Pories, head of policy for WASH Finance at WaterAid, a non-profit focused on WASH. “Sub-Saharan Africa has the most dramatic need—around 17 times current investment levels—followed by South Asia, at roughly nine.” For many low-income and water-stressed countries, the gap far exceeds domestic fiscal capacity, leaving systems heavily reliant on external support.



**Only 13%
of countries**

have the financial and human resources
needed to implement their national
drinking-water strategies

Source: UN Water



Closing the financing gap would amount to

less than 0.1%
of global GDP

Source: Water.org, World Bank

Even so, the overall gap is modest relative to global resources and existing distortions in water use. The required investment amounts to less than 0.1% of global GDP.³⁴ It is also far below the US\$470bn spent globally each year on harmful agricultural incentives which are price distorting, environmentally harmful and encourage over-extraction.³⁵ Large volumes of capital are still being deployed in ways that worsen water stress rather than relieve it. Redirected, even partially, these flows could go a long way towards closing the financing gap.

Evidence from the Water Access Impact Tool demonstrates that the value-for-money case for water investment is far stronger when its knock-on effects are included. The upfront cost of extending access can seem daunting when judged against pipes, pumps and treatment systems. But this does not capture the avoided hospital visits, the hours returned to workers and students, the productivity gains for households and the boost to the wider economy. These benefits may sit outside project budgets, but they are central to the overall return. Counted properly, they show that water access is one of the most efficient ways to turn modest capital outlays into broad economic value.

“There’s always tension and competition for scarce public resources, especially in developing countries and emerging markets.”

Rich Thorsten, chief insights officer, Water.org

A lopsided financing model

The challenge is not only the scale of investment needed, but the way it is financed. Water and sanitation systems still depend overwhelmingly on public resources. Governments and state-owned enterprises account for more than 90% of spending in the sector.³⁶ That dependence leaves investment exposed to political cycles and fiscal pressures, as public budgets compete with other priorities. “There’s always tension and competition for scarce public resources, especially in developing countries and emerging markets,” says Rich Thorsten, chief insights officer at Water.org, a non-profit focused on safe water and sanitation. Water infrastructure also requires long-term capital that stretches over several decades. State utilities, meanwhile, are expected to meet social mandates while keeping water tariffs low, leading to underinvestment, deferred maintenance and limited capacity to expand services at pace.³⁷ In South Africa, years of underinvestment, weak cost recovery and strained municipal finances have eroded service quality.³⁸ Ageing infrastructure and funding constraints are undermining reliability, even in major cities.³⁹

External support helps, but only at the margins. Official development assistance (ODA) for water supply and sanitation fell from \$9.4bn in 2022 to US\$8.5bn in 2023, a decline of 9%. The contraction has been sharper than the overall pullback in aid, with total ODA commitment slipping by just 1.1% over the same period.⁴⁰ Donor funding is also volatile. Programmes can be paused, scaled back or



Governments and state-owned enterprises account for

more than 90%
of spending in WASH

Source: UN Water, Sanitation and Water for All

abandoned as political priorities change, exposing recipient countries to stop-start investment cycles. In 2025 cuts in American foreign assistance led to the suspension or cancellation of at least 21 water and sanitation projects across 16 countries, leaving partially completed systems and millions without improved access.⁴¹ Similar retrenchment is visible elsewhere. Britain's spending on water, sanitation and hygiene has fallen markedly over recent years.⁴² Such cuts are especially damaging for capital-intensive infrastructure projects that require stable, long-term financing.

Private capital remains scarce. In emerging markets, only 9% of WASH financing comes from private sources, compared with 45% in energy and 87% in telecoms.⁴³ Some estimates put the private share as low as 1.7% across 113 low- and middle-income countries.⁴⁴ Water, despite its essential nature, is often perceived as too risky or politically sensitive to attract large-scale investment. That perception partly stems from the way infrastructure has been treated since the global financial crisis more than 15 years ago. "Infrastructure as a whole—not just in developing countries—was classified as a more risky sector to invest in," says Rich Thorsten at Water.org. Regulations introduced after the crisis aimed to preserve capital and minimise risk, but they also swept capital-intensive sectors such as water and sanitation into broad high-risk categories, he adds. This perception is also rooted in weak operating environments, often shaped by political and institutional fragility, which undermine trust and reinforce the views

"There needs to be real investment in institutions and creating an environment of stability that enables trust."

Lesley Pories, head of policy—WASH Finance, WaterAid

that projects are unbankable. "There needs to be real investment in institutions and creating an environment of stability that enables trust," says Ms Pories at WaterAid.

Affordability concerns and tariff caps often limit revenues and weaken returns.⁴⁵ Pricing itself can also become politicised, with regulators lacking the independence to set tariffs that reflect underlying costs. Projects can be small, local and bespoke, making them difficult to aggregate into investable portfolios. Regulatory environments that are opaque or unstable can see governments reluctant to cede control over a politically sensitive public good, raising the risk of tariff freezes, contract renegotiations or outright expropriation. Responsibilities for water are typically fragmented across ministries and levels of government, creating inefficiencies and gaps in execution. Currency risk further deters international investors, as revenues are typically in local currency while financing is in dollars.⁴⁶ The result is a sector caught in a co-ordination trap that is too risky for private capital at scale, yet too capital-intensive for public budgets alone.

Making water investable

Closing the gap will require a more co-ordinated and innovative financing architecture.⁴⁷ Blended finance and public guarantees can help de-risk projects and crowd in private capital, particularly where creditworthiness is weak.⁴⁸ National development banks could also play a larger role. "They have a mandate to support national development objectives, including water and



In emerging markets, only
9%
of WASH financing
comes from private sources

Source: Global Commission on the Economics of Water

“Non-revenue water is a significant problem, especially physical water loss.”

Rich Thorsten, chief insights officer, Water.org

sanitation,” says Rich Thorsten at Water.org. Yet much of their funding still flows through direct lending models that do little to mobilise additional capital. Mr Thorsten argues that these institutions could use guarantees and co-financing structures more effectively to attract private investors alongside public funds. Public-private partnerships can also bring operational efficiency and upfront investment, while development-finance institutions play a catalytic role through concessional funding, technical assistance and institutional support. Financial solutions alone, however, are not enough; underlying operations also need to improve. In many places, utilities remain structurally weak. “They don’t necessarily recover costs. Many of them are public entities; they don’t have a business-oriented approach to their operational model,” says Ms Pories at WaterAid.

Well-designed tariff systems, combined with targeted subsidies and expanded customer bases, can improve cost recovery without excluding low-income households. At the same time, community-based approaches can strengthen local ownership and payment collection.⁴⁹ Better co-ordination is equally important. Fragmented funding flows and overlapping initiatives dilute impact. Aligning donors, governments and private actors around shared priorities through pooled funding platforms and programmatic approaches can improve efficiency and scale outcomes. Several initiatives are beginning to move in this direction. The World Bank Group’s Water Forward programme, launched with partner institutions, aims to better co-ordinate multilateral development banks and mobilise financing to improve water security for one billion people by 2030.⁵⁰ The Global Commission on the Economics of Water similarly points to structures such as first-loss guarantees and co-investment platforms to draw-in institutional capital.⁵¹

Alongside large-scale co-ordination, more targeted financing models are emerging. Vendor finance is attracting growing attention. Private firms can provide upfront capital to repair infrastructure and improve operational efficiency, then recover their investment through the additional revenues generated. “Non-revenue water is a significant problem, especially physical water loss,” says Mr Thorsten. Fixing leaks, improving metering and reducing waste can increase utility revenues while improving service delivery and financial resilience. In some cases, part of those gains can be used to repay the companies financing the upgrades. Blended finance vehicles that extend targeted capital into water services are also gaining traction. Programmes such as Azure Source Capital focus on financing water and sanitation enterprises including smaller operators that sit below the radar of traditional financiers.⁵² By combining concessional capital with private investment, these models absorb early-stage risk and unlock funding for commercially viable service delivery, expanding access while building a pipeline of investable opportunities.

Where such mechanisms are in place, they can materially improve project viability and investor participation. In Rwanda, the Kigali Bulk Water Supply Project—structured as a public-private partnership—is an example of blended water finance.⁵³ Developed by Kigali Water Limited in collaboration with the Rwandan government and development-finance partners, it is one of the first large-scale independent water producer projects in sub-Saharan Africa. The facility delivers up to 40,000 cubic metres of treated water a day to Kigali, the capital, and surrounding areas. The financing structure combined long-term project finance with targeted risk mitigation to attract private investors.⁵⁴ This included US\$6.25m in

viability-gap funding from the Private Infrastructure Development Group, which helped improve project bankability and crowd in larger pools of capital.⁵⁵

In 2024 the Tanga Urban Water Supply and Sanitation Authority issued Tanzania's first subnational green bond which is one of the earliest of its kind in sub-Saharan Africa, raising approximately US\$20.8m in local currency.⁵⁶ The bond was listed on both the Dar es Salaam Stock Exchange and the Luxembourg Green Exchange. Demand was strong, with the issuance twice oversubscribed; around 65% of participation came from domestic investors, with the remaining 35% from international buyers. Proceeds are being channelled into practical system upgrades to expand safe and affordable water access, including improvements to production and treatment capacity, rehabilitation of pipelines, deployment of smart metering and measures to strengthen environmental protection.

From costs to investment cases

A final barrier is conceptual. Water is still rarely treated as an economic asset, weakening the case for sustained, large-scale investment. Prices often fail to reflect scarcity or externalities, encouraging waste and distorting decisions. Correcting this requires rethinking how water is valued.⁵⁷ Tariff systems must balance affordability with cost recovery and subsidies must expand access without incentivising overuse. Crucially, demand-side behaviour reflects institutional credibility. "People, regardless of income level, are genuinely willing to pay for a service that they find worthwhile," says Ms Pories.

The Water Access Impact Tool helps make this economic case clearer. By linking water access to measurable outcomes including higher incomes, lower healthcare costs and stronger public finances, it translates social benefits into economic terms that investors and finance ministries can act on. In low-income and water-stressed countries, these gains can be especially significant. Reframing water as an investment rather than a cost will be essential to mobilising the capital needed for universal access.



Conclusion

Water suffers from bad accounting. The capital bill is visible while the returns are dispersed across health systems, classrooms, labour markets and local businesses. That makes water easy to undervalue. A fuller appraisal tells a different story. When safe water reduces illness, keeps children in school and gives households more time to earn, it unlocks economic gains that far exceed the original investment. Properly measured, water is not a sunk cost. It is high-leverage infrastructure for any economy.

That should change how investment decisions are made. Governments should prioritise interventions that bring water closer to households, reduce disease burden and unlock labour supply. Donors and development-finance institutions should move beyond isolated projects and help build pipelines

and financing platforms that lower transaction costs and attract private capital. Businesses also have a role to play. Water access underpins more resilient communities and stronger markets. Treating it solely as charity or public spending understates its economic importance.

Closing the gap does not require unrealistic sums of money. The greater risk is spending wastefully.⁵⁸ Expanding infrastructure, such as digging wells, without securing long-term operations and maintenance is a false economy. Investment must be backed by predictable revenues, capable utilities, transparent governance and local ownership.

The challenge, then, is not simply to raise more money for water. It is to change the basis on which water is valued, financed and governed. Water cuts across health, education, labour markets, public finance, food systems and economic resilience, but it is too often managed as a fragmented public service. Models such as the Just Water Partnerships—proposed by the Global Commission on the Economics of Water and operationalised by WaterAid and the International Water Management Institute—point towards a more integrated approach, bringing governments, investors and communities into a shared process that links finance with reform, equity and ownership.⁵⁹

The case for water investment should now be made in harder economic terms. Water access is not merely affordable. Properly counted, it is one of the best-value investments private firms, governments and financiers can make.



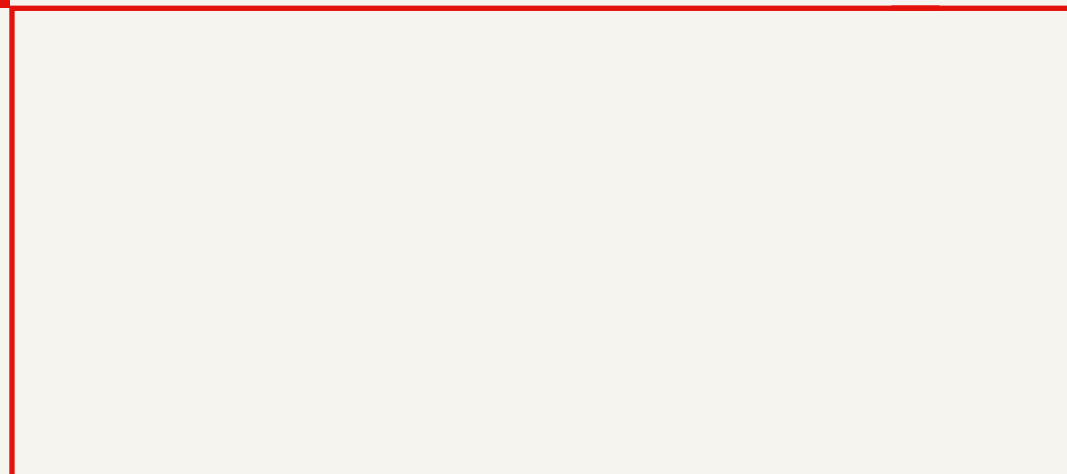
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London

The Adelphi
1-11 John Adam Street
London WC2N 6HT
United Kingdom
Tel: (44) 20 7830 7000
Email: london@economist.com

Geneva

Rue de l'Athénée 32
1206 Geneva
Switzerland
Tel: (41) 22 566 2470
Fax: (41) 22 346 93 47
Email: geneva@economist.com

Washington DC

1920 L Street NW Suite 500
Washington DC
20002
Email: americas@economist.com

New York

900 Third Avenue
16th floor
New York, NY 10022
United States
Tel: (1.212) 554 0600
Fax: (1.212) 586 1181/2
Email: americas@economist.com

Dubai

Office 1301a
Aurora Tower
Dubai Media City
Dubai
Tel: (971) 4 433 4202
Fax: (971) 4 438 0224
Email: dubai@economist.com

Hong Kong

1301
12 Taikoo Wan Road
Taikoo Shing
Hong Kong
Tel: (852) 2585 3888
Fax: (852) 2802 7638
Email: asia@economist.com

Singapore

8 Cross Street
#23-01 Manulife Tower
Singapore
048424
Tel: (65) 6534 5177
Fax: (65) 6534 5077
Email: asia@economist.com