



water for people  
COBERTURA TOTAL • PARA SIEMPRE





LIFECYCLE COSTING DATA TO SUPPORT  
STRATEGIC PLANNING AND DECISION-MAKING

Tupac Mejia

Country Director in Honduras

Water For People



# CONTENT

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### LIFECYCLE COSTS

Sustainable service provision requires different sources of financing.

## 02

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### COSTING TOOLS - TIMELINE

Use of costing tools to calculate the costs of providing sustainable services and strategic planning.

## 03

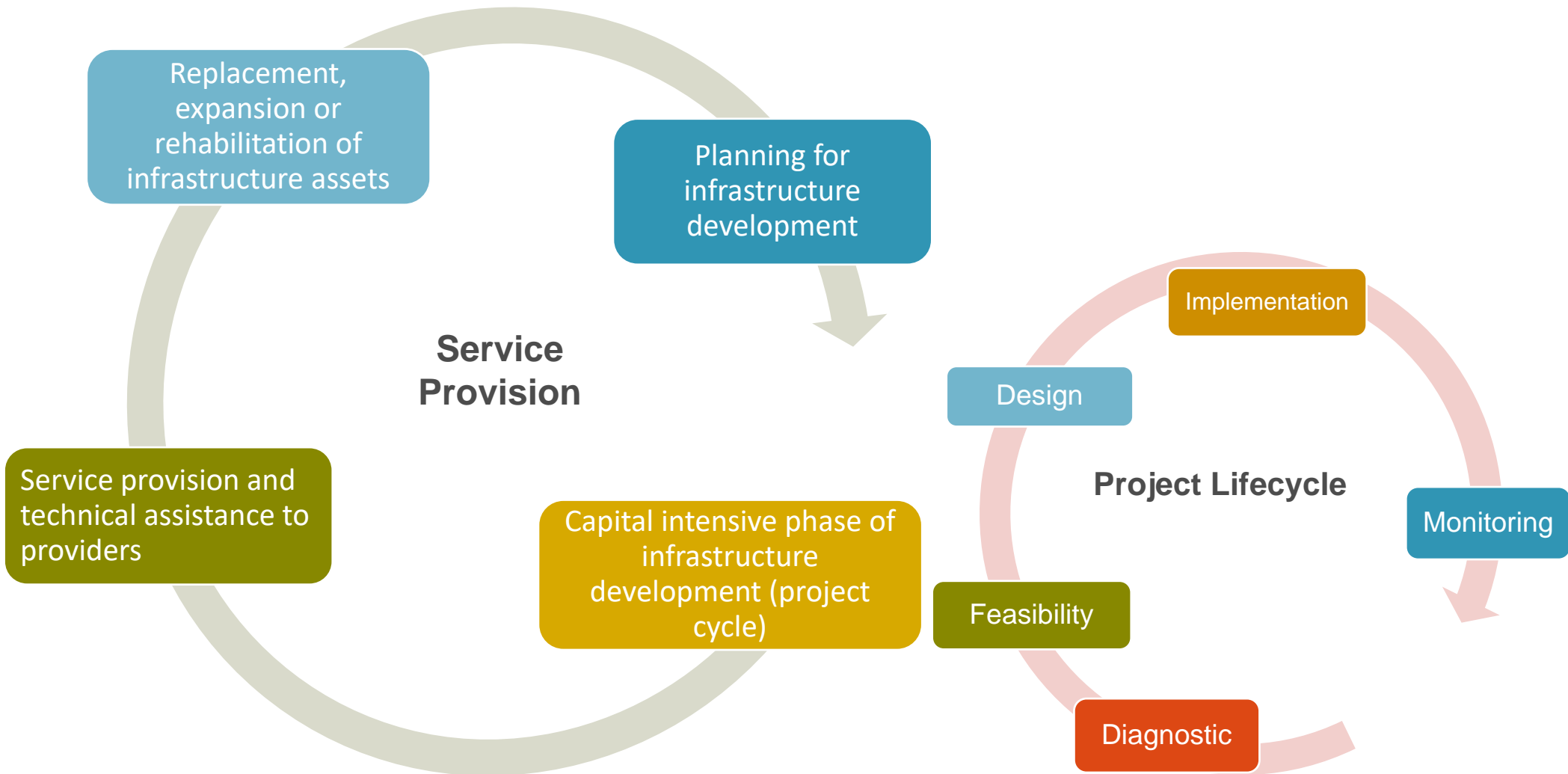
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### COSTING TOOLS FOR DECISION MAKING

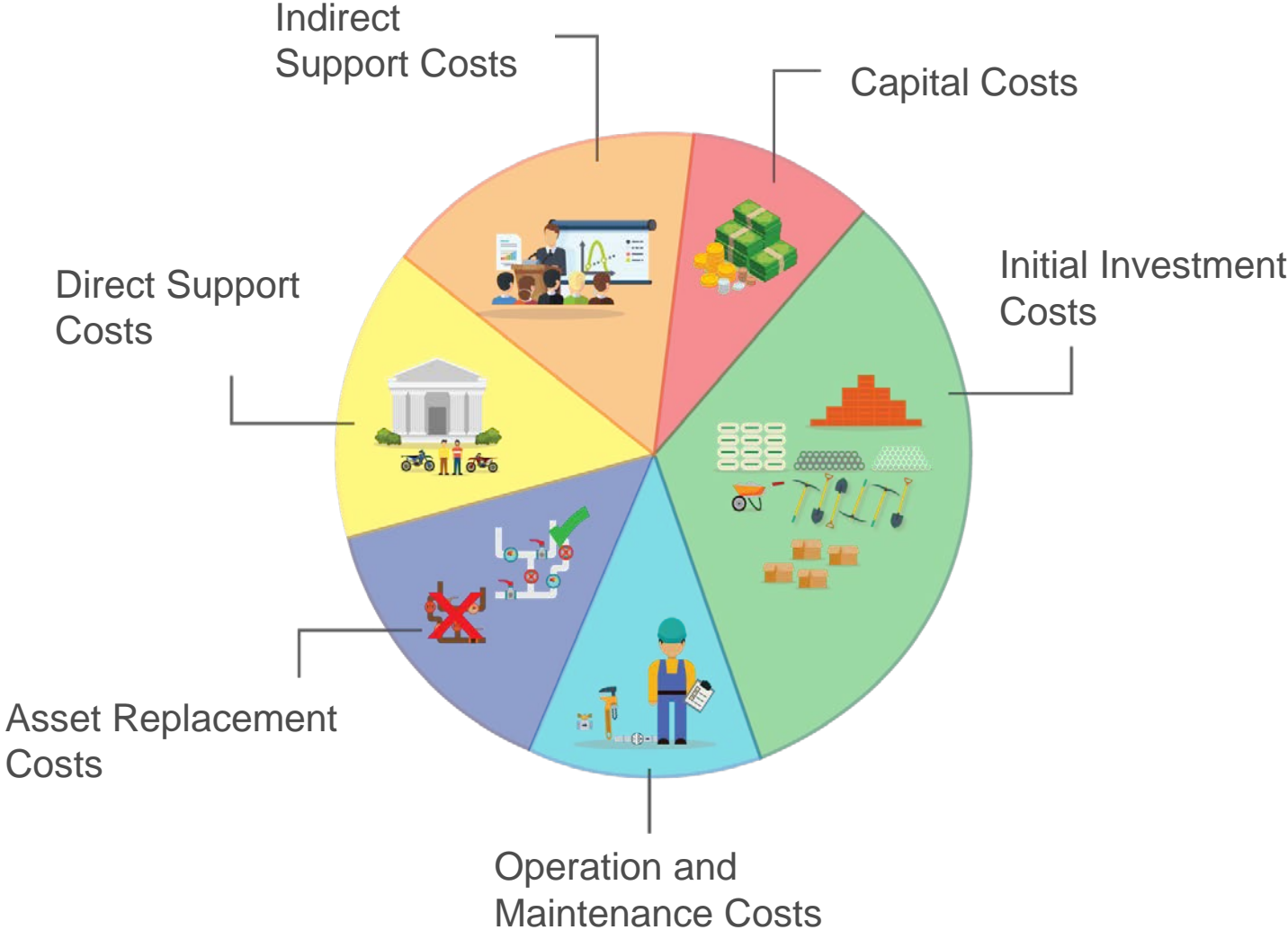
Use of costing tools for decision making.

# LIFECYCLE COSTS

# SERVICE PROVISION AND PROJECT LIFECYCLE



# LIFECYCLE COSTS



# COSTING TOOLS

# COSTING TOOL IMPLEMENTATION

## Asset Registry

Identifies communities and systems that require investment for the development of new systems, extensions or replacements.

## AtWhatCost

Defines tariffs that allow service providers to cover operating and maintenance costs, as well as part of the replacement costs.

## Direct Support Costs

Analyzes and proposes necessary changes in the municipal budget to cover costs of providing technical assistance and sustaining the institutional framework to ensure the sustainability of the services.

## Financial Sustainability Card

Projects all the financial resources necessary to reach full coverage in a sustainable manner in the coming years (10).



2016

# ATWHATCOST& DIRECT SUPPORT COSTS

Sustainable Tariff Concept

Tariff Affordability

Municipal water and sanitation technicians dedicating time to analysis and promotion for the adjustment of tariffs with service providers

2016

# ATWHATCOST& DIRECT SUPPORT COSTS

## Lessons Learned

Introduction of the Sustainable Tariff concept in the municipality was a challenge because service providers established rates without any type of analysis in terms of service provision.

Affordability depends on many contextual variables; in some cases there are users who do not see a relationship between the payment of a sustainable tariff and quality service.

Technical assistance to service providers on tariffs is essential and can become more efficient as municipal technicians know the context and human resource costs are lower compared to external personnel.

2017

# ASSET REGISTRY & FINANCIAL SUSTAINABILITY CARD

Diagnostic of all water systems and identification of communities without a system.

Formation of Municipal Water and Sanitation Technical Unit (UTMAS).

Definition in the municipal water and sanitation policy of the % community contribution for replacement costs via tariff.

Municipal financial analysis to achieve full coverage and sustain it over time.

2017

# ASSET REGISTRY & FINANCIAL SUSTAINABILITY CARD

## Lessons Learned

Prioritization of investment for Water and Sanitation in the municipalities, as there is no dedicated line item for this in municipal budgets.

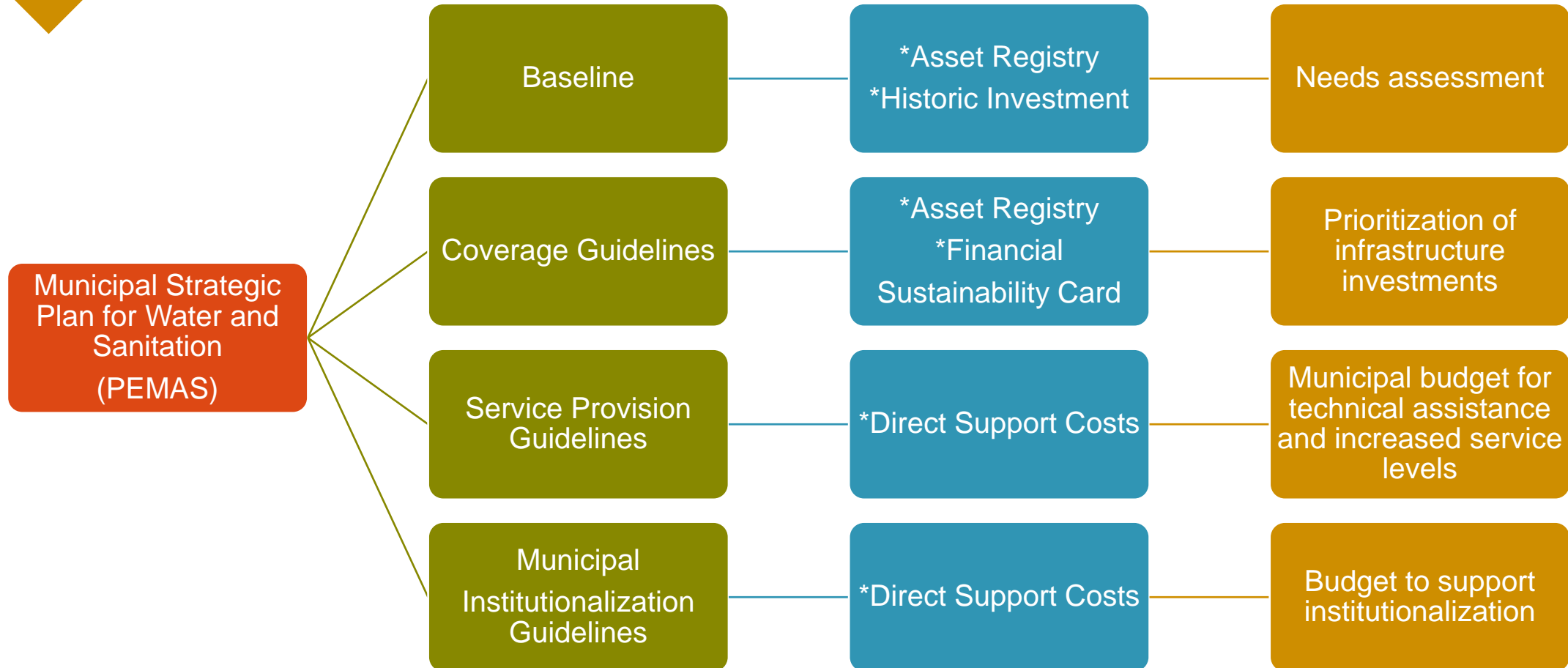
The costing tools provide important inputs for the formulation of municipal policies and plans for water and sanitation, including: initial investment costs, technical assistance, replacement investments, and sustainable tariffs.

Communities were identified as sources of financing for future investments.

Understanding on the part of municipal authorities regarding historical investment in water and sanitation in their municipality and what it means to sustain it.

2018

# USE OF COSTING TOOLS FOR STRATEGIC PLANNING

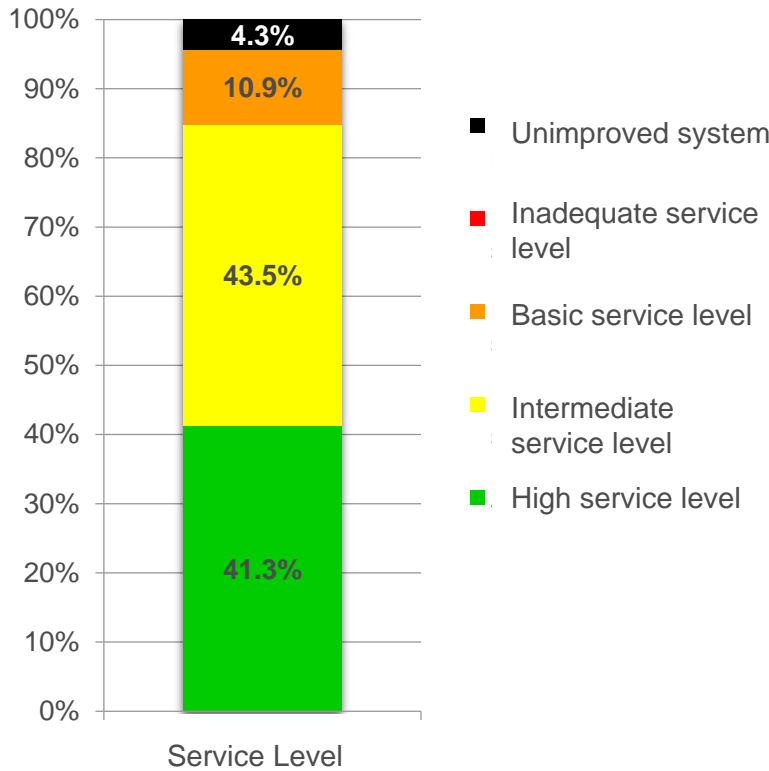




# PEMAS COSTS

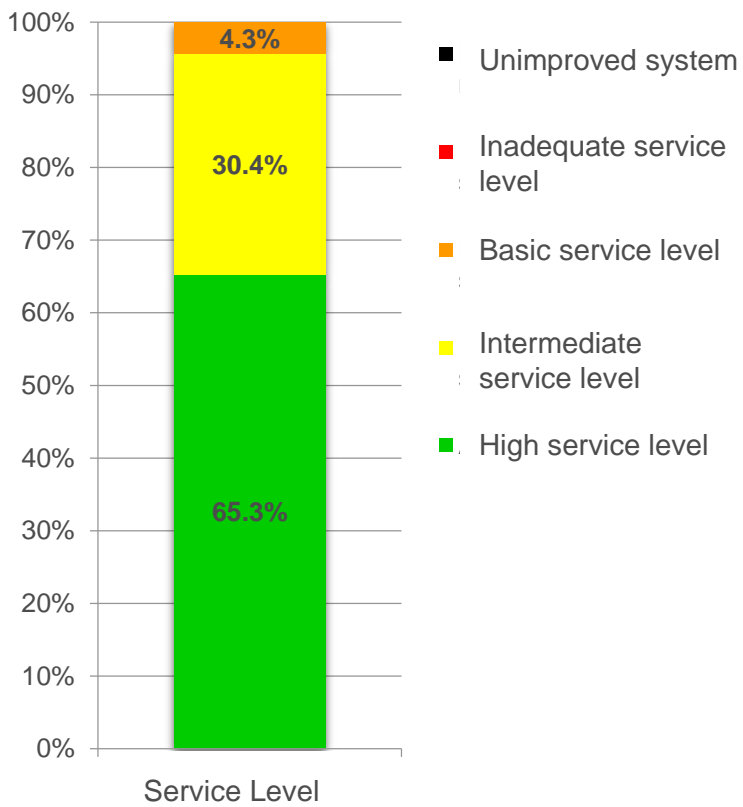
## SAN ANTONIO DE CORTES – EVERYONE FOREVER

Water System Service Level  
2018



PEMAS Costs to 2022		
No	Description	Costs/Dollars
1	Water Coverage	258,362.80
2	Asset Replacement	684,792.57
3	Technical Assistance	137,081.88
4	Institutionalization	128,720.00
<b>Total</b>		<b>1,208,957.25</b>

Water System Service Level  
2022



“ Many beneficiaries of drinking water systems do not know the conditions of their assets; even the Board does not know ”

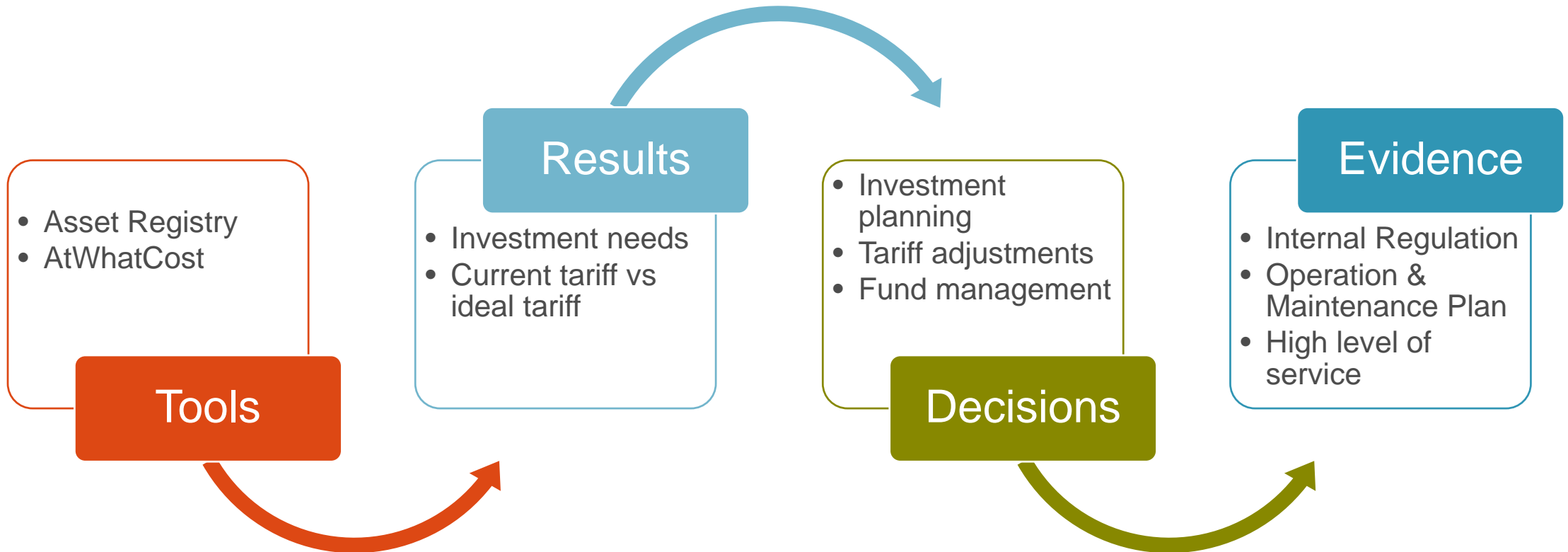
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# COSTING TOOLS FOR DECISION MAKING

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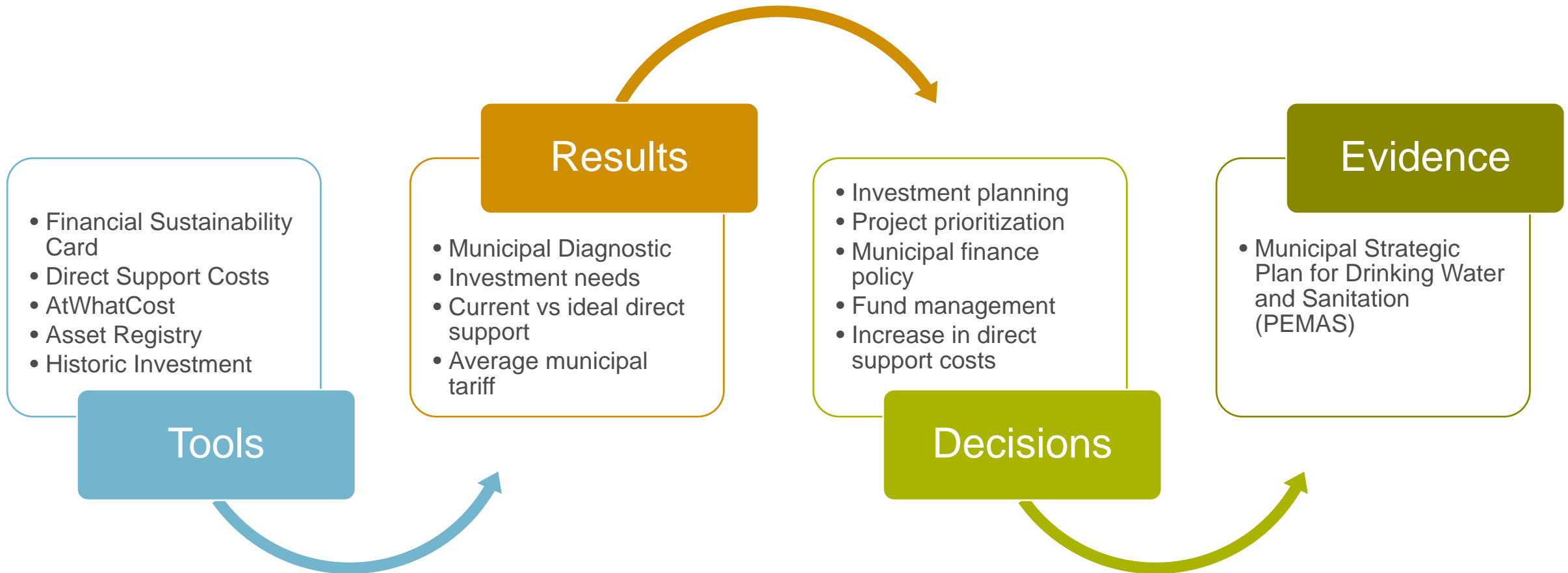
## Community Level





# COSTING TOOLS FOR DECISION MAKING

## Nivel Municipal





# System Strengthening Regional or National level: Methodological Guide for PEMAS Development

01

After including the tools in the PEMAS for San Antonio de Cortes, IRC and the Secretariat of the Everyone Forever (PTPS) movement influenced the Technical Secretariat of the National Council of Drinking Water and Sanitation (CONASA) to incorporate these costing tools in a Methodological Guide for Development of PEMAS.

GUÍA METODOLÓGICA  
PARA LA FORMULACIÓN DEL  
**PLAN ESTRATÉGICO MUNICIPAL DE  
AGUA POTABLE Y SANEAMIENTO**  
(PEMAS)

“ When there is strategic planning,  
we have a focused direction to advance  
our municipality. ”

<< *We do not work blindly* >>

Santos Murillo,  
Mayor of San Antonio de Cortes





water for people  
COBERTURA TOTAL • PARA SIEMPRE