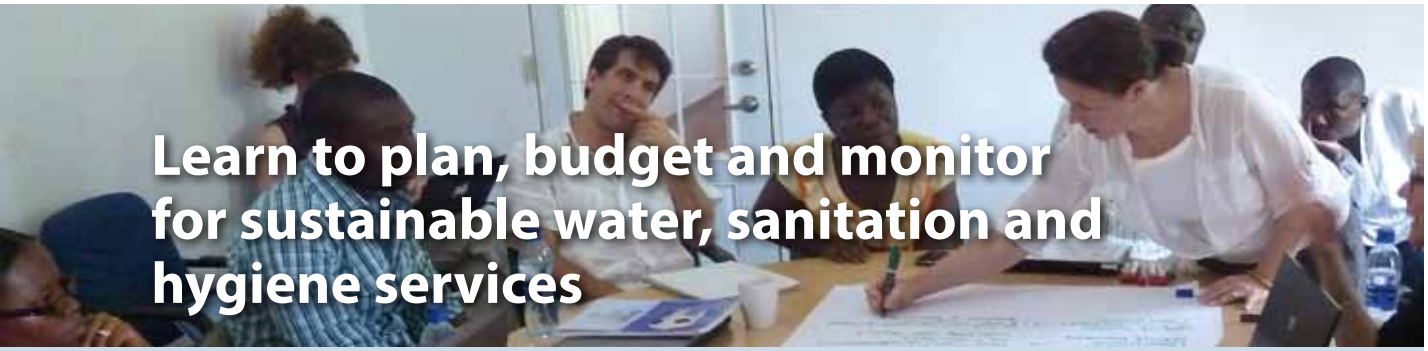


Peter McIntyre

Learn to plan, budget and monitor for sustainable water, sanitation and hygiene services

The delivery of sustainable and equitable services requires that financial systems are set up to build, operate, repair and renew a water, sanitation or hygiene system through its entire cycle of use. This is the 'life cycle' at the heart of a life-cycle costs approach in IRC International Water and Sanitation Centre's Costing Sustainable Services online course.

IRC's **Costing Sustainable Services** online course is designed for governments, (I)NGOs, donor agencies and individuals to plan and budget for WASH services, using a life-cycle costs approach. The course enables participants to answer the following:

- What are the life-cycle costs of my service delivery model?
- Who pays for which costs over time?
- What service level does my delivery model achieve?
- Is my service delivery model sustainable over time?

Course set up

The course consists of three modules, each containing sessions for water, sanitation and hygiene. All modules combine theory with real-life examples and depending on individual knowledge and interest, participants can choose which sessions are most applicable to their needs. The water and sanitation materials have already been fully developed, while more extensive hygiene session materials will be added by June 2013.

Each module consists of reading materials (handouts, papers, briefing notes, etc.), which cover technical content and case studies. A glossary of terms is provided to strike clarity about language and underlying concepts used in the course. Exercises and tools within each session help participants apply what they've learnt to their own work. In fulfillment of the course, participants undertake completion tests.

Duration

To complete all three modules, 24-48 hours of work is estimated. Each module is expected to take between 8-16 hours. Completion of each session (water, sanitation or hygiene) per module would range between 1-2 hours.

Support by IRC staff

Through a series of online forums facilitated by IRC staff—which are structured as part of the course—participants can ask questions and request for feedback on any of the exercises or discuss ideas, experiences, and challenges in planning, budgeting, and monitoring for sustainable and equitable water, sanitation and hygiene services. IRC staff aim to answer questions and give feedback within 48 hours.

IRC's Costing Sustainable Services course is delivered electronically. Most of the course's materials can be downloaded, allowing participants to work offline. Participants are encouraged to take the course at their own pace.

IRC certificate

Participants can download an IRC Certificate of Completion after successful achievement of each module's test. For successful completion of the test, participants need to answer 8 out of the 10 questions correctly, per module. Tests can be repeated as often as needed. On request, IRC can also send a hardcopy of course completion certificates.

Software requirements

To analyse life-cycle costs, a basic understanding of Microsoft Excel 2007 software is required. Microsoft Excel software is used to demonstrate the storage and analysis of life-cycle costs and service level data. It is also possible to use other programmes such as the Statistical Package for the Social Sciences (SPSS) for storage and analysis.

English language

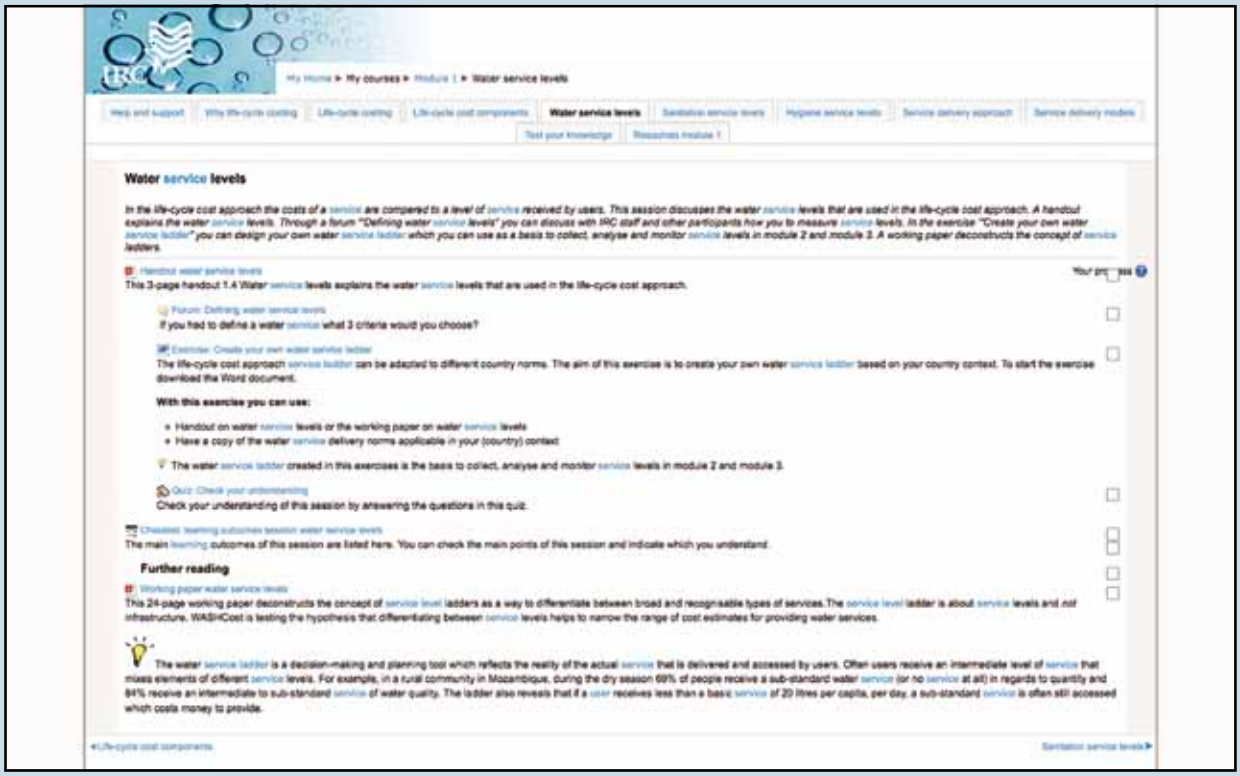
The course is in English, and a good understanding of the English language is essential. In 2013, the course will become available in French. Translation in Portuguese and Spanish will also be explored by IRC.

Registration

The course takes place several times throughout the year. Registration is conducted online. Starting dates for the course in 2013 and the link to online registration can be found on the WASHCost website at http://www.washcost.info/home/training/schedule

Starting the course

Registered participants will receive a personal username and password by e-mail on the day the course opens. Participants start by logging in to http://moodle.ircwash.org and selecting a module of their choice. It is recommended for participants to follow the modules in the order that they are presented (1, 2, 3).



Source: http://moodle.ircwash.org/ (For registered users only).

Course content

IRC's **Costing Sustainable Services** online course consists of three modules.

In **Module 1** **'What is a life-cycle costs approach?'** the main concepts of a life-cycle costs approach, its underlying principles and key components are explained. Module 1 focuses on:

- How does cost information contribute to sustainable WASH services? What is a life-cycle costs approach and its benefits? What life-cycle cost components are needed to plan and budget for sustainable WASH service delivery?
- What constitutes a sustainable WASH service and what criteria can be used to budget and monitor services? How can the strengths and weaknesses of a WASH service be identified?
- What are the benefits of a service delivery approach and what are the main WASH service delivery models?

Module 2 **'Using a life-cycle costs approach'** gives ideas and tools on how to integrate a life-cycle costs approach in participants' own work enabling them to:

- Develop a plan to introduce and integrate life-cycle costing into a programme or for improving sustainability of WASH services.
- Prepare for the collection of life-cycle costs and service level data; selecting life-cycle cost indicators useful within a particular programme.
- Apply a life-cycle costs approach when conducting a poverty and affordability analysis (in combination with the use of geographical information systems).

Module 3 **'Analysing life-cycle costs approach data'** explains how to analyse life-cycle costs and service levels of water and sanitation in view of improving planning and budgeting for sustainable and equitable WASH services. Specifically, it allows participants to:

- Identify the life-cycle costs of a specific project, village, district etc.? Which life-cycle cost components are most significant - capital expenditure or operational expenditure? What is the impact of rehabilitation and renewal of WASH infrastructure? What is the overall cost of the loan that was taken out?
- Forecast expenditure: who pays for what? Over the 20 years following an intervention who will pay for which life-cycle cost components? What is the potential impact of inflation and population growth?
- Compare sustainability risks with expenditure and examine shortfall in recurrent expenditure. Compare whether the expenditure expected will be enough to ensure the sustainability of the service delivery model.
- Compare WASH service levels received by users across projects, districts, regions or countries. Identify gaps between 'designed for' and 'received' services. Compare how services differ across population groups.

As part of the course, participants:

Create a customised water, sanitation and/ or hygiene ladder for planning and monitoring specific service levels within a geographic area or programme (Module 1).

Develop a life-cycle costs data collection plan, as well as questionnaires, to support the research process (Module 2).

Work with the course's quick sustainability check tool to examine WASH interventions and analyse service levels received by users (Module 3).

What is a life-cycle costs approach?

The delivery of sustainable services requires that financial systems are set up to ensure that the most appropriate infrastructure is provided and is properly managed; timely repairs are made in case of breakdown, and infrastructure can be renewed and replaced at the end of its useful life; and there is capacity to extend delivery systems and improve service delivery in response to changes in demand.

In a life-cycle costs approach, costs are assessed and compared in relation to the level of service received by users. WASH service levels are ranked in a 'ladder'—from no service to high— based on the criteria level of functioning, rather than technology. Each step up the service delivery ladder requires a different combination of infrastructure, management systems and human resources.

Identifying the level of service received by users allows planners and providers of WASH services to use cost data to guide policy decisions that go beyond building or providing infrastructure. Information on service levels helps governments, investors, donors and service authorities to make cost-effective decisions on investments, whether this pertains to planning for the replacement of infrastructure, and/ or extending delivery systems in response to increasing demand. Applying a life-cycle costs approach supports planning for water, sanitation and hygiene services that last.

Links and references

- For more information on the Costing Sustainable Services online course, contact training@irc.nl
- The Costing Sustainable Services online course is available at http://moodle.ircwash.org
- For more information on the WASHCost project, see http://www.washcost.info

Visit IRC's WASH library at http://www.washdoc.info.nl to access global and country-specific publications and research material on a life-cycle costs approach.

WASHCost

This Infosheet presents information on IRC's **Costing Sustainable Services** online course. It explains the purpose of the Costing Sustainable Services online course, its content and scope, how it is structured, how it is facilitated, and how registration is organised.

The framework and methodology of IRC's **Costing Sustainable Services** course is derived from key lessons learnt from WASHCost's application of a life-cycle costs approach for water, sanitation and hygiene in rural and peri-urban areas in Burkina Faso, Ghana, Andhra Pradesh (India) and Mozambique between 2008-2012.

A life-cycle costs approach examines the complex relationships between expenditure, service delivery, poverty, effectiveness and sustainability.

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