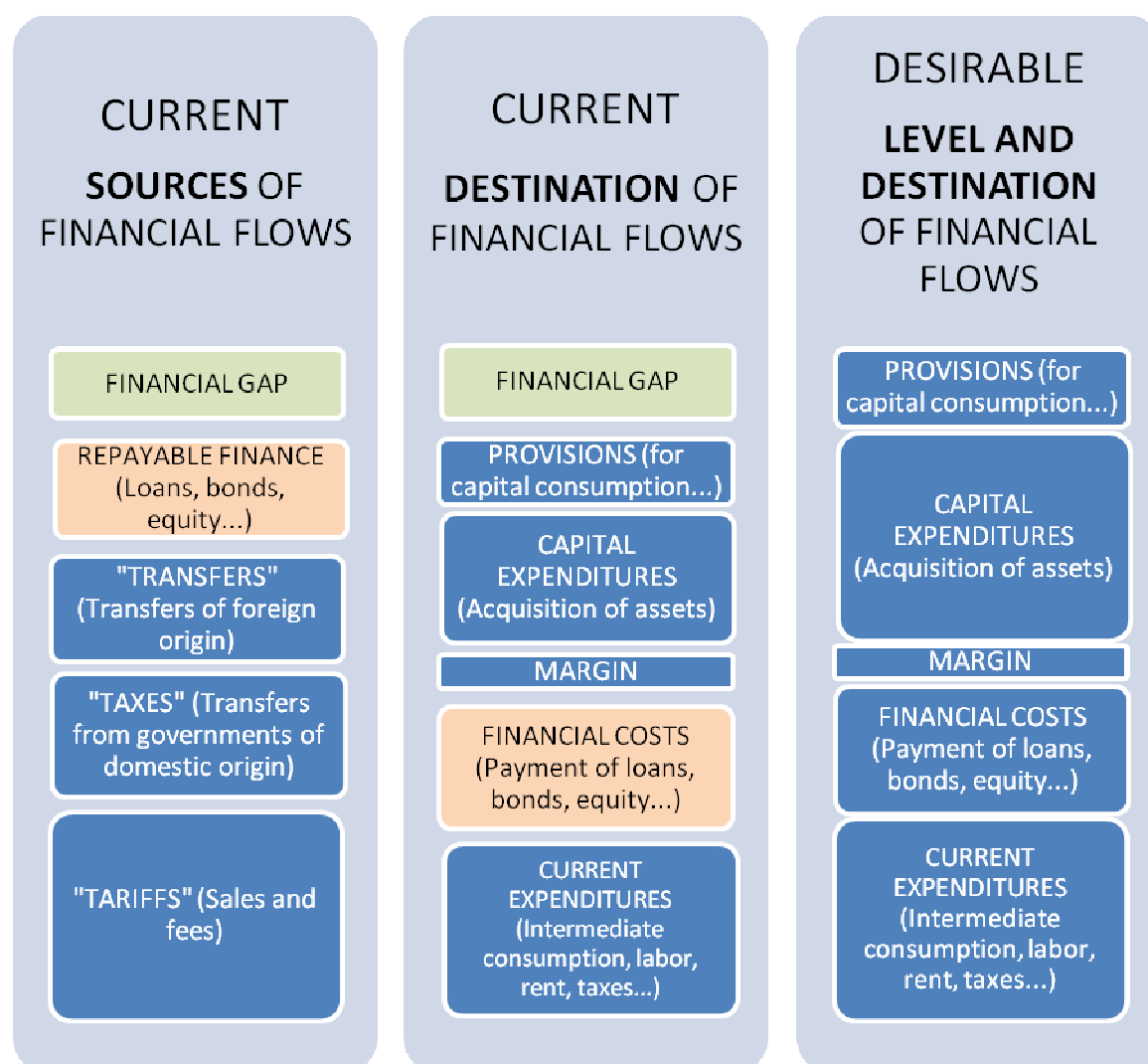


## “3Cs” FOR THE “3Ts” OF WATER AND SANITATION

### GLAAS in SNA-SEEA-Water language

#### “3Ts” policy message

“3Ts” (“Tariffs, taxes and transfers”)<sup>1</sup> delivers a powerful message to policy makers. The only three sustainable sources for financing water and sanitation services are: (a) the monies **paid by the users** of the services (“tariffs”), (b) the monies provided by **domestic taxpayers** through governments (“taxes”), and (c) the monies provided by **foreign countries** (“transfers”).



<sup>1</sup>OECD.-Managing Water for All.An OECD Perspective on Pricing and Financing.Key messages for policy makers.- Paris 2009.

Repayable financial sources provide only temporary balance, since in the end they have to be repaid, usually with interests.

Systems with a low level of financial sources means a low level of expenditure, which could mean low level of service and/or low level of investment.

### “3Cs” technical response

The “3Ts” does not recommend a specific mixture of “taxes, tariffs and transfers.” It simply recommends measuring the three elements, so that good decisions can be taken by local, provincial and national governments, as well as the different types of donors.

The System of National Accounts (SNA) and the System of Environmental-Economic Accounts for Water (SEEA-Water) provide a **comprehensive, consistent, and comparable (“3Cs”)** framework for measuring the information mentioned above, in addition to other policy relevant information.

The “3Ts” have to be translated into the “3Cs” in order to have a reliable system to inform policy makers. The following translations are offered by the SNA and SEEA-Water frameworks. They are the language “spoken” by almost all the national statistics offices in the world.

3Ts	3Cs	Remarks
“Tariffs”	Receipts of the sales of water and fees paid by the institutional units that receive the service. They are receivable by the water and sanitation industries, classified as ISIC 36 and ISIC 37.	The institutional units that provide the services of water and sanitation are classified as industries in the Industry Standard Classification of all Industries (ISIC).
“Taxes”	Transfers made by governments to ISIC 36 and ISIC 37. The source of monies is domestic revenue.	Governments can give subsidies to the service providers, from the monies they collect through taxes. The subsidies are called transfers in the SNA language. The subsidies can have domestic or foreign sources. Subsidies paid monies coming from domestic sources are included here.
“Transfers”	Transfers made by governments to ISIC 36 and ISIC 37. The financial source is non-repayable monies from foreign sources.	The same as the previous one, but with foreign sources of money.

### Recommendations

Most of the information described above is consistently collected by countries through their own local System of National Accounts. The information is usually published aggregated with other subjects perhaps because the policy needs have not been clearly received by the National Statistics

Offices. It is important that the policy needs are clearly translated into the technical language of National Statistics Offices so that they can react.

Additional information will probably be required for the specific needs of the sector. These needs can be satisfied through the SEEA-Water, which provides additional concepts, definitions and tables that are comparable, coherent and consistent with those of the SNA.

The implementation of SEEA-Water can therefore provide a robust response to the water and sanitation policy needs.