Remember that Dale Whittington will be leading the discussion on April 15th. Below are some questions to think about as you complete the readings he forwarded to us.

The organizers of the Copenhagen Consensus ask what would at first appear to be a reasonable question: “Where should donors allocate their limited financial resources in order to maximize the economic benefits to people in developing countries?” i.e., which sectors should receive the most donor dollars? Which sectors should be “skipped” for now?

The organizers of the Copenhagen Consensus identified water and sanitation problems in developing countries as one of the most important global challenges. What do we know about the economic rates of return to water and sanitation investments in developing countries? How much confidence do we have in the available data? Can our existing knowledge about the economic returns to water and sanitation investments in developing countries support the kind of inter-sectoral comparison of economic rates of return envisaged by the organizers of the Copenhagen Consensus?

In the Melamchi (Nepal) paper, we attempt to estimate the economic rate of return of a large and controversial capital investment program in the Kathmandu Valley. Every place is different, but the water and sanitation problems facing the city of Kathmandu are hardly unique, i.e., tariff far below cost recovery level; poor quality water; poorly performing public water utility; deteriorating infrastructure, unreliable water supply; etc. etc. What can we learn from the economic analysis of the Melamchi project about our ability to develop a global picture of the economic rates of return to water and sanitation investments? How likely is it that the Copenhagen Consensus exercise will be a success (i.e., provide useful information for policymakers as to what donor priorities should be)?