

Servicios de Abastecimiento y Saneamiento *Water & Sanitation Services*



1. Marco regulador y institucional
1. Regulatory and institutional framework

**Managing freshwater better.
Private operators
contribute to public policies**

**Gérard Payen
President of AquaFed**

Zaragoza, 15 de julio de 2008

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Main freshwater challenges

- Increasing water scarcity
- Access to safe water and to sanitation
- Satisfactory delivery of Water/Sanitation services
- Pollution control
- Governance & societal expectations

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Increasing water scarcity

▶ Equitable allocation of water resources

*Increasing water scarcity in many countries makes it necessary to ensure that available water resources are **allocated equitably***

*between the various categories of users:
population, industries, agriculture, power generation*

UN-CSD16, New-York, Business & Industry statement, May 2008

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Access to safe water & sanitation for those who do not benefit from public services

► More projects with more ambitious targets

- *Implement the Right to Water & Sanitation*
- *Urban dwellers expect a better level of access to water than is currently called for through the water MDGs. 3 billion people have no access to tapwater.*
- *More ambitious goals are necessary to master all sanitation needs. People only need more than toilets. They also need their solid and liquid waste to be removed from their homes; and to be protected from contamination by neighbours.*

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Access to safe water & sanitation

■ Achievements of private operators (PPPs)

Argentina - Aguas Argentinas - Buenos Aires : The private water operator provided access to water to **2.1 million people**.

Philippines – Manila Water and Maynilad – East and West parts of Manila : **3.4 million people** have gained access to water.

Gabon : **200,000 people** connected to water.

Indonesia – Palyja – West Jakarta : over **1 million** people gained access to water.

Senegal: over **1.6 million** people have been connected to drinking water networks

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Satisfactory delivery of water/sanitation services to users

- ▶ Ensure quality, availability, reliability, continuity of services
- ▶ Sustainable Cost-Recovery

User fees + Budget subsidies

Predictable revenues streams allowing to make investments

Targeted subsidies to ensure affordability

- ▶ Ensure efficiency and cost-optimisation
- ▶ Listen to users expectations

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Improving continuity of water supply

Achievements
of private
operators
(PPPs)

Daily time of water supply before and after the PPP contract (hours)			
Contract		Before	After
Amman	Jordan	4	9
Antalya	Turkey	19	23
Barranquilla	Colombia	19	23
Cartagena	Colombia	17	24
Gaza	Palestine	—	8
Senegal	Senegal	16	22
Zambia	Zambia	13	18

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Controlling man-made pollution

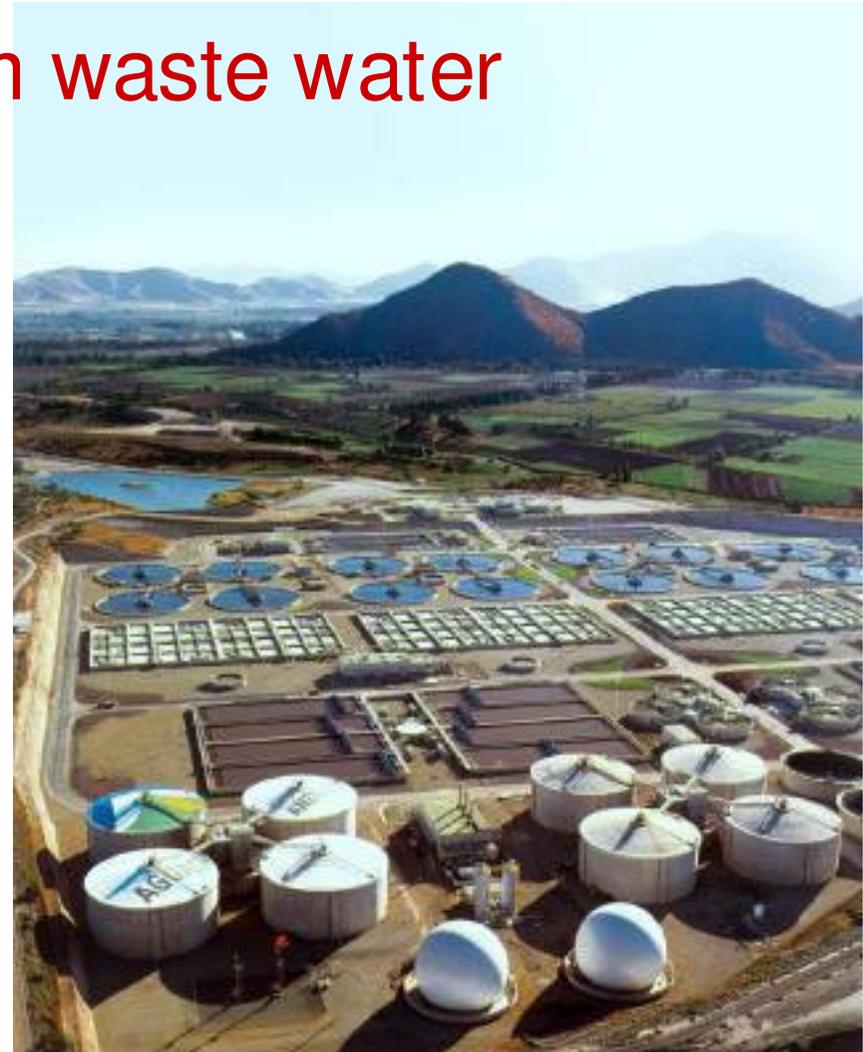
- ▶ Remove man-made pollution from wastewater to protect people & ecosystems
 - targets should be set up everywhere
- ▶ Develop Integrated Sanitation Management
 - sanitation includes several components that must be addressed simultaneously
 - Waste water can be recycled to alleviate water scarcity. It is a resource.

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Pollution removal from waste water

- Achievements of private operators

Since private operators started work in Chile in 1998 the proportion of urban wastewater treated has **increased from 16% to 84%**



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Governance & societal expectations

► Explore **all management options** and select the one most able to deliver the expected results on a case-by-case basis

- Local governments declaration in Mexico "Freedom to choose"
- Keep all options available
- Operators (public or private) are tools to implement public policies
- Decide according to probability of meeting policy goals, not to please interest groups
- Only fair competition can ensure cost-optimisation
Benchmarking cannot, except in peculiar circumstances

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Governance & societal expectations

▶ Most hurdles to be overcome by governments present the same challenges for public and private operators

- **Operators must be given clear targets.**
Transparency: Water policy + Contractualisation
- **Operators need adequate tariff policies & structures to be able to make investments**
Subsidising water rates should not reduce capacity to expand water services to un-served people
- **Operators need continuous political support.**
Government & operator succeed together or fail together

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Conclusion

▶ Public water **policies** to address all WSS challenges simultaneously

▶ More projects with more ambition are necessary

▶ Select means according to expected results