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Professional private companies have provided over 25 million people, including many poor, access to a reliable water connection.

For the first time, World Bank reports measure private operators' contribution to providing safe drinking water in developing countries

More and more public authorities use private operators to ensure local safe drinking water supply in developing countries.

Until now no statistical studies on the impact of these public and private partnerships had been completed. This led to an under estimation of the value and benefits contributed by private operators to overcoming an important global challenge. The World Bank has just filled this gap by publishing a report that measures precisely the impact of contracting the management of public water services to private operators throughout the developing world.¹ This report which was announced at the World Water Forum in Istanbul in March 2009 complements the detailed statistical work published earlier in 2009.²

The World Bank report shows that overall local and international private companies deliver much more benefit to the populations and governments of developing countries than is generally recognised.³

According to the report, private operators working under contract to public authorities:

- **contribute significantly** to the **Millennium Development Goals** to provide **access to safe drinking water in the developing countries,**⁴ **particularly for poor people.**⁵
- **improve the performance** of water supply, in particular the continuity of service by increasing the number of hours a day that water is available
- **improve the operating efficiency of water services:** reduction of leaks from the system, improvement of cash collection, increase in productivity, etc
- do **not cause price rises that are higher** than for public management under the equivalent conditions
- act as a **catalyst to progress** in neighbouring districts.

The study quantifies the improvement in the access to safe drinking water that is particularly impressive. The World Bank study examines in detail 36 contracts in Africa, Latin America and Asia.

¹ *Public-Private Partnerships for Urban Water Utilities*, P.Marin, World Bank, PPIAF, Trends & Policy options n°8, February 2009 http://www.ppiaf.org/documents/trends_and_policy/PPPsforUrbanWaterUtilities-PhMarin.pdf

² Does private sector participation improve performance in electricity and water distribution? Katharina Gassner, Alexander Popov, and Nataliya Pushak, World Bank, PPIAF, Trends and policy options ; no. 6, 2009 http://www.ppiaf.org/documents/trends_and_policy/PSP_water_electricity.pdf

³ World Bank report Page 6: *"the analysis of the four dimensions of performance (access, quality of service, operational efficiency, and tariff levels) suggests that the overall performance of water PPP projects has been generally quite satisfactory."*

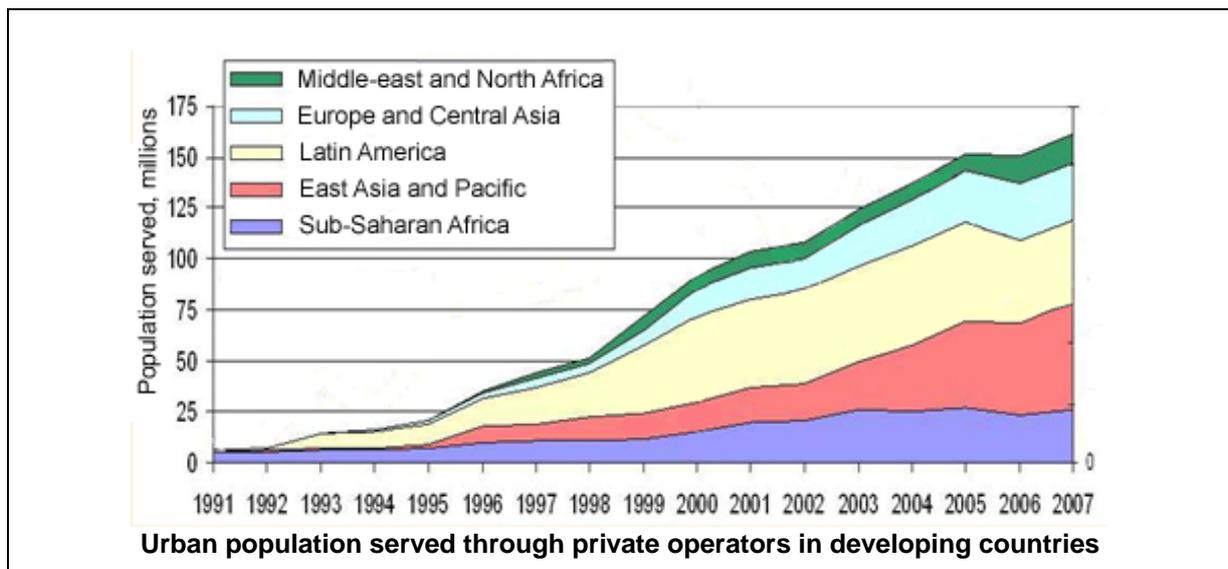
⁴ World Bank report Page 64: *"Still, many PPP projects did achieve significant improvements in water and sewer coverage. This study found that since 1991, PPP projects in developing countries have provided access to piped water for more than 24 million people (see appendix B)."*

⁵ World Bank report Page 134: *"There is circumstantial evidence that poor households significantly benefited from the increased access and reduced water rationing that was achieved by a significant number of PPP projects. This was notably the case in cities with high poverty rates, and where access was improved significantly by expanding the water network to poor neighborhoods that were previously unserved, as in Côte d'Ivoire; Senegal; Cartagena, Barranquilla, and Monteria (Colombia); Guayaquil (Ecuador); Manila (the Philippines); and even La Paz-El Alto and Buenos Aires (Argentina)."*

Initially these contracts supplied 48 million people. Private company management over a period of a decade has permitted an additional 25 million people to gain access to reliable water networks. This represents an increase of 50%⁶ in the number of people benefiting from a good public water service.

These good results explain the regular growth in the number of public authorities who call on professional private operators to manage their water supply systems in developing countries. This growth has also been measured by the World Bank (see figure below). The population directly supplied by private operators through the contracts identified in the study rose from a few millions in 1991 to exceed 160 million people in 2007. In recent years, this growth is mainly attributable to local operators from the countries concerned.⁷

The World Bank estimates that approximately 7% of the urban population of developing countries is supplied with water on a daily basis by private companies.⁸



Graphic by AquaFed reproducing data from the World Bank report

Note: only long-term contracts for water distribution up to the final customer connections are included - contracts for drinking water treatment plants etc. that also contribute to better quality services are not covered.

“AquaFed welcomes this report, which recognises the real contribution that our members are making to one of the world’s most pressing problems: that of developing water supply to the populations, especially to the most disadvantaged, in the developing world.” says Gerard Payen, President of AquaFed.

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AquaFed is the International Federation of Private Water Operators. Open to companies and associations of companies of all sizes and from all countries, it aims to contribute to solving water challenges by making Private Sector know-how and experience available to the international community.

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⁶ AquaFed calculation based on appendix A & B of the World Bank report

⁷ World Bank report Page 9: *“Some 90 percent of the growth in the number of people served by PPP projects since 2001 is due to private operators from developing countries.”*

⁸ World Bank report Page 1