

**Universal Access (UA) to Services:
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**Private Sector Participation in Water and Sanitation
Services, a powerful tool for Public Authorities
to implement Universal Access Policies**

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*“Private Sector Participation in Water and Sanitation Services,
a powerful tool for Public Authorities
to implement Universal Access Policies”*

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Content

- **Private Operator's Experience: Tools for UA Policies**
- **Cross-cutting lessons (2)**
- **Specificities and differences (among services sectors)**
- **Some key success factors for UA Policies**
- **The impact of “privatisation” and trade liberalisation**
- **Conclusion**

Private Operator's Experience: Tools for UA Policies

- **Private Water Operators contribute to achieving U.A. to WSS** under the supervision of **Public Authorities** in countries all over the world
- **Urgency: DRAMATIC SITUATION for WSS**
- **Local Authorities call for “freedom to choose”**
- **UNDP Human Development Report 2006**
 - « The debate over the relative merits of public and private sector performance has been a distraction from the inadequate performance of both public and private water providers in overcoming the global water deficit. »
 - « Decisions about the appropriate public-private mix have to be taken case by case on local values and conditions. The challenge for all providers, public and private, is to **extend access ...**» (HDR 2006, p.99)

Lessons!

- ➔ **SUCCESS STORIES & VALUABLE EXPERIENCES** to be shared
- ➔ **Policy makers CANNOT ACCEPT THE CURRENT STATUS QUO** and must go far beyond MDGs: leaders must deploy all available options and tools

Cross-cutting lessons (across services sectors) (1/2)

- Various policies involving public, private or mixed actors all deliver results, **so long as** they are **well-targeted** and accompanied by the **necessary means**
- Private Sector Operators should be regarded as **powerful tools** for Public Authorities to achieve efficient and rapid implementation of their UA policies
 - Private operators can and will contribute to develop UA, provided that the responsible Public Authorities request them to do so (=>a contract that includes clear targets and commitments)
 - The efficiency of the private sector tool does not only derive from the skills of the operator
- International consensus: Efficient UA policies = **clear allocation of tasks**, in particular clear definition of Gov't tasks
 - UNDP HDR 2006, p.91:
 - e.g. « Ring-fence public operators and to separate the regulatory authority from the service provider, be they public or private. »
 - UN-Habitat/UNITAR « Access to basic services for all. General Principles and Financing »

Cross-cutting lessons (across services sectors) (2/2)

- **Consult the populations that will benefit from UA policies, to secure “ownership”**
 - Failure to consult = failure to include real needs = failure of extension project that may lead to undesired inequity results
 - Involving the populations = better projects, better implementation, faster rhythm
- **Cross-subsidies with a goal of achieving UA:**
 - It is increasingly understood that subsidizing consumption can have adverse effects
 - « Unserved » people do not benefit from subsidies, if these subsidies are only allocated to those who already have a connection
- **Increased understanding of the interaction between basic services: in particular, developing access to WSS, contributes massively to the other MDGs**
 - As confirmed by numerous international studies (Röckström 2005 , Sousan, 2006)

Specificities and differences (among services sectors)

- **Scale differences** that need to be considered

- Not all basic services share the same constraints (physical and/or institutional)
- e.g. it is appropriate to organise WSS at a local level, while energy networks must be regulated at a larger scale

- **Levels of service** – the case for a step-by-step approach

Community Well → network with collective standpipes → individual connections

- **Balancing Equity and Efficiency:** issues to be factored in

- NGOs report: Improved access in Africa **may** lead to increased segregation within the community
- Gov'ts must avoid striving for perfection but rather consider the different levels of access provision in line with the community expectations
- Focus on rapid UA policy with rapid and massive improvement for the whole population

Some key success factors for UA Policies

- **Dialogue with populations and community participation**
- **Political will at all Gov't levels**
 - 1 Billion lack water, 2 Billion still don't have access to sanitation: this is mainly the result of political priorities that do not target the unserved population
 - Convey the « mission of UA » to the operators (public, private, community, mixed)
- **“Contractualisation”**
 - From the private operators' viewpoint, performance-based contracts or licences lead to improved policies
 - E.g. 3rd party regulator
 - Operators and authorities will work better together if they understand the “contract”
- **Political will to succeed in the partnership with the operator. Operators cannot deliver without continuous support from the authorities**
- **Some kind of competition to ensure the available money for UA is used in an optimized way**
- **Results-based policies (OBA mechanisms)**

The impact of “privatisation” and trade liberalisation

- **Privatisation is not the right word to use in WSS**
- The impact of **Private Sector Participation (PSP)** on UA policies has been enormous over the past decades
- Private Operators **measure** their contribution in terms of extending service to unserved populations, as part of an MDG monitoring programme
 - **One AquaFed Member** has calculated that, over the last 12 years, with the support of the PA, water access provision has been **extended to 10 Million people** in emerging countries
 - Around the world, where this private operator is present through partnerships, **its public partners** are on the way to meeting or exceeding the MDG target
- e.g. Independent research of impact of PSP on child mortality in Argentina
- **GATS or no GATS - Year after year, irrespective of trade negotiations, the private sector has been - and is being - called upon**

Conclusion

- Those who are waiting to be provided with access to WSS and other basic services ... have **a clear need for experiences from all backgrounds**
- **Duties for Gov'ts and Public Authorities**
 - Define clear **objectives** in terms of development of access.
 - Organise the necessary **means**
 - Means go beyond finance → **POLICY COMMITMENT**
- **AquaFed supports Local Governments' Mexico Declaration (2006)**
 - L.G. want to keep all their options open so as to be able to define themselves what they need, what their targets are and how to want to implement UA policies
 - No single golden bullet → **A VARIETY OF SYSTEMS for LOCAL CHALLENGES**