

**Universal Access (UA) to Services:
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Universal Access to Water Services

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Universal Access and Right to Water

- Two on-going and long standing debates targeting the same objectives :
WatSan services to everybody
- AquaFed vision emphasizing the importance of the RtW set out in a Press Release issued at WWF4 : proper implementation based on 3 important steps :
 - **1. Acknowledging the content of the right to water.**
After all the discussions in Mexico at WWF4 and all the preparatory work, including the reference report that has been released by the World Water Council, the international community should close this debate to permit action to take place.
 - **2. Identifying the public authority in charge** of the implementation of the right to water, **its related duties and its means** of action.
In many places in the world this has yet to be decided. In particular, tariffs structures have to be appropriate, local authorities must be allocated the appropriate financial means and their obligations should be clarified.
 - **3. Making the right real to every individual through delivery in the field.**
*This is where efficient operators are needed to produce the expected results.
Water operators are the instruments of the public policies that aim at increasing access to water and sanitation. If called on, they can deliver.*

Importance of Local Governments and local level in providing access to WatSan Services

- Local Governments and Local authorities now recognised, in many countries, as a **key level** in the delivery chain of **WatSan services** :
 - voice in the international debate since the **UCLG WWF4** Mexico statement in March 2006 – confirmed in Africities summit held in Nairobi 18-22 sept 2006 with UCLG-A
- Contribute to clarify the implementation of the RtW (in accordance with above mentioned **step 2**)
- Development banks, Multilateral (MFIs), Bilateral institutions also increasingly tend to deal directly at sub-sovereign level and make sure that the Financial assistance and funds reach this level : see EU-Water initiative – ACP Facility
- Decentralised Co-operation : financing support and solidarity allowed by the French law (through the water bill to grant water projects)
- Example of **Uganda** :
 - 1999 Water sector reform based on decentralisation at district level
 - committed to 100% coverage in 2015,
 - Backed by a significant increase in central budget allocation for Water Management : from 0.5%of public expenditure to 2.8% in 2002,
 - Water coverage level : 51% in 2003 (from 39% in 1996): I.e. a further 5.3 million people having access to safe water

Access to Water : Financing issues (1)

- WatSan services are capital intensive (a lot of hard core assets) and many water services in developing countries have not reached a self financing stage and are chronically underfunded,
- New infrastructure often targeted while forgetting to finance operation and maintenance of existing infrastructure
- `Financing Water for All` Task Force (Gurria) report at WWF4 :
 - highlights the need for local water operator to get access to long-term loans in local currency with affordable interest rates,
 - a lot of work yet to be done to make this happen
- Targeting connections :
 - from experience more efficient for any subsidy to **target directly population non yet connected** as opposed to any subsidy based on **consumption** (m3 delivered)

Access to Water : Financing Issues (2)

- Cross-subsidies from connected population to non connected
 - Equitable and efficient
 - supposed to be politically supported,
 - ratio of wealthiest part of population over poorest part (non connected) should be balanced (as a condition for feasibility),
 - not possible in deprived areas; determines the necessary scale of water management
 - to be organised at the local authority level first, then, regional, then country/state level, then international,
 - example : implemented in **Buenos Aires** through a charge levied on the m³ of water billed : has allowed to connect **2 million people** unable to get connected otherwise
- Cost of connection to the network always a problem as not affordable to the poorest when charged at cost : needs partial financing/subsidising mechanism from other users or from public budgets :
 - OBA (Output Based Aid) : has proved to be successful,
 - self-lay schemes : used in **Buenos Aires, Johannesburg, La Paz**

Access to Water : Financing Issues (3)

- Within a context of permanent financial scarcity in developing countries, **Cost-recovery** approaches should be implemented as far as possible :
 - given that the **primary** source of finance of WatSan services is the contribution of users through the water bill,
 - prices must be affordable for each user,
 - **Sustainable cost recovery** concept :
 - consistent with the willingness to pay and affordability of the poorest,
 - high visibility and stability of public budget subsidies,
- Optimising the use of ODA :
 - within a framework of permanent scarcity of available external funds, any external financial assistance should be designed and act as a **catalyst** to mobilise other financial resources and initiate new investment enabling expansion and better services
 - example : **India - Tamil Nadu** revolving fund

UA to WatSan requires support of local population

- For any extension of access to WatSan services, important to associate the local population through :
 - local representatives committee,
 - civil society organisations,
 - type of access (yards taps, standpipes, level of sharing, location) has to be decided and supported by them
- also paramount not to discriminate beneficiaries within the same neighborhood :
 - treat everybody in the same way,
 - so better to start by modest improvements in level of service to begin with and raise the level of service progressively overtime,

Access to Water : Tariff Issues (1)

- Free Water for everybody :
 - Unrealistic, economically and environmentally unsustainable (wastage)
 - Wrong economic signal sent within a climate changing framework (more water scarcity and more stressed and polluted water resources)
 - Inequitable : poorest generally not connected, do not benefit, have to pay high prices to water vendors,
- Free water for the poorest households :
 - Issue : how to spot and target them in informal slums and settlements; which criteria ; Who pays and who does not pay ? Geographical approach ?
- Free Water up to a volumetric threshold :
 - **South African experience** : Threshold of 6 m³ per month and per household,
 - Perverse effect : Wealthiest part of the population also benefit if poorest part not properly targeted,
 - A social approach would require a **threshold on a per head basis** : requires detailed and well maintained population records → difficult to achieve,
 - **Deterioration of water bill recovery rate** observed overtime in South Africa, after implementation of free water policy

Access to Water : Tariff Issues (2)

- Rising Block Tariff or Increasing Block Tariffs (IBTs):
 - First block /Threshold generally below marginal cost,
 - Environment friendly scheme : Built-in incentive to save water and be water efficient,
 - Same remark as above re. basis of different thresholds : per head or per household/connection
 - Perverse and detrimental effect to the poor as soon as several household are supplied by the same connection (shares taps..)
- Chilean example of pro-poor subsidising policy : works quite well :
 - Eligible households have to voluntarily register and apply to their local authority to get a reduction voucher
 - Amount of reduction depends on the household financial resources (never 100% reduction)
 - The household pays the water bills by using the voucher as a cash payment, paying the remainder
 - The local water service provider keep a record of the vouchers and claims the money back form the relevant local authority,
 - Studies have shown that such a “social” scheme, organised at state level, reaches the very poor

The Urban/Rural divide (1)

- Achieving the Water MDG #7 requires to provide access to water to similar numbers of rural and urban inhabitants,
- Developments and O&M costs for Water and sewerage infrastructure higher in rural areas because of lower population density,
- But access to WatSan services more complex to organise and deliver in urban areas :
 - More decision makers involved
 - Works more complex to carry out,
 - More politically sensitive : reluctance of political authorities to support illegal settlements,
 - Being connected to WatSan services brings additional value to the land and houses in informal settlements and slums : recognise allocation of land on a permanent basis
 - Technical and political interaction with other parts of the city

The Urban/Rural divide (2)

- In a **urban context** Leakage management is quite often an important and critical issue :
 - Leakage rates are often in excess of 50% in developing countries largest cities due to insufficient maintenance of the infrastructure/network,
 - Water saved from leakage is the cheapest available resource (up to the economic Level of Leakage : ELL),
 - Reversing the leakage trend requires a lot commitment, professionalism, good methodological approach and a **lot of time** to achieve/deliver : but more sustainable and economical over the long term,
 - More politically convenient and visible to build a brand new WTW to add the water resources to cope with expanding slums, but not economically optimal,
 - Leaky and depressurised water networks : a major cause of contamination of supplied water initially treated at potable water standards

Contributions from Private Water operators to access to WatSan services (1)

- **Argentina - Aguas Argentinas - Buenos Aires** –: The private water operator provided access to water **2.1 millions people**.
- **Philippines – Manila Water and Manylad – 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.

Contributions from Private Water operators to access to WatSan services (2) : SSWSPs or SPSPs

- **Small Scale Water Service Providers (SSWSPs) or Small-scale Private Service Providers (SPSPs) :**
 - numbered at least **10,000 SPSPs** in **49 countries** (likely to be underestimated),
 - Instrumental in providing basic water services for population out of reach of the local Water Utility (sometimes the only source of water) particularly in periurban, rural and remote regions;
 - prevalent in countries with low coverage levels,
 - may be the only viable operators for many years, in many places,
 - Also act as “**gap filler**” (when the water service in served areas is interrupted, or not available for long periods),
 - Overall, it is estimated that **up to a quarter of the urban population in Latin America** and nearly **half of urban dwellers in Africa** rely on **SPSPs for at least a portion of their water supply.**
 - SPSP activity often considered temporary or informal, and thus **often not counted towards coverage targets (or water related MDG).**
 - **Recognizing and supporting SPSPs further through partnership** within a proper regulatory framework (depending on the type of SPSP : e.g. regulated affordable tariff based on a flat purchase rate to the water utility for stand pipe distribution, franchising after a bidding process,..) **may be a practical way for governments to reach service coverage objectives more quickly.**

Conclusion

- Clarify implementation of RtW
- Involve population
- No discrimination
- Solidarity reflected in financing and tariff scheme design
- Effect of investment in WatSan services
- Good regulatory framework and good monitoring at all level contributing to mutual trust
- Partnership with local providers SPSPs