

# **Encouraging Responsible Business Conduct**

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Strengthening Investment Climate Assessment & Reform in NEPAD Countries

# What Business do you mean?

- Business & Industry,
- Formal Private Water Operators
- Small scale & informal operators
- Public Operators

Business is **part of** society  
not **apart from** it

# What a Private Sector Operator Has to do

- Do what his contract tells him to do
  - Many contracts contain no or un-realistic pro-poor provisions
- When pro-poor provisions are included in contracts operators can deliver on them
  - Argentina - Aguas Argentinas - Buenos Aires :  
The private water operator provided access to water to **2.1 million people**. ( $\frac{1}{3}$  of unconnected population in 12 years)
  - Philippines – Manila Water and Maynilad – East and West parts of Manila : **3.4 million people** have gained access to water

# What a Private Sector Operator can't do

- Make political decisions
- Set prices
- Determine quality standards
- Discriminate between users
- Define pro-poor policies
- Own the water
- Survive on long term economic losses
- This is exactly the same for a public operator

# What Private Sector Operators do

- Advocate for clients to develop pro-poor programmes within contracts
- Propose methodologies that enable pro-poor activities to be effective
  - Stakeholder and poverty mapping
  - Stakeholder consultation
  - Community involvement
  - Appropriate technology
  - Land tenure issues

# What Private Sector Operators do

- Renegotiated contracts to make them work for the poor
  - Buenos Aires – the SUMA
  - Manila – Bayan Tubig
- Execute governments subsidy and cross subsidy programmes
  - Chile
  - Colombia
  - France

# Interaction with the Public

- Things that private operators can & do do
  - Site assessments
  - Customer surveys
  - Focus groups
  - Segmentation & analysis
  - Complaint analysis
  - Targeted communication
  - Local meetings and local actions
  - Advertising and awareness
- Who communicates, the company or the Mayor?

# AquaFed

THE INTERNATIONAL FEDERATION  
OF PRIVATE WATER OPERATORS

[www.aquafed.org](http://www.aquafed.org)



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