

PPPs in Water and Sanitation

Mr. Dominique Gâtel / September 3, 2015



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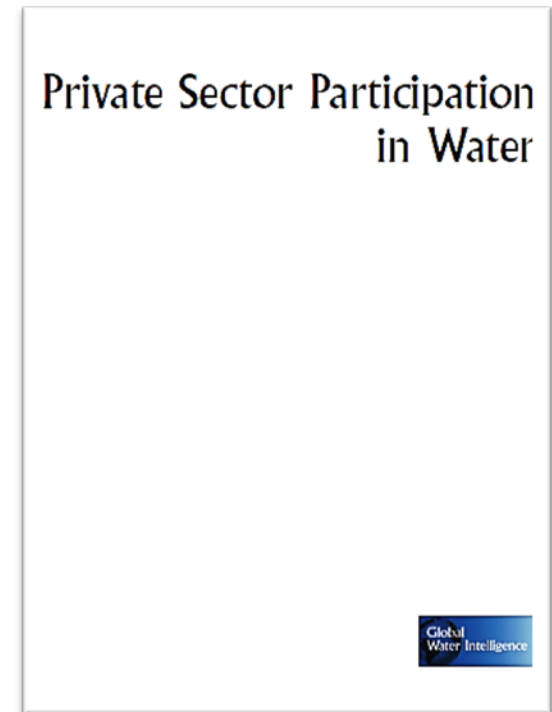
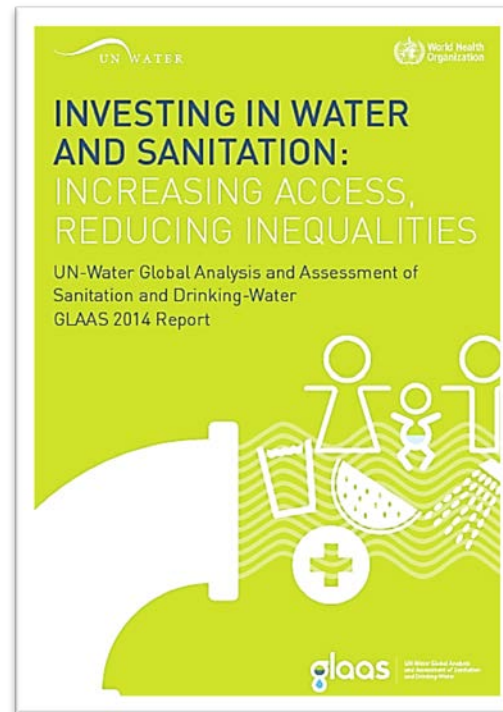
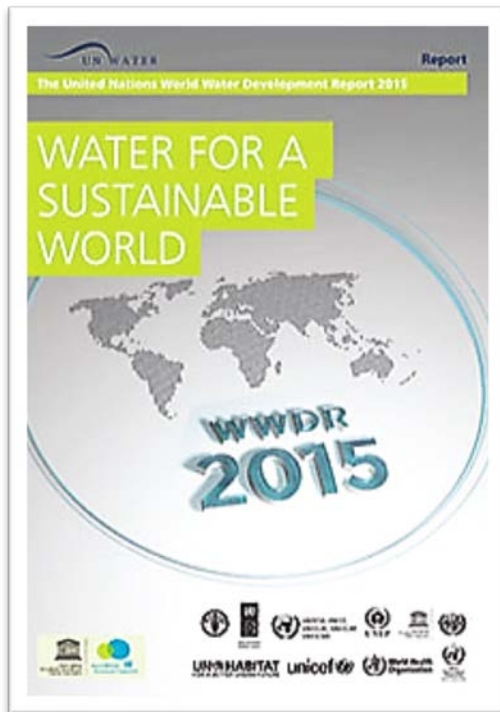
Outline

From inception to delivery

- Water, sanitation, health and development
- Water infrastructure finance gap
- PPPs as a catalyst for change
- UNECE Team of specialists for PPPs in Water and Sanitation

Outline

From inception to delivery



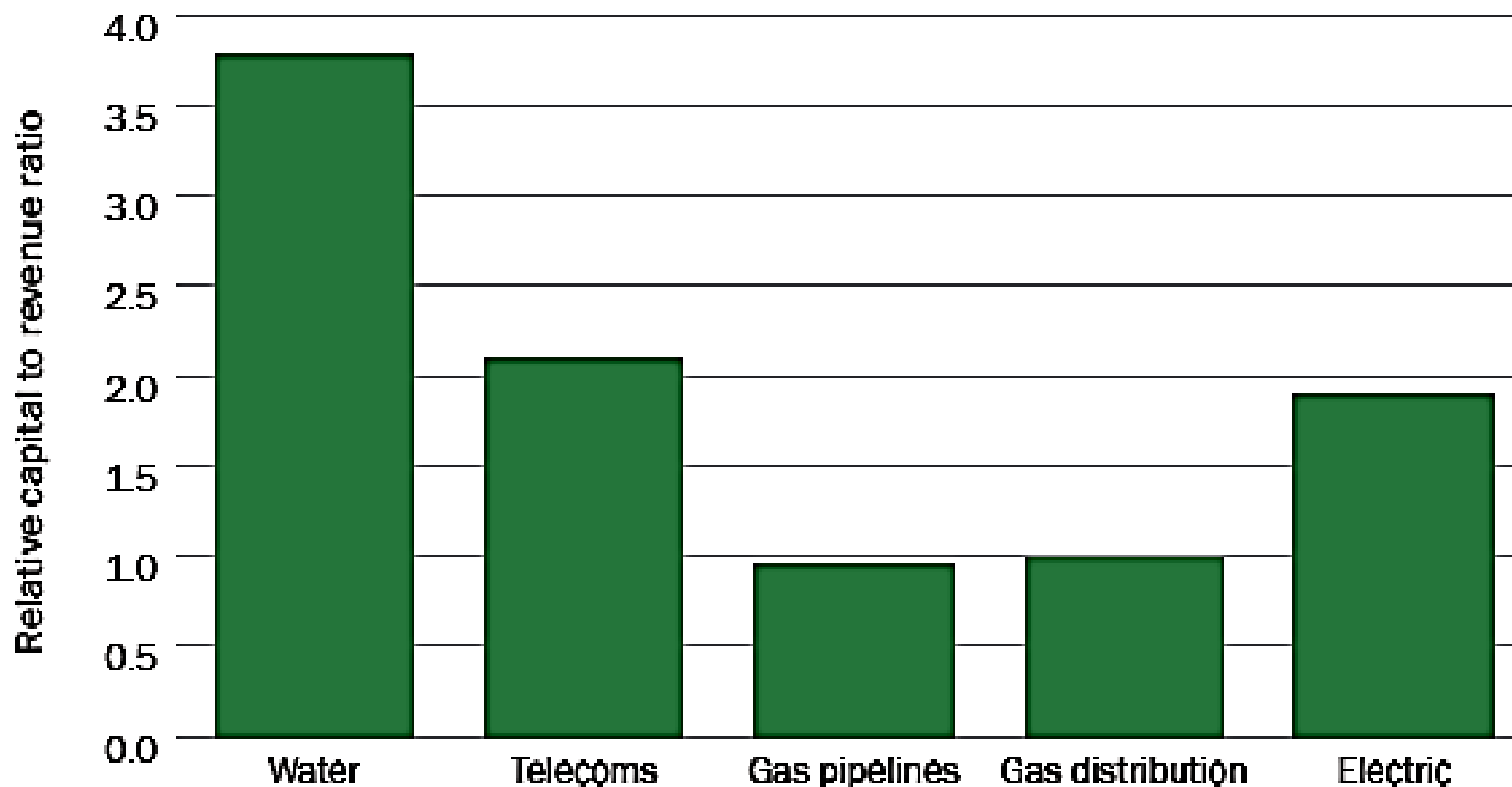
Water, sanitation, health and development

- 2,3 Billion people gained access to DW since 1990
- But still 600,000 Death of Diarrheal disease yearly
- 1.8 Billion use a source of DW which is faecally contaminated
- 1 Billion people practice open defecation
- Water, Sanitation and Hygiene –WASH- is deeply linked to health, dignity and development; Example of concrete findings
 - Cutting 15 minutes off the walking time to a water source could reduce under-five child mortality by 11% and the prevalence of nutrition-depleting diarrhea by 41%.
 - In Ghana, a 15-minute reduction in water collection time increased girls' school attendance by 8% to 12%

Water, sanitation, health and development

- WASH for all
 - Improved health
 - Greater comfort, dignity and safety, especially for women, children;
 - Fewer days lost in the home, at school, or work, especially for women/girls;
- Economic impacts?
 - An overall estimated gain of 1.5% of global GDP
 - Economic return are at least 2X for investments in drinking-water supply and at least 5X for investments in sanitation :
 - Greater productivity and involvement in the workplace
 - Reduced healthcare

Water infrastructures finance gap



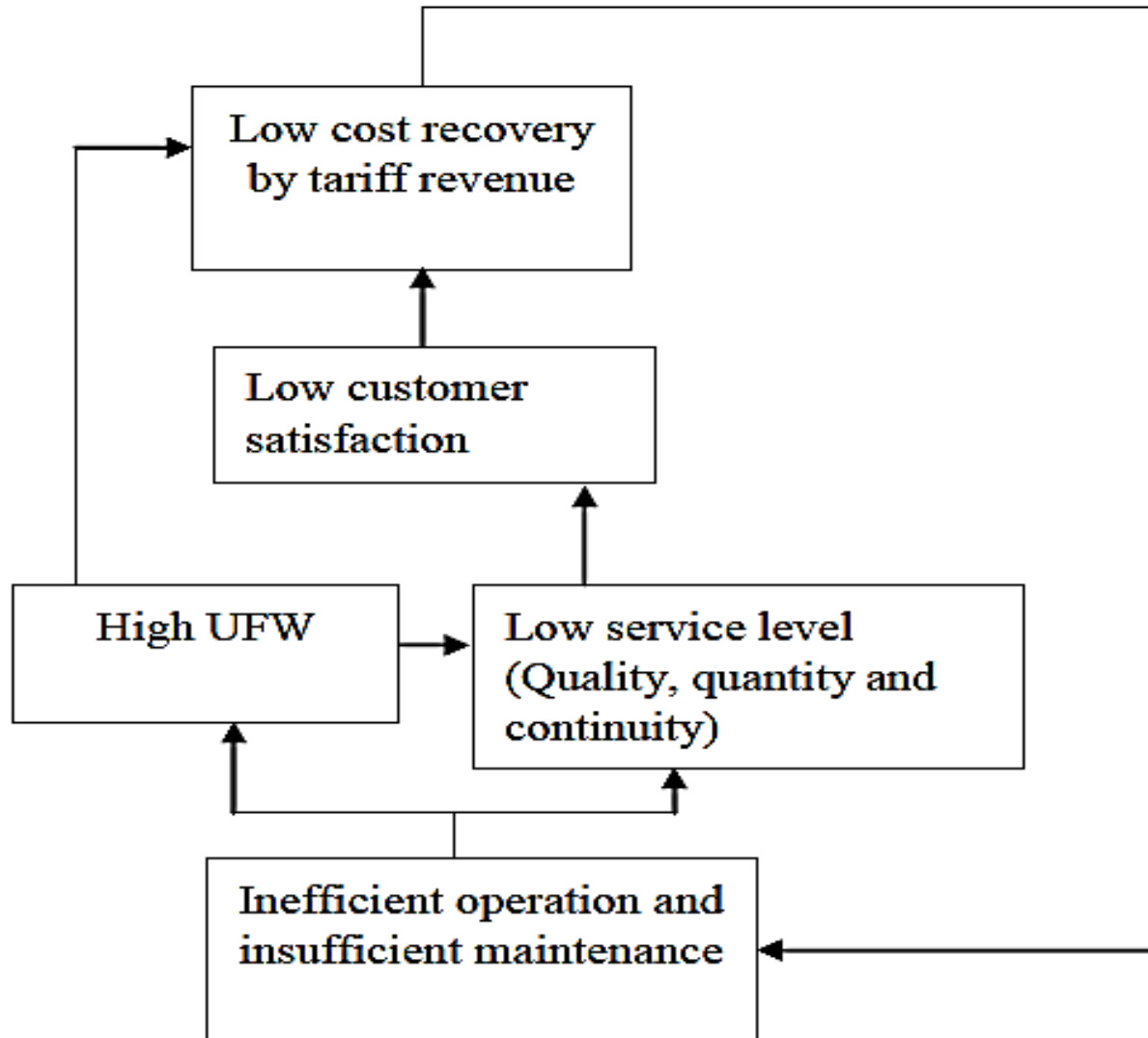
Source: GWI

Water infrastructures finance gap

- Governments supported the MDGs and will support the Post-2015 SDG
- But governments show weak capacity to set targets & act: Vast majority have no comprehensive process to track funding
- Operation and Maintenance are wanting
- Financing for water/Sanitation/Health insufficient:
 - in 70% of countries, Tariffs do not even cover O&M
 - Aid commitments: a few % of the needs
 - Additional human resource capacity needed
 - Only half the countries have specific mechanisms to address the poor

Source: GLAAS 2014

Water infrastructures finance gap



Adapted
from SAPI, 2004

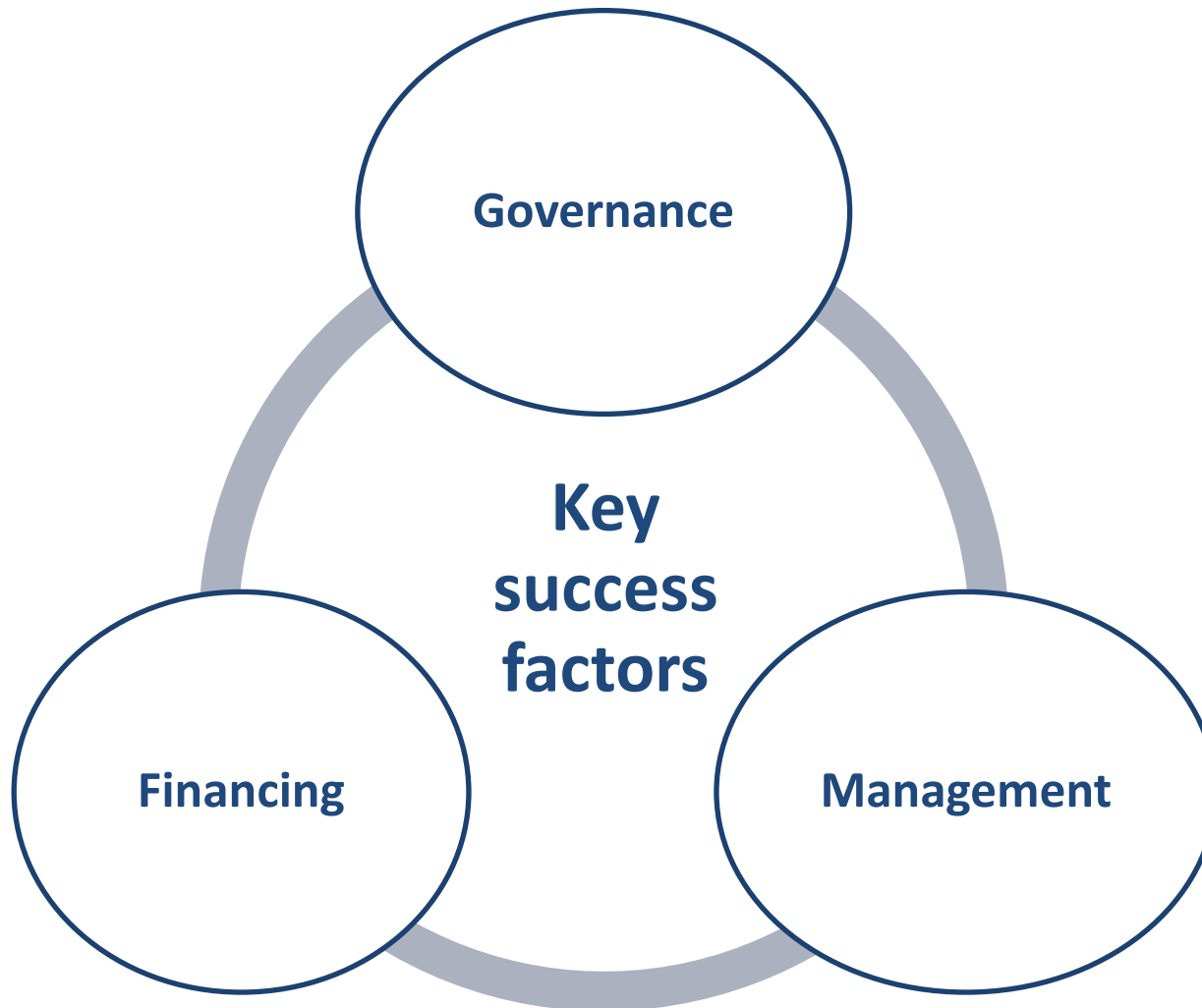
Water infrastructures finance gap

- In many places, water services are under-priced, resulting in:
 - poor service delivery,
 - poor maintenance of infrastructures
 - The poorest pay more for water, sometimes of a lower quality, than the rich.
- “Pro-poor tariffs”:
 - preferable to support those who are unable to pay rather than to lower the price of water to everyone.
 - keep effective connection costs as low as possible,
 - subsidize, or amortize over time, the cost of the connection rather than the cost of water as such.
 - Subsidy for the poorest (connection/Volume)

Water infrastructures finance gap

- Studies show a willingness to pay for a quality service: Water pricing is a matter of willingness to charge
- Transfers (Multilateral agencies, Dev. Aid): can smooth the heavy up-front lump, but remain of a transient nature
- Tariffs and taxes must cover the real costs: Where it is done, it works
- Need for strong governance
 - Leadership
 - A clear definition and separation of responsibilities
 - Accountability, transparency and public debate
 - Financial and technical capacity of the authorities

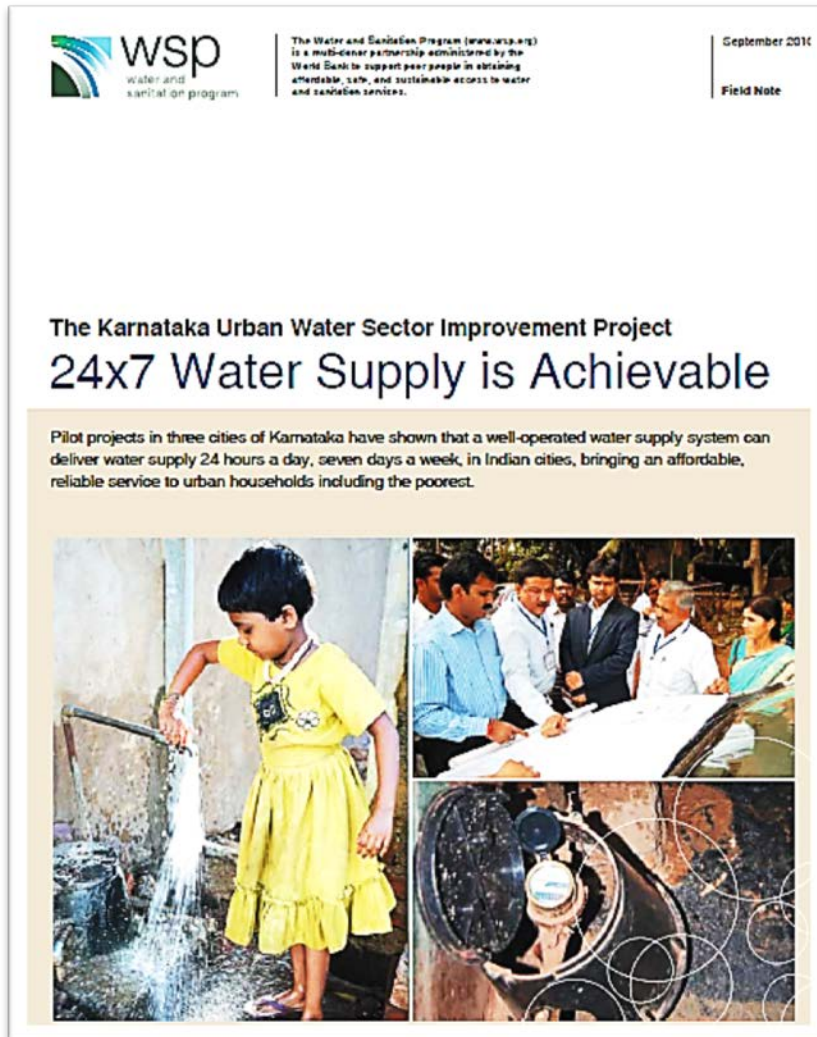
Water infrastructures finance gap



PPPs as a catalyst for change

- PPPs are a performance-based contract with a selected private party:
 - Strengthen the standards of public services
 - Optimization of public expenditures:
 - Focus on service delivery,
 - Innovation by specifying the outputs, not the inputs
 - Allocating some of the risks to a party which can better manage it
- What is crucial?
 - Expectations, and public scrutiny, higher with PPPs
 - The competent authority must retain freedom of choice
 - For effectiveness, PPP usually span over several political mandates
 - From ‘in-house’ to ‘privatization’ - There is no single model or silver bullets




PPPs as a catalyst for change



The cover of the field note features the WSP logo (water and sanitation program) and the text: 'The Water and Sanitation Program (www.wsp.org) is a multilateral partnership administered by the World Bank to support poor people in obtaining affordable, safe, and sustainable access to water and sanitation services.' The date 'September 2011' and 'Field Note' are also present.

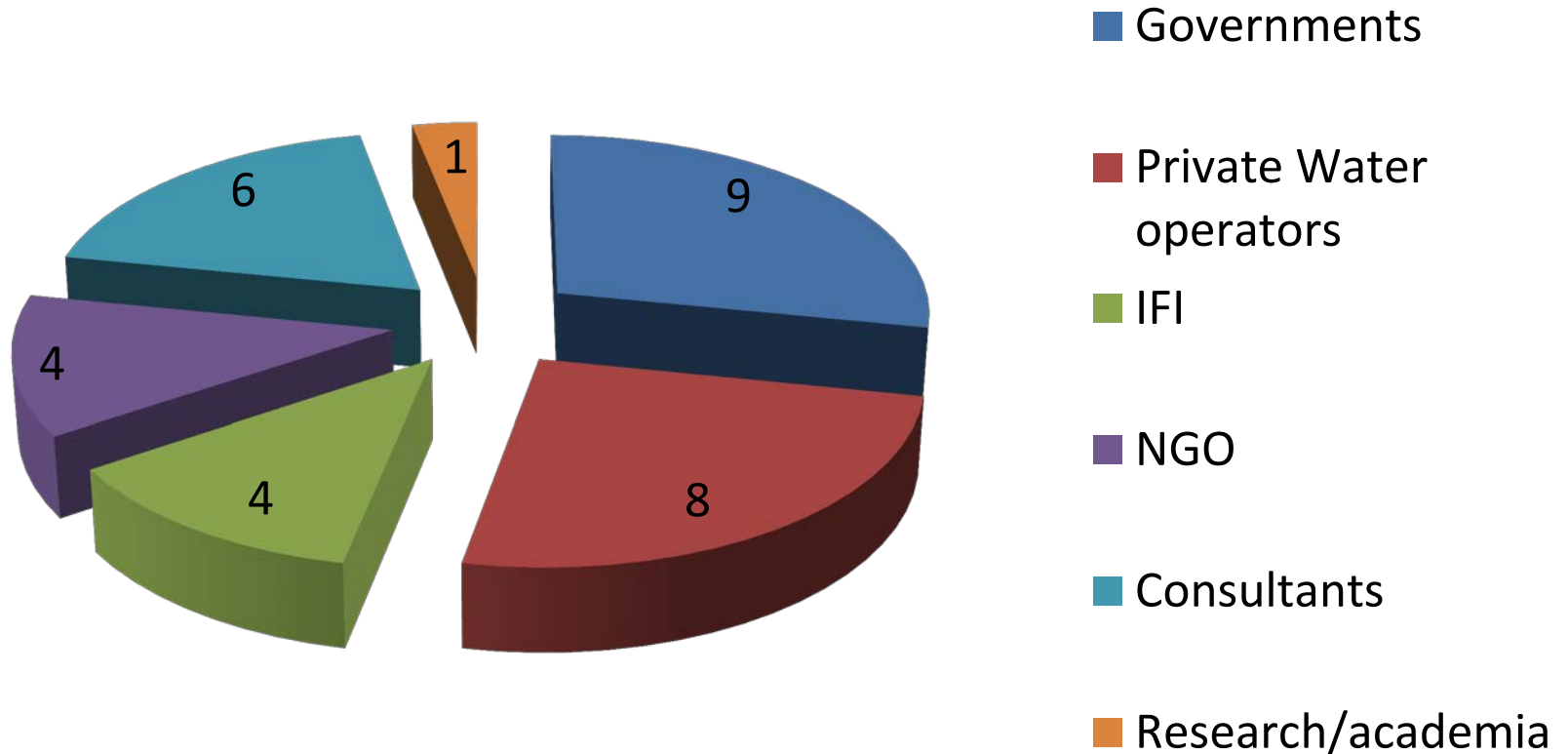
The Karnataka Urban Water Sector Improvement Project
24x7 Water Supply is Achievable

Pilot projects in three cities of Karnataka have shown that a well-operated water supply system can deliver water supply 24 hours a day, seven days a week, in Indian cities, bringing an affordable, reliable service to urban households including the poorest.

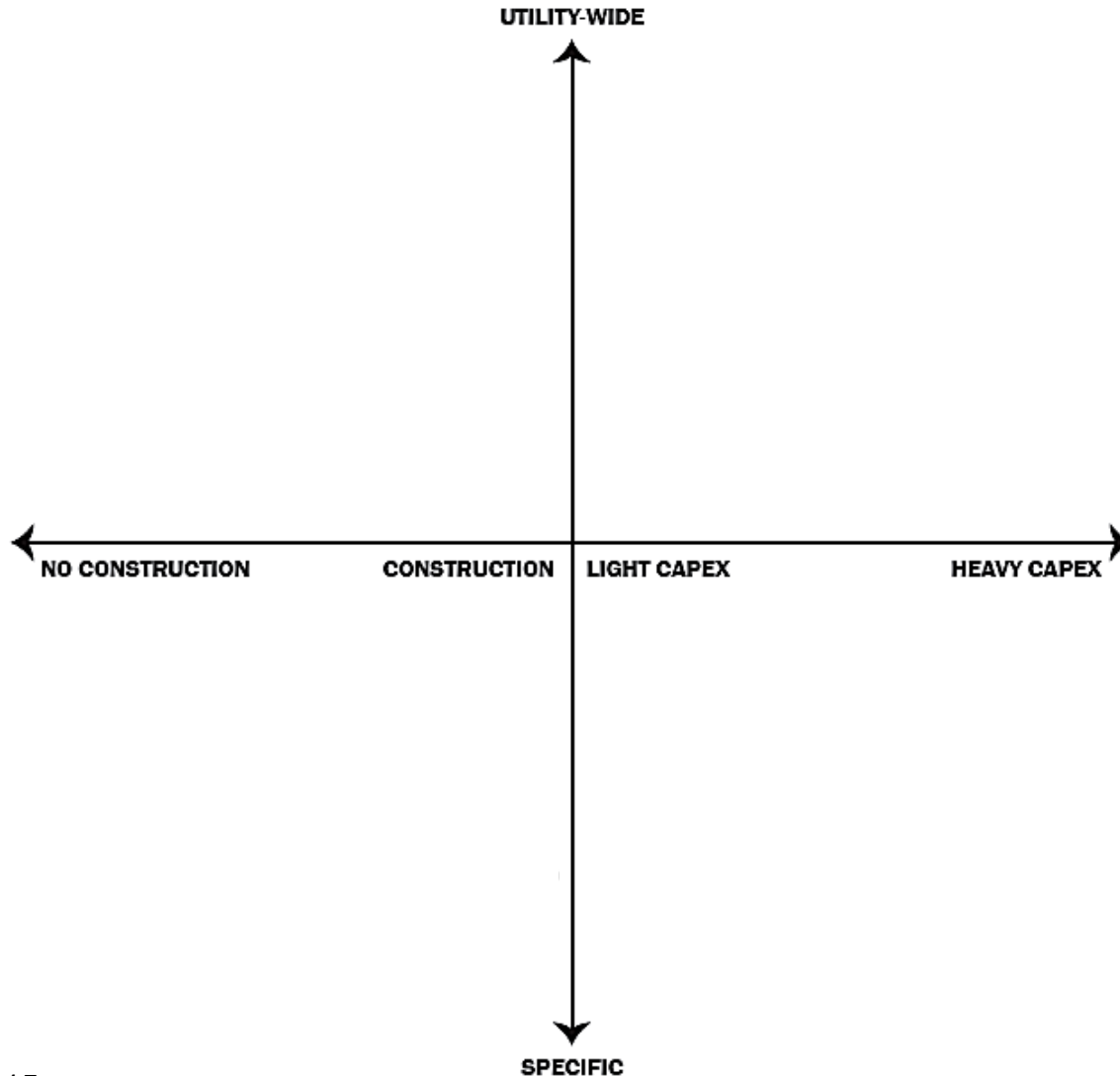


- 24x7 water need a significant change to consumers, to billing, and to revenue collection.
- The Karnataka demonstration project has provided ‘proof of concept’: 24x7 water supply is feasible in India as in the rest of the world.
 - significantly improved services to consumers, particularly to the poor,
 - perceived direct health benefits,
 - reduced impact on water resources
 - improved revenue generation.
 - it is affordable

UNECE Team of specialist for PPPs in Water and Sanitation



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