PPP Water Standard

General Definition of PPPs: Case-Study from Ukraine

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Water and Sanitation Sector in Ukraine

✧ **148 Water & Sanitation Utilities** in settlements with more than 30 thousand population = 30 mln out of 45 mln persons

Among these 30 mln persons:
- 0.9 mln persons – have water due to a schedule
- about 10 mln persons – have no centralized sanitation

✧ **These utilities are managing:**
- **Water network** – 79.4 thousand km (48% of which needs urgent modernization; loses – 32% (from 8 to 62% for different utilities); 59% of customers have meters; cost of electricity is 29% of the total cost of water supply; cost of repair is 21% of the total cost of water supply)
- **Wastewater network** – 35.3 thousand km and 331 waste water treatment stations (48% of network needs urgent modernization; cost of electricity is 27% of the total cost of water supply; cost of repair is 21% of the total cost of water supply)
## Concessions in Water Supply & Sanitation

<table>
<thead>
<tr>
<th>Type of concession agreements</th>
<th>Number (%)</th>
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<tbody>
<tr>
<td>Total</td>
<td>210</td>
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<tr>
<td>Waste collection &amp; treatment including:</td>
<td>116 (55%)</td>
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<td>- concessions in different settlements with one private partner</td>
<td>105</td>
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<tr>
<td>Water Supply &amp; Sanitation</td>
<td>79 (32,5%)</td>
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</tbody>
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- Municipalities which have informed the Ministry of Economic Development & Trade about their wish to prepare concession agreements in Water Supply & Sanitation: 103

All Water Supply & Sanitation Systems are in municipal ownership
Features of Water Supply & Sanitation Agreements in Ukraine

✧ All private partners are local companies
✧ All concession agreements are based on inputs but not outputs: describe amount of investments of a private partner and schedule of their providing; payments due to the contract to a private partner do not depend on formal indicators
✧ There are no greenfield projects
✧ Risks sharing between partners is declarative
✧ There are no agreements with any state support measures included
Consequences of such misunderstanding of PPP nature

✧ Great potential of PPP is not used in Ukraine – our “concessions” are more public procurement than PPPs
✧ PPP development is not a priority of the state policy including in field of Water Supply & Sanitation
✧ People don’t trust the private business
✧ Private business doesn’t trust the Government including local governments
✧ PPP can’t work for SDGs due to lack of knowledge about SDGs, PPP and absence of PPP models based on availability payment
How Water PPP standard could help

✧ The Standard is more important for developing economies without experience in PPP and with lack of knowledge about PPP and its potential for SDGs

✧ All provisions of the Standard should be comfortable for understanding of untrained people to perceive it

✧ Implementation of the Standard must be accompanied by capacity building activities and dissemination of the best practice

✧ UNECE needs to be an active player on promoting PPP Standards in developing economies (push, promote, explain, teach, implement). Otherwise the countries, for which such standards are very important, will be out of the global process “PPPs- for-SDGs”
Thank you for attention