Public Private Partnerships.
A tool to help cities solve their urgent needs

March 31st 2016. Geneva
A leading company providing a wide range of services

Integral Water Management
Public Water Services,
Water Quality Control,
Recreational Water facilities,
Operation and maintenance of irrigation
infrastructures,
Hydraulic infrastructures concessions,

Design and construction
of hydraulic infrastructures,

Global Services for the Industry,
A leading company providing a wide range of services

- 3rd private European water management company in the world (2013 GWI ranking)
- Sector leader in Spain, with a 36% market share for indirect management
- The only Spanish company capable of offering all the solutions to any water management need for public and private organizations and entities
- 7,100 highly qualified employees

- With more than 23,820,000 people served in 22 countries on 4 continents
- More than 13,000,000 people in Spain
- Financially feasible and socially acceptable solutions
- Water management teams with expertise in the latest technology in the sector

Revenues (€ Millions)

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<tbody>
<tr>
<td></td>
<td>92</td>
<td>106</td>
<td>269</td>
<td>298</td>
<td>349</td>
<td>384</td>
<td>426</td>
<td>461</td>
<td>570</td>
<td>712</td>
<td>790</td>
<td>845</td>
<td>872</td>
<td>868</td>
<td>845</td>
<td>866</td>
<td>930</td>
<td>954</td>
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CAGR (97-14): 15%
<table>
<thead>
<tr>
<th>Key Figures</th>
<th><strong>Value</strong></th>
<th><strong>Description</strong></th>
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<tbody>
<tr>
<td>Population served</td>
<td>23,620,000 inhab.</td>
<td>Population served</td>
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<tr>
<td>Water supplied</td>
<td>656.9 mill. m³</td>
<td>m³ of water supplied</td>
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<tr>
<td>Networks managed</td>
<td>69,522 km</td>
<td>km of networks managed</td>
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<tr>
<td>Drinking water tanks</td>
<td>2,570</td>
<td>Drinking water tanks</td>
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<tr>
<td>WWTPs</td>
<td>320</td>
<td>WWTPs</td>
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<td>SWDPs</td>
<td>33</td>
<td>SWDPs</td>
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<tr>
<td>DWTPs</td>
<td>203</td>
<td>DWTPs</td>
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<tr>
<td>End user Invoices</td>
<td>13,5 million</td>
<td>End user Invoices issued per year</td>
</tr>
<tr>
<td>Employees</td>
<td>7,639</td>
<td>Employees</td>
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<tr>
<td>Major infrastructures</td>
<td>11</td>
<td>Major infrastructures under construction around the world</td>
</tr>
</tbody>
</table>
1. An important part of our work is developed in areas with inefficient and/or insufficient water and sanitation basic services.

2. These basic services deficiencies are usually linked to other problems and challenges that make improvements difficult to achieve (either by the public sector, the private sector, Public-Private Partnerships or any other potential partnerships).

3. What are some of these usual difficulties linked to Public Private Partnerships in water?
<table>
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<tr>
<th>Common Challenges in Water Public Private Collaborations</th>
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<tbody>
<tr>
<td>➢ Lack and/or deficiencies in infrastructures</td>
</tr>
<tr>
<td>➢ Uneven frequency of PPP examples</td>
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<tr>
<td>➢ No tradition with certain schemes (BOT, DBOT, DFBOT, ...)</td>
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<tr>
<td>➢ “Affordability”</td>
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<tr>
<td>➢ Economically unsustainable services</td>
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<tr>
<td>➢ Public Administration not familiar with complex schemes</td>
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<tr>
<td>➢ Unsuitable legal framework</td>
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<tr>
<td>➢ Cultural differences</td>
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<td>➢ Logistic problems</td>
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</table>
Concept of PPP: to be enlarged in order to include real partnerships between ALL the involved stakeholders avoiding the simplification to simple funding or service outsourcing

Local and national governments, agencies, IFIs, NGOs, academic (technical, economic, social, cultural) communities, unions, consumer and citizen associations, financial institutions and the private sector:

EVERYONE IS NEEDED IF WE WANT TO AVOID PAINFUL MISTAKES AND MAKE SOLUTIONS SUSTAINABLE IN THE LONG TERM (because with PPPs, long term is usually a key concept)

The concept of “people-first PPPs” is very natural for the water private sector since our partner has been always the end user and we interact with him/her on a daily basis
IN ORDER TO ACHIEVE THE SDGs GOALS

All the stakeholders (including the Private and Public Sectors) **have to be** flexible and even creative:

Each situation and problem require a **different set of solutions** (which does not mean that certain specific standards are very beneficial)
What does “urgent need” mean?

Basic WATER AND SANITATION needs should always qualify as URGENT

(no matter if we talk about rural, urban or temporary settlements)
But the citizens of Salamanca do not need the same urgent support and services than ....

Source: www.20minutos.es

Salamanca (Spain): 150,000 inhabitants (30-year full water cycle concession)
The Private Sector Collaboration

... the citizens of Cairo (Egypt) or Mostaganem (Algeria),...

**New Cairo** Wastewater Treatment Plant *(Egypt)*

Capacity: 250,000 m³/d

Design-Build-Finance-Operate-Transfer 20-year Contract

*Source: FCC Aqualia*

**Mostaganem** Sea Water Desalination Plant *(Algeria)*

Capacity: 200,000 m³/d

Design-Build-Finance-Operate-Transfer 25-year Contract

*Source: FCC Aqualia*
... or Riyadh (Saudi Arabia),...

Riyadh (Saudi Arabia)

7-year Management Contrat for Leakage Detection and Water Losses Reduction

Source: FCC Aqualia
The Private Sector Collaboration

Tblisi (Georgia)
Full Privatization

Albania
O&M Contracts

Source: FCC Aqualia
1. Is the private sector alone the best alternative to cover urgent basic needs as a general concept?

2. In certain cases, experience has shown us that the private sector alone is not always prepared to design, finance, implement and/or sustain the required solutions.

For example, in urban/semi-urban environments, the Private Sector has demonstrated, in general, its capacity to solve urgent water and sanitation problems.
The Private Sector Collaboration

- Rostock (Germany)
- Saltillo (México)
- Mbombela (South Africa)
- Adelaida (Australia)
- Cartagena de Indias (Colombia)
- Gdansk (Poland)
- Tangier (Morocco)

Fuentes: AquaFed
• Private sector is used to deal with urgent problems and emergency situations mostly in urban or semi urban environments where we are already present

• Emergency Plans and Protocols are a common tool the private sector is very familiar with

• Private companies provide a basic service for people and communities too and therefore THEY HAVE TO BE ABLE to perform under almost any circumstance
Companies have Emergency Procedures and Protocols ....
Urgent Problems and Emergencies

Resources ....
And they know how to use them under very different circumstances
In some exceptional cases, we even join forces with the national, regional or local governments, the Army, humanitarian institutions, etc to help in extreme situations.
Urgent Problems and Emergencies
But in other places, there is limited experience
Favela Rocinha (Rio de Janeiro)
No service

Source: Wordpress.com
The Private Sector Collaboration

Zaatari camp for Syrian refugees (Jordan)

Source: Wikiedia.org

Idomeni camp for Syrian refugees (Greece)

Short term service by local private companies

Source: AP

Source: ABC News

So,

some discussion is needed
to agree on the potential role of the Private “P” of PPPs in certain urgent situations
Are we, the Private Sector, good at solving any type of urgent problems?

As everybody else, neither always nor everywhere

BUT

We are willing to help
CONCLUSIONS:

- Private sector is very familiar with solving urgent water and sanitation related problems and emergencies in urban and semi urban areas (even more if it is already present).

- In environments like rural areas, disperse population zones, disaster areas or temporary settlements, we are more than happy and available to offer our expertise and to collaborate, but in these cases the participation of other experienced stakeholders (Governments, NGOs, humanitarian institutions, ..... ) is even more important to avoid inefficiencies and potential mistakes.
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A tool to help cities solve their urgent needs

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