Meeting Water and Sanitation Goals in Africa: Role of Public Water Utilities

By

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PRESENTATION OUTLINE

1. Reference to CSD-13 Decisions
2. Progress on Meeting the MDGs: An Overview
3. Key Players in Provision of Services in Urban Areas
4. Challenges Facing Public Water Utilities
5. Water-Poverty Nexus and PRSPs
6. Concluding Remarks
REFERENCE TO CSD-13 DECISIONS (WATER)

1. Shift emphasis from a needs-based approach to rights-based approach
2. Ensure that no one is excluded from essential supplies
3. Decentralize delivery of water services
4. Strengthen governance of public water Utilities
5. Enhance the contribution of small scale water utilities to water supply
6. Explore how the large scale private sector and public-private partnerships can contribute effectively to water service delivery.
7. Consider a range of water supply and treatment options suitable to local conditions
8. Rehabilitate, where needed, existing water supply systems and maintain in good working conditions
9. Build on capacities of community-based organizations in water supply

REFERENCE TO CSD-13 DECISIONS (SANITATION)

1. Empower and adequately empower local authorities
2. Build partnerships with all stakeholders for scaling up
3. Plan and program for the expansion of main sewerage networks
4. Consider low cost alternatives to large-scale sewage systems
5. Make access to sanitation affordable to poor people
6. Target limited public resources at highest impact sanitation interventions
7. Strengthen rural health extension services
PROGRESS ON MEETING THE MDGs
Access to W&S Services in Africa

Population (millions) without improved drinking water sources by region in 2004

1.1 billion people unserved globally

- Western Asia: 118
- South eastern Asia: 96
- Eastern Asia: 26
- Sub-Saharan Africa: 233
- Latin America and Caribbean: 56
- Commonwealth of Independent States: 23
- Developed regions: 13

Nearly 50% of the people worldwide without access to improved drinking water are in Eastern Asia and Southern Asia. Another 30% live in sub-Saharan Africa.

Population (millions) without improved sanitation by region in 2004

2.4 billion people unserved globally

- Latin America and Caribbean: 125
- Commonwealth of Independent States: 46
- Developed regions: 7
- Northern Africa: 25
- Sub-Saharan Africa: 223


Urban and Rural Disparities

Rural and urban population (millions) without access to an improved drinking water source in 2004 in developing regions

- Total: 300
- Rural: 234
- Urban: 66

> In developing regions, 84% of the unserved live in rural areas.

Urban and rural disparities in sanitation by region in 2004

- Total coverage: 60%
- Urban coverage: 30%

Globally, rural sanitation coverage is still less than half the urban coverage.

Regional Trends and Prospects

What are these trends telling us?

- On current trends, the MDG of halving the number of people without access to water will be missed by 235 million people; 800 million people in total will still lack access.

- The sanitation target will be missed by 431 million people, with 2.1 billion in total still without decent sanitation.

- With business as usual scenario, Sub-Saharan Africa is unlikely to meet the MDG targets.

- On current trends Sub-Saharan Africa will reach the water target in 2040 and the sanitation target in 2076.

- To get on track, connection rates for water will have to rise from 10 million a year in the past decade to 23 million in a year in the next decade.

Adapted from the Human Development Report, UNDP, 2006

Projecting Current Trends to 2015

Implications of Not Meeting the Water and Sanitation Targets

- Violation of basic human right
- Wider inequalities in health, education and poverty reduction
- Gains made so far could be eroded
- Jeopardizing the achievement of other MDGs

So, globally the challenge becomes…..

Water
300 thousand people/day from 2005-2015. This calls for stepping up current efforts by one-third

Sanitation
450 thousand people/day from 2005-2015. This calls for doubling the current efforts.
KEY PLAYERS IN PROVISION OF W&S SERVICES IN URBAN AREAS

- State/City Governments (Municipalities)
- **Public Utilities**
- Privately Operated Utilities
- Small Scale Water Providers
- Community Based Organizations

General State of Public Water Utilities

<table>
<thead>
<tr>
<th>Performance Variables</th>
<th>Developing Countries Utilities</th>
<th>Developed Countries Utilities</th>
<th>Realistic Targets Possible</th>
</tr>
</thead>
<tbody>
<tr>
<td>High UFW</td>
<td>40%</td>
<td>16%</td>
<td>23%</td>
</tr>
<tr>
<td>Failure to recover O&amp;M costs</td>
<td>&gt;1</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Over-inflated costs</td>
<td>20/1000</td>
<td>2/1000</td>
<td>5/1000</td>
</tr>
<tr>
<td>Slow collection rate</td>
<td>10 months</td>
<td>NA</td>
<td>3 months</td>
</tr>
<tr>
<td>High connection fees (GDP/pc)</td>
<td>60%</td>
<td>NA</td>
<td>20%</td>
</tr>
<tr>
<td>Low service coverage</td>
<td>&lt;50%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Service is intermittent</td>
<td>12 hrs/day or less</td>
<td>24 hrs/day</td>
<td>24 hrs/day</td>
</tr>
</tbody>
</table>

Source: IFC/World Bank Survey of 246 Utilities (small and large) in 51 developed and developing countries.
CHALLENGES FACING THE PUBLIC WATER UTILITIES

- Pressure to expand provision of services
- Ensuring sustainability of existing and new services
- Inadequate capital investments
- Limited technical and institutional capacities
- Reforming the external environment
- Balancing potentially conflicting objectives

Regulating Public Water Utilities

It is important to regulate because:
- Water network systems are natural monopolies
- They are characterized by large sunk investments and economies of scale
- Parties may feel they are subject to opportunistic behavior
- Presence of natural monopolies may provide a justification for regulation

Therefore, a regulator is needed to:
- Achieve outcomes consistent with those from a competitive market
- Implement government policies
- Balance interests of all parties
WHO SUFFERS THE MOST?
The perverse reality in much of the developing world is that the poorest people get less water, and they also pay some of the world’s highest prices.

Adapted from the Human Development Report, UNDP, 2006.
Rich and Poor on Sanitation Divide

Adapted from the Human Development Report, UNDP, 2006.
Why water and sanitation sector is not receiving due attention in the PRSPs?

- Weak poverty diagnosis with the water sector
- Weak diagnosis is caused by weak capacities and poor information base for the sector
- Multiplicity of actors in the sector
- Lack of coordination between the central ministries, local water authorities and sector actors at the local level

CONCLUDING REMARKS

- Public sector has a great potential to contribute
- Financing to sector must be increased and should come from all sources
- Balancing governance reforms with financing needs
- Capacity building is an urgent priority
- Networking with other utilities can contribute to capacity building
THANK YOU