



UN-DESA/UN-HABITAT
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**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

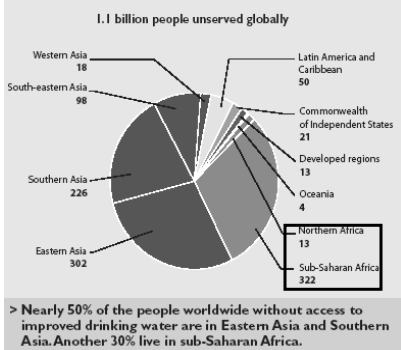
REFERENCE TO CSD-13 DECISIONS (SANITATION)

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

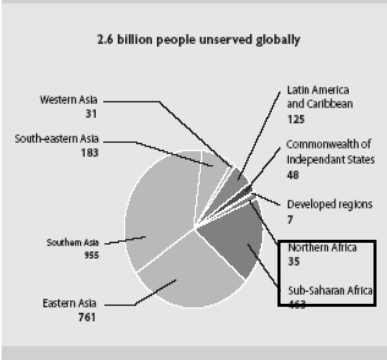
PROGRESS ON MEETING THE MDGs

Access to W&S Services in Africa

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



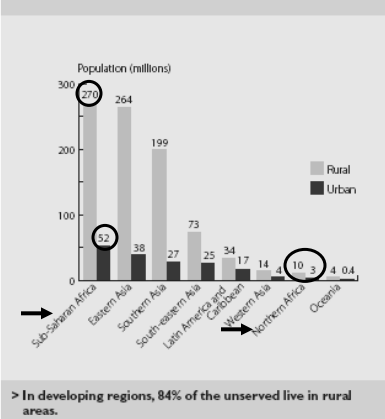
Population (millions) without improved sanitation by region in 2004



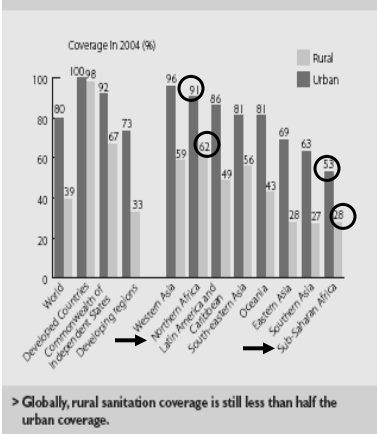
Source: JMP Report of WHO and UNICEF 2006

Urban and Rural Disparities

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



Urban and rural disparities in sanitation by region in 2004

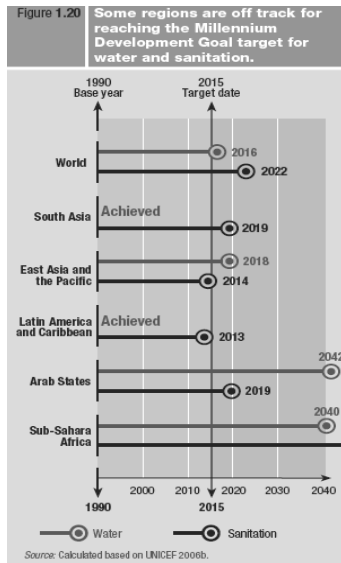


Source: JMP Report of WHO and UNICEF 2006

Regional Trends and Prospects

What are these trends telling us?

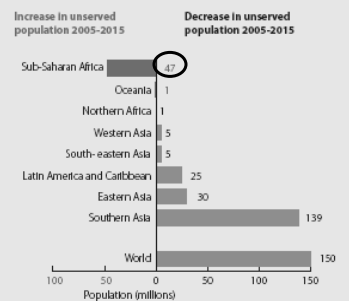
- On current trends, the MDG of halving the number of people without access to water will be missed by 235 million people; 800 million people in total will still lack access.
- The sanitation target will be missed by 431 million people, with 2.1 billion in total still without decent sanitation.
- With 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

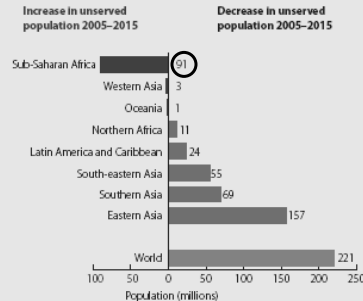
Projecting Current Trends to 2015

Projected change in the absolute numbers of people without access to an improved drinking water source 2005–2015, by developing region, if the 1990–2004 coverage trends continue to 2015



> If current trends continue to 2015, the absolute number of people without an improved drinking water source will decline by 150 million; sub-Saharan Africa will end up with 47 million more unserved than in 2004.

Absolute change in population without access to improved sanitation 2005–2015, by developing region, when the 1990–2004 coverage trend is projected to 2015



> If current trends continue up to 2015 the absolute number of people without improved sanitation will decline by 221 million.
> However, sub-Saharan Africa will end up with 91 million more unserved than in 2004.

Source: JMP Report of WHO and UNICEF 2006

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

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

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:

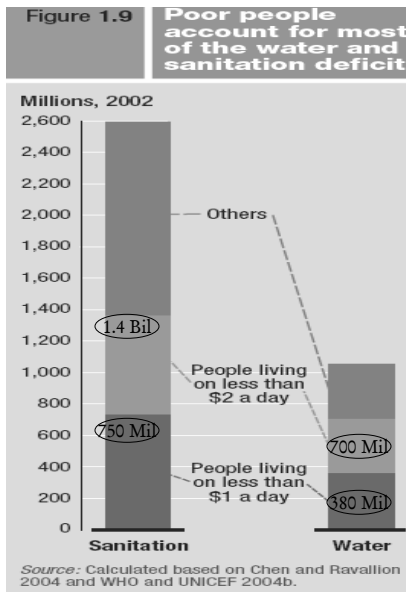
- Water network systems are natural monopolies
- They are characterized by large sunk investments and economies of scale
- Parties may feel they are subject to opportunistic behavior
- Presence of natural monopolies may provide a justification for regulation

Therefore, a regulator is needed to:

- Achieve outcomes consistent with those from a competitive market
- Implement government policies
- Balance interests of all parties

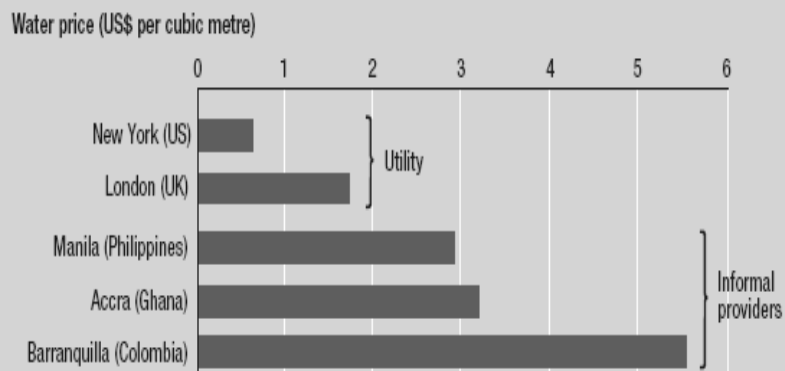
WATER-POVERTY NEXUS AND PRSPs

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.

Figure 1.15 **Water prices: the poor pay more, the rich pay less**

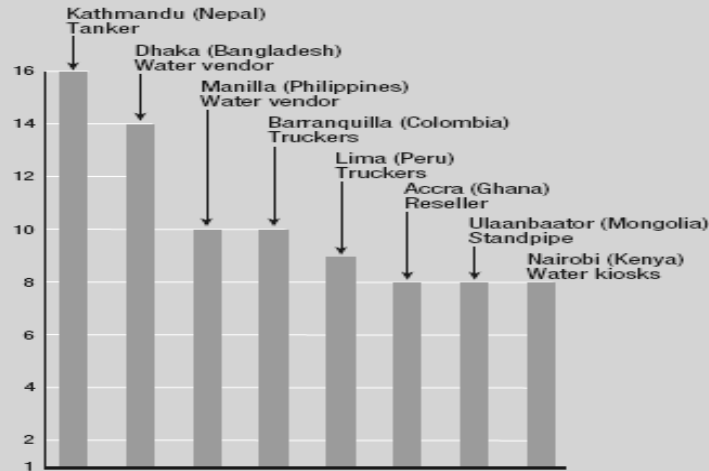


Source: Solo 2003; WUP 2003.

Adapted from the Human Development Report, UNDP, 2006.

Figure 1.14 The costs of being beyond the utility

Ratio of water vendor prices in slums to public utility prices



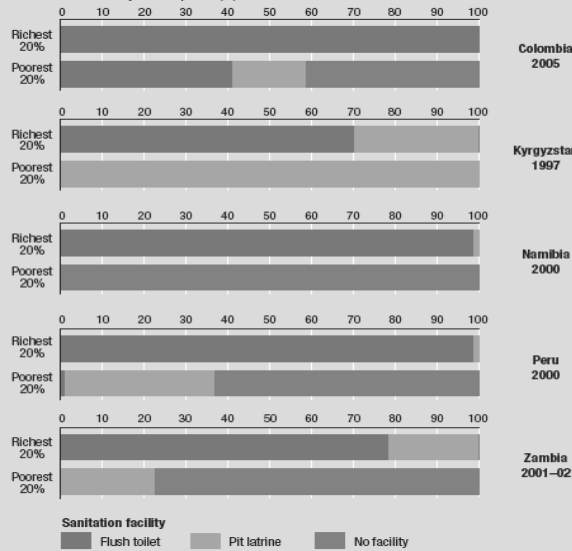
Source: Conan 2003; Solo 2003; ADB 2004; WUP 2003; WSP-AF 2005c.

Adapted from the Human Development Report, UNDP, 2006.

Rich and Poor on Sanitation Divide

Figure 1.11 The great sanitation divide

Access to sanitation by wealth quintile (%)



Source: Calculated based on Measure DHS 2006.

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