UNOSD 2022 : Sustainable Development Transformation Forum (SDTF)

Clean Water and Sanitation: SDG 6

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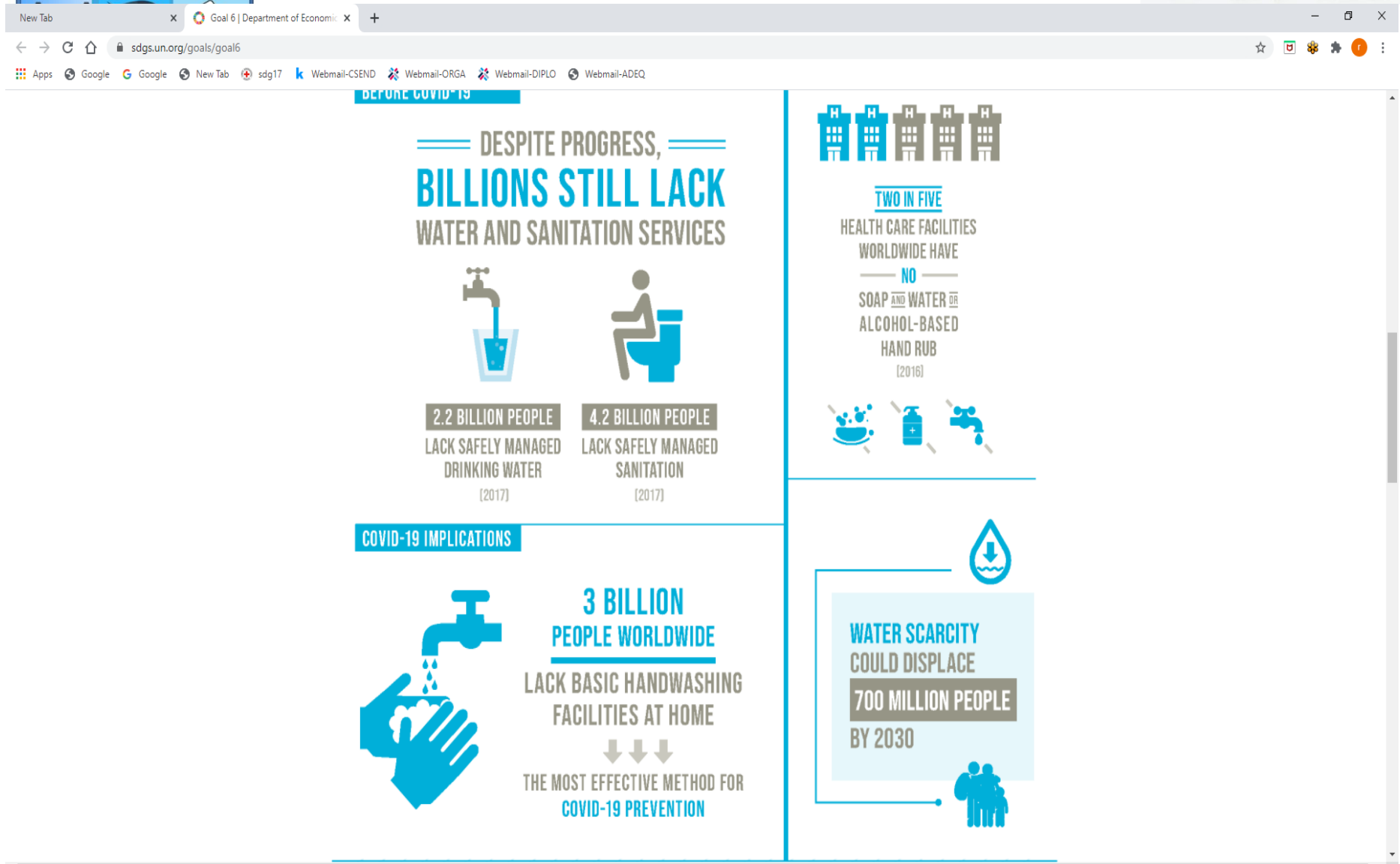
Each of the SDGs represents one or more public goods!!!!!

SDG 6 developments



Each of the SDGs represents one or more public goods …

- … hence measuring progress of the SDG agenda can also be termed as measuring if the amount / the value of a certain public good has increased, decreased or stayed the same

Public Goods, Sustainable Development and the Contribution of Business

Water as a Public Good

- **6.1-** By 2030, achieve universal and equitable access to safe and affordable drinking water for all
- **6.2 -**By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations
- **6.3 -**By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
- **6.4 -**By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
- **6.b –**By 2030, support and strengthen the participation of local communities in improving water and sanitation management

INDICATORS	CUSTODIANS
6.1.1 Proportion of population using safely managed drinking water services	WHO, UNICEF
6.2.1 Proportion of population using (a) safely managed sanitation services and (b) a hand-washing facility with soap and water	WHO, UNICEF
6.3.1 Proportion of domestic and industrial wastewater flows safely treated	WHO, UN-Habitat, UNSD
6.3.2 Proportion of bodies of water with good ambient water quality	UNEP
6.4.1 Change in water-use efficiency over time	FAO
6.4.2 Level of water stress: freshwater withdrawal as a proportion of available freshwater resources	FAO
6.5.1 Degree of integrated water resources management	UNEP
6.5.2 Proportion of transboundary basin area with an operational arrangement for water cooperation	UNECE, UNESCO
6.6.1 Change in the extent of water-related ecosystems over time	UNEP, Ramsar
6.a.1 Amount of water- and sanitation-related official development assistance that is part of a government-coordinated spending plan	WHO, OECD
6.b.1 Proportion of local administrative units with established and operational policies and procedures for participation of local communities in water and sanitation management	WHO, OECD

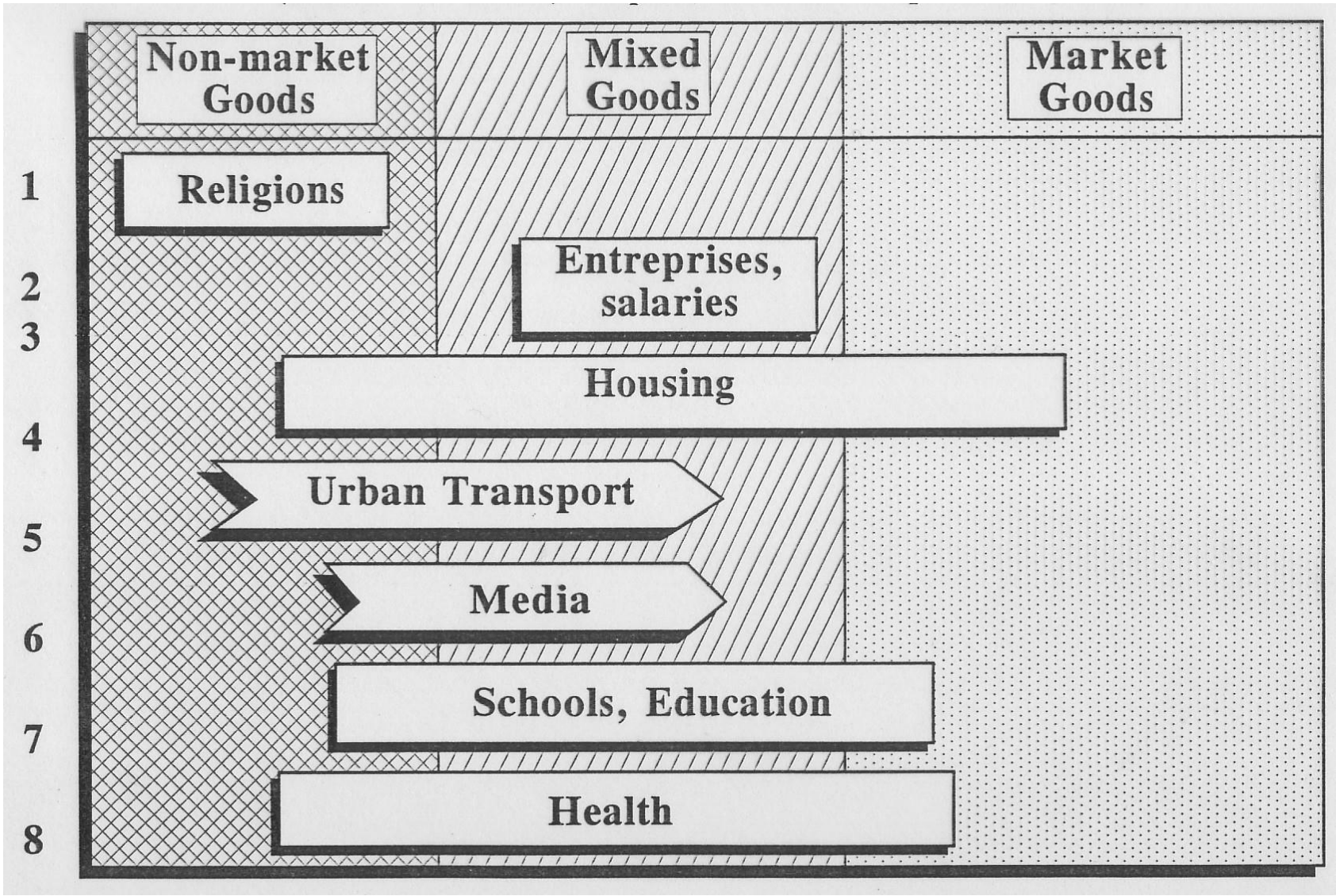
Leverage effect for social change: financing water & sanitation infrastructures

Public / Private investments

- Public deficits and debts are generally too high
- Private owned distribution water companies do not extend their distribution networks where it is not financially attractive
- Existing water funds are not big enough to reach the Sustainable Development Goals and there are only a few choices in comparison with global needs.
- Water funds do not guarantee access to water.

The Role of the Market in Rhine-Alpine Model

Source: M. Albert, "Capitalisme contre Capitalisme, 1991)



The Role of the Market in Neo-American Model

(M.Albert, 1991)

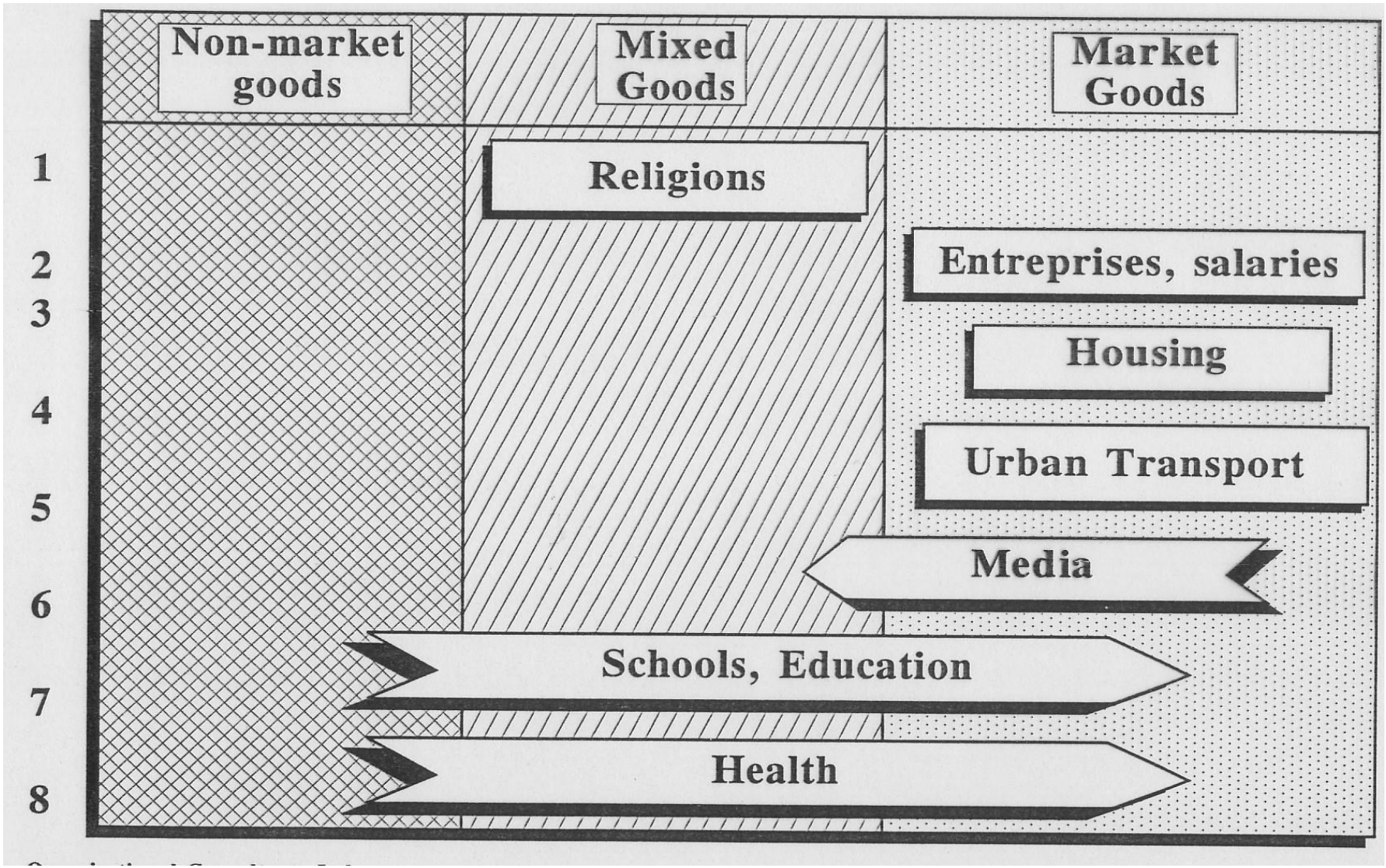


Figure 4: Common Types of Public-Private Partnerships

Contract Type	Description	Level of Risk
Management contract	Operator receives fee to perform operations and routine maintenance. Asset owner pays for repairs, extensions, etc. Little risk to private operator.	Asset Holder
Lease (affermage) contract	Operator keeps revenue but must pay specified operating and maintenance costs and lease fee, and possibly percentage of revenue. Operator loses money if costs and fees exceed revenue and thus has incentive to lower costs and increase water connections and bill collection.	
Build-and-operate contract	Eventual operators construct or rehabilitate and sometimes design water system, then manage operations under either management or lease (affermage) arrangements.	
Invest, build, and operate contract	Contractor-operator is also required to provide portion of investment costs. Schemes are operated as concessions, in which operators assume all costs and retain all revenue for extended period (e.g., 10 years in Paraguay, 18 years in Bangladesh).	Private Operator

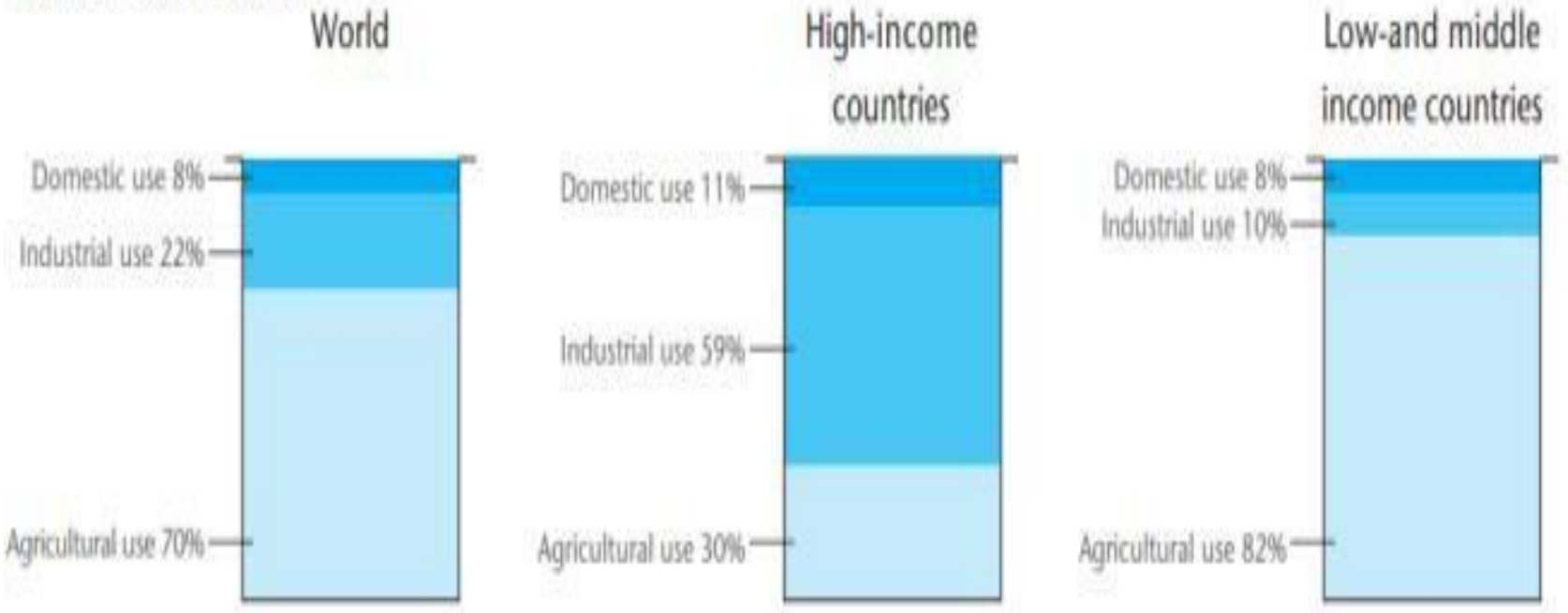
Figure 4. Overview of PPPs commonly found in the water sector. *"Public-Private Partnerships for Rural Water Services." IRC International*

Water Management in the Netherlands," Ministry of Infrastructure and Environment (2011).

http://www.rijkswaterstaat.nl/en/images/Water%20Management%20in%20the%20Netherlands_tcm224-303503.pdf

Competing water uses for main income groups of countries[6]

Industrial use of water increases with country income, going from 10% for low- and middle- income countries to 59% for high-income countries.



Ref. 6: "Water for People, Water for Life" United Nations World Water Development Report, UNESCO, 2003
www.unesdoc.unesco.org

WATER AS A PUBLIC GOOD: Old to New Models

(Source: R.Saner, L. Yiu, M. Filadoro, V. Khusainova, Pacific Journal of PA, Vol.37, 2015, Four Options for management of the water sector)

	Public	Private	Private-public partnership	Cooperative
Conception of water management	A human right and a social good	An economic good or a commodity	An economic good and a renewable natural resource	A socio-ecological good, an economic good and a renewable natural resource
Advantages	Protection against customers' exploitation Equitable distribution of services	Access to unserved areas High level of competition	Increased competition during tendering stage Inflow of private capital Private sector knowledge, technology and capacity	Voluntary and open membership Education, training and information Concern for the community
Disadvantages	Lack of political will to charge cost-recovering tariffs Inefficient operation Exposed to cross-subsidisation to other government services	More expensive than network water Environmental concerns Price fixing could occur	Private monopoly can erode public power Inequitable supply Lack of transparency with regulator Little voice for consumers	Lack of awareness of their business potential among governments and the general public Lack access to loan finance to help them expand their business Lack of technical knowledge and access to new technology

Water Conflict in Bolivia- 2005

Bolivia's constitution stated that all basic services should be guaranteed by the state, universally distributed and quality assured. In 1997, the de Lozada Government followed World Bank advice and started a general privatization strategy including privatisation of water utilities.

A foreign company was given the mandate to implement the privatisation (Water and Sanitation) which led to a massive 35% increase of annual USD 445.- per household of the indigenous people living in the high altitude region El Alto. Most Altenos earned an average of 750.-USD per year.

The situation led to massive strikes, at times violent confrontations, until the following government terminated the contract with the foreign company.

Bolivia initially received a 52 $ million investment/soft loans from WB, IFC, BID and CAF. Once the government terminated the contract, Bolivia had to pay back 15.1 million USD but water systems are still not modernised in the El Alto region and tensions remain high.

QUESTIONS & ANSWERS

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