

## The right to water: from concept to effective implementation

*This paper is a contribution from Veolia water to the enquiry launched by the office of the UN high commissioner for human rights.*

*Veolia Water provides water to 110 million people out of 59 countries. It carries out the majority of its work in developed countries. However, the company is the main private operator in the developing countries: 9 millions people from Africa, Middle- East and India are served by Veolia Water AMI.*

*This contribution consists in the present position paper on the conditions of the implementation of the right of water focused on developing countries and in the 2005 report “expertise and a commitment to sustainable development” of Veolia water AMI that is attached. The 2006 report is currently under validation. Available very soon, it will be sent to you later.*

Conferences, debates, initiatives that took place last years on the subject of the relationships between water and development have generated simultaneously consensus and controversies. Obviously, there is a consensus to recognize that the right to water is a basic human right, an essential good for a citizen of the XXI century.

### I – WHY IS WATER A HUMAN RIGHT?

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Not being connected to the network means, for poor people, **additional costs, under-servicing, more diseases, less education and more gender inequity:**

- **additional costs**, because shantytown inhabitants who are not connected to a public drinking water supply network generally pay 10 to 20 times more per liter for their water than those connected to such network;
- **under-servicing**, on both aspects of quantities and quality: as for quantities, because the water is not free-flowing the volumes of water available by non-piped systems are inevitably reduced, and, as for quality because, given the many continuity breaks between the various water carriers, it ends up being of unsafe quality;
- **more diseases**. Pasteur said, “*We drink 90% of our diseases.*” A lack of drinking water and sanitation is one of the main causes of disease in the world: each year, 3 million children aged under 5 die from diarrhea, typhoid and cholera worldwide;
- **school absenteeism**. In the absence of tap water in their homes, young people (especially girls) – and women – spend hours every day fetching it, missing school. The lack of sanitation facilities is one of the major causes of young girls’ dropping out of education. The right to water is for them a synonym of the right to education.
- Improving access to water is an essential tool for an effective gender policy.

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## **II – IF WATER IS A BASIC RIGHT, IT MUST BECOME A REALITY**

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No one can deny that the right to water is a basic human right. But it must be associated with the right to sanitation, which is fundamental to public health. If supplying drinking water is an extremely effective weapon against diarrheic illnesses, developing sanitation services is even more so. Wherever sanitation is provided, public health comes with it.

If water is a basic right, it must become a reality for the 1 billion people who today do not have safe drinking water and the 2.5 billion people who have no sanitation. Water service has a cost, therefore the right to water has a cost. If the right is to become effective, someone has to take responsibility for paying when customers cannot cover the entire cost. Otherwise, the right will be nothing more than the empty words that are so often heard, here and there. A right to water without a solvent debtor is like a rubber cheque —a “*rubber right*,” in other words. So the question is not just to establish the right to water, but to identify who pays, what kind of solidarity mechanisms and concrete actions should be implemented.

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## **III – WHERE ARE WE TODAY COMPARED WITH THE MILLENNIUM DEVELOPMENT GOALS?**

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Access to water and sanitation is not only one of the 8 commitments made by the United Nations for the Millennium development goals but it is **the focal point of these goals, because it conditions the implementation of all the others**: lowering infant mortality rate, universal primary education, promotion of women, etc.

Less than 10 years are left to achieve the Millennium Development Goals to halve, by 2015, the number of people without access to water and sanitation, first step to a universal service by 2025. Thanks to the rapid progress made by China and India, the United Nations seem confident that global targets will be met, but the message coming from people on the ground is somewhat different. Outside Asia, the increase in the growth of service is behind schedule. Without a shift into high gear, in particular for sanitation, the international community will not meet its commitments, especially in Africa.

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## **IV – HOW TO PROMOTE ACCESS TO WATER AND SANITATION IN DEVELOPING COUNTRIES ?**

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On the basis of its experience, VEOLIA Water would like to highlight 4 points to boost access to water and sanitation:

- 1) **Optimize the use of existing infrastructure to service more people.** By operating existing infrastructure more efficiently, it is possible to supply more people. In the distribution networks of many cities, out of 2 m<sup>3</sup> of water treated, 1 m<sup>3</sup> is lost during its transport to the end consumer! Reducing these losses improves water supply to outlying areas: the volume saved can be redirected to areas that are under-supplied with water and which are also the poorest. In Rabat, the reduction of leakage ratio achieved by VEOLIA Water AMI teams is the equivalent of the water consumed by a city with a population of 220,000. Very often, the cheaper water resources are the avoided losses. Maintaining and operating efficiently the existing installations, notably regarding water losses and energy consumptions, is a key way for controlling the overall costs.
- 2) **Promote social water price policies adapted to the population’s ability to pay.** The principle of “*water pays for water*”, in force in developed countries, is unrealistic in developing countries. The investments required are far too great to be born solely by subscribers to the service. In developing countries, the notion of “*full cost recovery*” must give way to “*acceptable cost recovery*.” The right to water does not mean that water must be free but that its price must be socially affordable.

- 3) **Implement a socially affordable price for connections.** Reducing the price of m<sup>3</sup> is not enough. It is still necessary to have physical access to the public network, through service pipes and connections. Here, the main obstacle is the cost of the connection, which is very often a “one-stop” charge. People accept to pay little amounts of money on a day-to-day basis, what they already do with water vendors, but they are unable to save money for paying the charges for connection, which may be very high compared to their annual revenues. What is the point of a socially affordable price for m<sup>3</sup> if the cost of connecting to the network is not socially affordable?
- 4) **Ensure nevertheless sufficient financial resources for the water utilities.** Whatever the sources for financing (see point 5 below), it is necessary to ensure the economic sustainability of water services. If such sustainability is not achieved, after some years, the quality of the service will decrease: people will lose all confidence in public service, such as financial donors, and money will have been invested with very poor results.
- 5) **Extend financial solidarity.** If the full cost of the service is not recovered from the subscriber, it is necessary to find other sources of finance. Several forms of financial solidarity may be organized by the public authorities, and may co-exist at the same time
  - cross-subsidies between rich and poor districts, through local tariffs,
  - transfers between the taxpayers and water service subscribers,
  - solidarity between urban and rural areas.

The international community must also contribute to this solidarity, whether in the context of cooperation agreements between States, through multilateral organizations or through the involvement of private operators, NGOs, charity foundations, etc.

In Gabon, for example, 3 types of solidarity have been combined to turn the right to water into a reality: solidarity between customers, who lessen the price of a basic water consumption block; solidarity between major urban centers, which finance isolated areas; and solidarity between activities, as the electricity service finances the investment needs of the water service. In this country, during the 8 years since the introduction of private-sector management, the number of people connected to modern water supply systems has risen from 40% of the population to almost 70%.

## V – WHAT ARE THE DIFFICULTIES WE FACE ?

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- **The cost of connection and the lack of subsidies for connection.** Consumption is very often subsidized by social tariff for m<sup>3</sup>, but new connections are not subsidized. The paradox is that households connected are subsidized, but not the not-connected who are the poorest! Subsidies should better target the water “have-not”;
- **Land tenure problems.** Who will invest and build water infrastructure in unstable peri-urban areas where destitute dwellers are considered illegal and may be resettled in remote areas by public authorities?
- **The lack of maintenance culture,** which lessens the benefits brought by new investments and impedes progress. For avoiding paying several times for the same equipments, and for optimizing costs and performances, it is necessary to develop, consistently with the physical investments, the relevant technical capabilities for operating, maintaining and repairing the installations. In that mind, during the last world water forum (Mexico, March 2006), the president of the World Water Council suggested to create schools for water maintenance in different parts of the world.

- **Poor governance systems.** Money is not the main factor limiting the emergence of projects to provide water and sanitation to the greatest number. The limiting factor is far more often related to governance. Without any progress in this area, it is an illusion to hope that everyone will one day have access to water. This improved governance should be ensured at two levels:
  - At **national level**: governing and legal authorities should lay down a general legal framework allowing organizing and managing water utilities in efficient conditions, with a minimum of visibility and stability of this framework; the general principles of the right to access to water should be established at this national level.
  - At **local level**: this “local” level may vary from a country to another, according to its history, to geographic, legal and human conditions, but most stakeholders are convinced that local authorities have an essential role to play in keeping the overall legal responsibility for drinking water and sanitation services, and in defining and monitoring the general organization of the relevant water utilities; a first key decision for such organization is the choice between “in-house” or contracted management. Local authorities seem the best placed for deciding the practical measures necessary for the effective implementation of the right to access to water.
  - We are deeply convinced that this effective implementation of the right to access to water and sanitation requires **transparency, integrity, and accountability** from public authorities, at national and local levels, and from operators.
- **The needs for an increase of financing.** Additional investments to reach the water Millennium Development Goals amount to 10 billion US\$ per year. International financing must be increased, especially public development aid. But massive financing, whatever local or international, cannot be mobilized without serious guarantees about its good management.
- **The low degree of priority given to the modernization of water services.** There can be no denying that the improvement of water and sanitation services is rarely a priority of developing countries. Access to water and sanitation is above all an issue of political priorities, at both national and local levels.
- **Last, but not least, the controversies about water management:**

A lot of time is spent in the public debates about such questions as: do hydraulic dams justify population transfers? Aren't international financial institutions forcing poor countries into privatizing their public water services? Can water be managed by a private company? Is-it fair to make profit on an essential good?

These debates are very often biased, with confusion between ownership of water resources, ownership of installations, and legal status of the operators (public or private).

It is clear that, apart from water resource itself, the provision of the service (drinking water supply or sanitation) has a cost, which should be optimized taking in account all the factors.

Improved managerial capabilities are necessary, be the operator public or private.

We agree with the UNDP 2006 report when it says ***“the criterion for assessing policy should not be public or private but performance or nonperformance for the poor”***.

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### **3 KEY POINTS TO EMPHASIZE**

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#### **1) More attention should be paid to civil society and to mobilizing all stakeholders.**

Operators cannot do this alone. The solution requires the commitment of governments, local authorities, NGOs, local and international finances institutions, etc.

Without the involvement of population for defining and assessing service policies, service levels and price levels, nothing sustainable can be built.

In poor districts, the local population's involvement often requires the support of NGOs acting as mediators, without substituting to the overall responsibility of the local authorities. Operators, whatever public or private, need to cooperate closely with the civil society, local associations and NGOs to implement "social engineering" aiming at making water and sanitation services universal. For improving water services in "non-piped" areas, structured operators like Veolia have to work in cooperation with the informal sector and small enterprises,

To be clear, Veolia Water has engaged itself with its own additional corporate commitments:

- one of them is not to respond to calls for tenders where it deems the specifications incompatible with the population's interest and ability to pay;
- an another one is to foster greater involvement of local populations in the management and to promote dialogue with consumers and their representatives.

#### **2) Good systems of governance do exist and are an antidote to the general pessimism**

In Morocco, since 2001, 4 million people have been connected to the drinking water systems, that is, almost 15% of the population. This is no mean feat! This success has been achieved by the local authorities with the assistance of public and private operators. The progress reached in Morocco, Gabon, South Africa, ..., prove that pessimism about the shortage of essential services is not fatal. The technical and financial solutions exist, provided that it is underpinned by real political commitment.

#### **3) Adaptation and innovation**

Drinking water and sanitation services are by nature local services, which have to be tailored taking in account social, economic and physical conditions. In the same time, for ensuring the sustainability of these services, the responsible authorities and operators have to take in account major trends such as demography, urbanization and climate change.

All these elements require sound capacities for adaptation, for know-how sharing and for innovation, not only in technical field, but also in customer care relations, in management and in financial engineering.

The broad basis of experience VEOLIA developed through its thousands of management contracts or concession contracts may be a powerful tool for facing the variety of situations encountered.

In developing countries, VEOLIA has been able to introduce innovations for reaching the "water-poor", as it is shown in annex.

Aside its running activities of operating water utilities within contracts with responsible authorities, VEOLIA Water also innovated for coping with another type of situation poor populations may be faced to: the management of water supply crisis in case of natural catastrophes.

In 1988, VEOLIA water created a specific team, WATERFORCE, dedicated to “project” skilled and trained experts in case of natural catastrophes (earthquakes, tsunami, flooding,...) .

During these 9 years, WATERFORCE realized some 50 interventions, mobilizing, on a voluntary basis, an internal network of 450 experts from various domains (hydraulics, electro-mechanicals, chemists, logistics,...)

This activity has been developed with a key principle of partnership, with a wide scope of partners: international and national public institutions, French local authorities, NGOs, French army, ...

Within UN system, collaborations have been established with several agencies: UNESCO, UNITAR, UNICEF,...

In link with VEOLIA research & development division, WATERFORCE innovated in specifying and elaborating specific equipments adapted to such situations.

More recently, VEOLIA decided to create, narrowly linked to WATERFORCE, a new team dedicated to provide assistance to development projects in rural areas of poor countries. All the principles pointed out here above for facilitating the access to water are put in practice by this team “WATERDEV”.

**Beyond its normal duties in the service areas defined by the contracts signed with the public authorities, Veolia Water has committed itself to be proactive towards other stakeholders for finding adapted solutions allowing implementing effective right to water.**

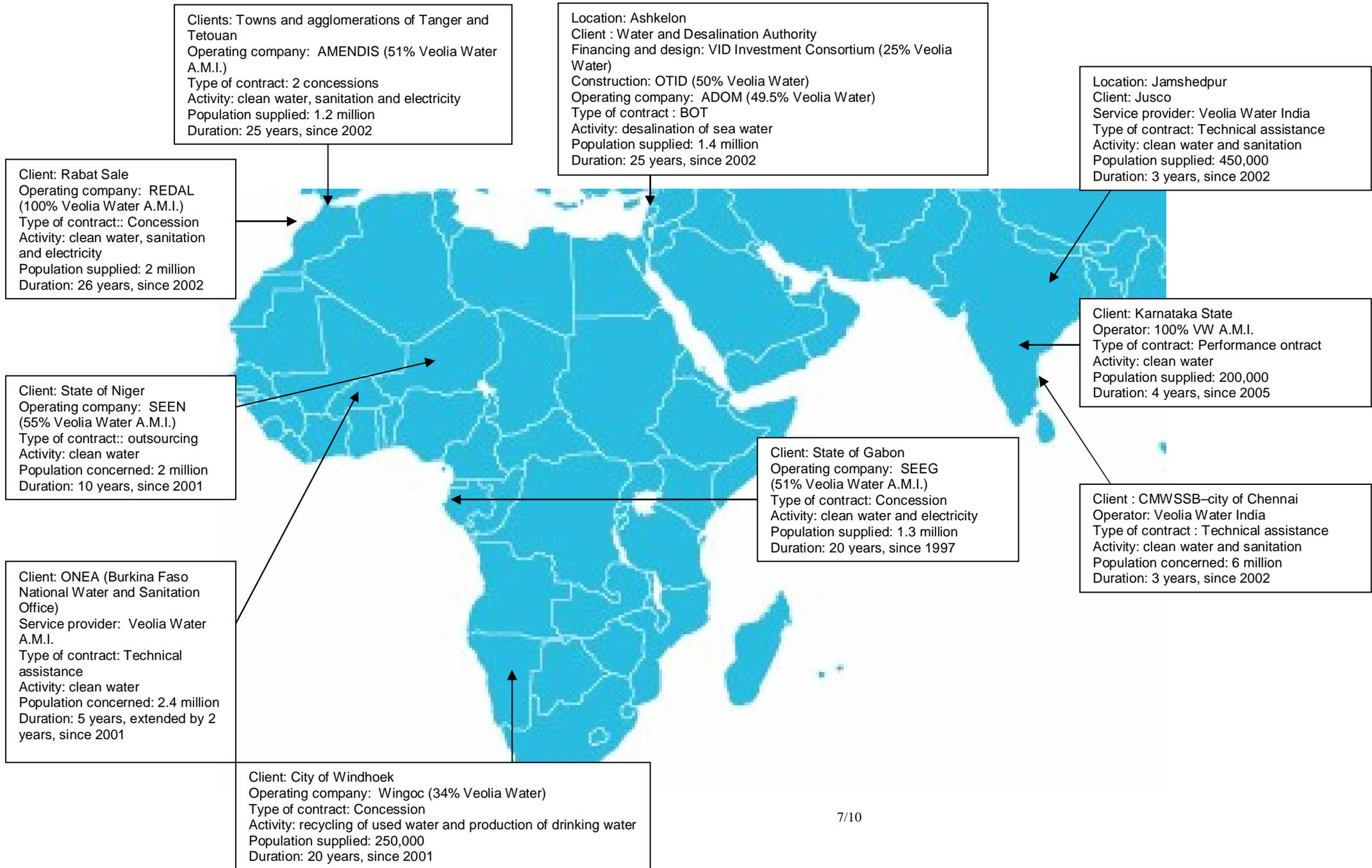
## ANNEXES

Annex 1: map of the main contracts of VEOLIA Water AMI in the “region” “Africa – Middle east – India” (AMI)

Annex 2: performance indicators about VEOLIA Water AMI activities

Annex 3: for more information

Attached document: 2005 report “expertise and a commitment to sustainable development” of Veolia water AMI



	<b>VEOLIA WATER A.M.I.</b>	<b>REDAL</b> <i>(Morocco)</i>	<b>AMENDIS</b> <i>(Morocco)</i>	<b>SEEG</b> <i>(Gabon)</i>	<b>SEEN</b> <i>(Niger)</i>	<b>VID / ADOM</b> <i>(Israel)</i>
<b>I – KEY FIGURES</b>						
2005 turnover (millions of euros)	€479.7	€178	€135.5	€137.5	€12.8	Insignificant
Start of contract		October 2002	January 2002	July 1997	June 2001	
<b>Activity</b>		<b>Water, sanitation, electricity</b>	<b>Water, sanitation, electricity</b>	<b>Water, electricity</b>	<b>Water</b>	<b>Water</b>
Number of inhabitants in the area supplied	8,400,000	2,000,000	1,200,000	1,128,000	2,080,000	1,400,000
Number of townships and centers supplied	134	13	20	Electricity: 48, Water: 41	52	1 (large-scale purchase)
Number of water customers	738,094 or 810,000 (?)	322,494	235,802	100,385	79,433	
Number of electricity customers	868,248	403,748	297,000	167,500	X	
Water production (millions of cubic meters)				106	40.3	25
Water supplied (millions of cubic meters)	235.7	86.9	50.3	66	33.8	25
Electricity production (GWh)	1,378			1,78		
Electricity supplied (GWh)	3,594	1,268	1,024	1,302		
<b>II – DEVELOPING ACCESS FOR ALL</b>						
<b>Clean water</b>						
% increase in the number of connections since the beginning of the contract		19%	19%	68%	23%	
Number of residents served through individual connections	4,294,970	1,612,470	1,180,000	733,200	769,300	
Number of new socially assisted connection in 2005	8,508	5,704	1,335	1,001	488	
Number of socially assisted connections installed over three years (since 2003)	35,203	16,308	4,646	2,561	11,688	
Number of communal stand-pipes		242	529	621	2,503	
Number of residents supplied by stand-pipes					625,750	
<b>Electricity</b>						
% increase in the number of connections since the beginning of the contract		21%	17%	53%	Empty	
Number of residents supplied	4,676,500	2,153,740	1,485,000	1,037,760		
Number of socially assisted connections installed in 2005	9,722	6,838	262	2,622		
Number of socially assisted connections installed over three years (since 2003)	26,820	18,350	1,821	6,649		
<b>Sanitation</b>						
Number of socially assisted connections installed in 2005	3,215	2,256	959			
Number of socially assisted connections installed over three years	5,280	4,276	1,004			
<b>III – ENVIRONMENT</b>						
<b>Network yield</b>						
Distribution of clean water (%)		80.5%	72.7%	82.6%	83.8%	
Distribution of electricity (%)		90%	92%	88%	Empty	

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<b>Compliance of water produced to health standards</b>						
Level of bacteriological compliance		99.8%	99.1 %	98.2 %	100%	100%
Overall compliance level		99.8%	97.7%	94.8%	98%	100%
<b>IV – CLIENT MANAGEMENT</b>						
Number of offices	150	24	24	48	54	
Bus-offices in use		Yes	Yes	Planned	Planned	
Is there a telephone call centre?		Yes	Yes	Currently being set up		
<b>V – SOCIAL STATISTICS</b>						
<b>Staff</b>						
Total staff	6,500	1,823	2,095	1,484	533	43
Total number of hires	163	3	43	68	49	0
<b>Safety and work conditions</b>						
Number of lost time injuries at work	71	25	20	24	2	
Number of working days lost due to work related accidents	1,902	766	531	580	25	
Frequency		6.81	4.39	12.34	2.33	
How serious?		0.17	0.12	0.18	0.29	
<b>Training</b>						
Training budget	€2,052,578	€536,000	€545,000	€853,408	€118,170	
Training costs charged to employees		2.46 %	2.50 %	3.64 %	4.67 %	
Total duration of training	>100,000 hours	38,874 hours	4,063 days	44,779 days	1,176 days	
<b>Social benefits for employees</b>						
Number of representatives who benefit	5,962	1,823	2,095	1,511	533	

## ANNEX 3

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