

d.i.e

Deutsches Institut für
Entwicklungspolitik



German Development
Institute

World Water Day 2019

Privatisation Risks Leaving People Behind

By Jean Carlo Rodriguez de Francisco
and Mirja Schoderer,
*German Development Institute /
Deutsches Institut für Entwicklungspolitik (DIE)*

The Current Column

of 18 March 2019

Privatisation Risks Leaving People Behind

Bonn, 18 March 2019. World water day 2019 focuses on the roughly 2.1 billion people in the world still lacking access to safe water. With 80% of countries in the global south having insufficient public financing to meet national water, sanitation and hygiene (WASH) targets and declining Official Development Assistance (ODA) for WASH, there is a big financial gap to meet Sustainable Development Goal (SDG) 6: Ensure availability and sustainable management of water and sanitation for all. While governments and ODA will continue to play a key financing role, there is greater interest in mobilising private sector financing to help close the gap. Nevertheless, governments and donor countries need to make sure that SDG implementation does not lend itself for privatisation of community water supply systems.

In many countries of the global South, communities have self-organised to satisfy their water provision and sanitation needs, because state involvement has often been absent. In Latin America and the Caribbean region alone, there are almost 80.000 community water supply and sanitation organisations providing water to more than 70.000.000 users. These organisations often organise their supply systems on the basis of solidarity and reciprocal relationships. Rather than a romanticised notion, this is the actual condition that endows communities with the social power to protect, derive, treat and distribute water within a specific geographical space and socio-hydrological setting, and to sustain these systems over time.

In addition, community water supply organisations conceive water as a social good with traditional, ancestral, and spiritual dimensions that guide its management and provision. Water fees, which finance the upkeep, are defined communally with the objective of dignifying community members' lives rather than maximising profits. In some cases, water is provided for free to elders or people who are going through economic difficulties. Sometimes, water 'fees' are not paid in cash but through in-kind contributions, such as maintenance work on the system (e.g. isolation of water springs, upkeep of treatment units and pipelines, administrative work) or community work (e.g. road maintenance, festivities organisation). By building relationships of mutual trust and support, water supply systems strengthen social networks, transforming water from a commodity into a form of social 'glue'.

The Millennium Development Goals, as well as the commitments to water as a universal right and to

SDG 6, have motivated a series of legal reforms that can influence community water supply systems in unexpected and unintended ways. In Colombia, for example, the quest for access to water and the search for synergies with the private sector have awakened concerns over the privatisation of community water supply systems. It is argued that creating incentive structures for private water supply companies will lead to investments in infrastructure expansion, improvements to water quality, affordable water fees and water for all. For community water supply systems, this implies a pressure to fit the private sector mould by developing a business model for water management. Such remoulding comes with the enforcement of business-like performance standards and the threat that if these standards are not met, management can be transferred to private companies which are in charge of nearby water supply systems, as a way to leverage economies of scales for water supply investment. Under this management model, communities and their members are demoted from being managers of the systems that they constructed to being clients of private water companies, a position that leaves them vulnerable to market rules and fluctuating prices.

Notwithstanding the many benefits of a universal goal for WASH, the Colombia example highlights the importance of context-sensitivity. Decision-makers need to be aware of possible trade-offs and to recognise the importance of communities as managers of natural resources and water in particular. In order to achieve SDG 6 and to ensure the delivery of water for all, ODA spending needs to continue at levels that relieve pressure on public funds for water infrastructure. At the same time, it is important to legally recognise and support community water supply and sanitation organisations and to foster public-community partnerships that support communities in improving services. This would allow for a synergistic effect where the public sector, private companies and community organisations all contribute jointly to improve and ensure availability and sustainable management of water and sanitation for all.