



# THE WATER AND SANITATION SECTOR IN LATIN AMERICA AND THE CARIBBEAN

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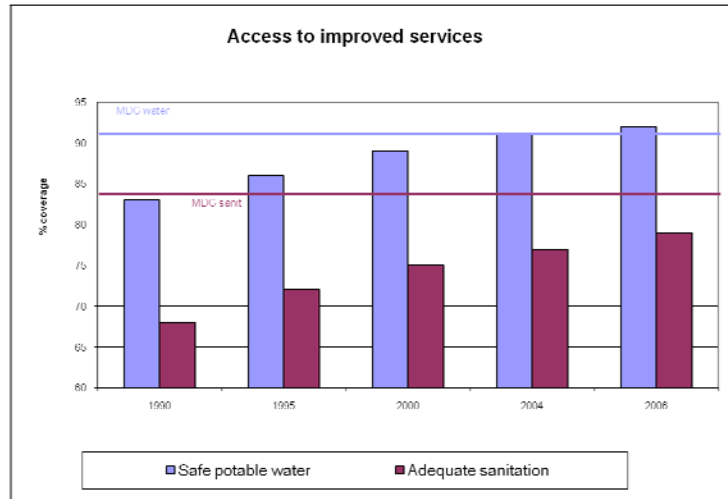


## OUTLINE OF MAJOR ISSUES

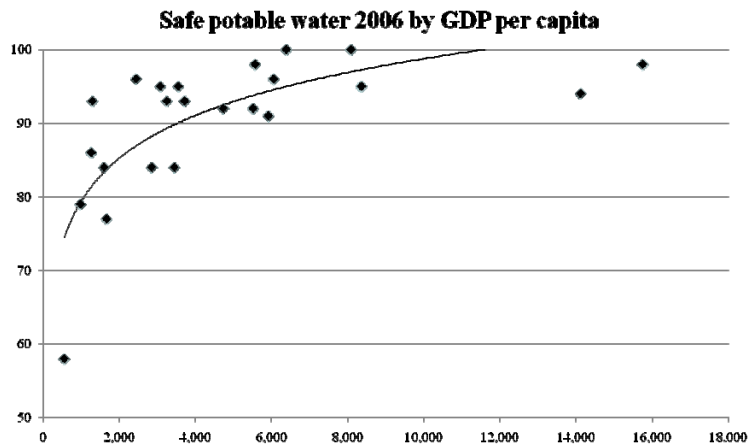
- **INSUFFICIENT COVERAGE OF SERVICES**
- **UNEQUAL DISTRIBUTION OF SERVICES**
- **LARGE INVESTMENT NEEDS**
- **LACK OF ADEQUATE GOVERNANCE**
- **INEFFICIENT SERVICE PROVIDERS**
- **NEED TO ATTRACT FINANCING**



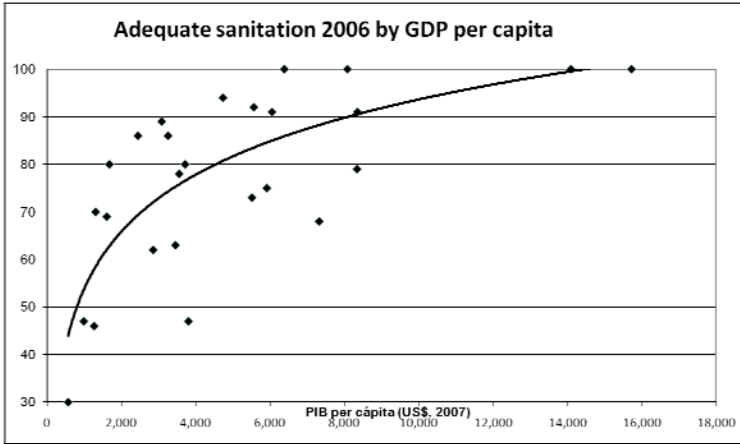
## COVERAGE AND MDG



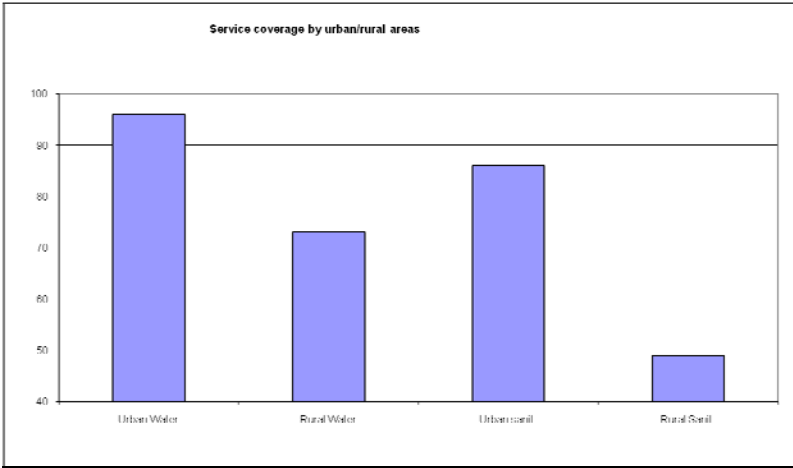
## ACCESS AND GDP PER CAPITA



# ACCESS AND GDP PER CAPITA



# COVERAGE BY URBAN/ RURAL AREAS



## COVERAGE AND POVERTY LEVELS

### Population without access to safe water

(millions)

Quintil	Region		Total
	Rural	Urban	
1 - 3	7	8	15
4 - 5	25	10	35
Total	32	18	50

### Population without access to adequate sanitation

(millions)

Quintil	Region		Total
	Rural	Urban	
1 - 3	10	10	20
4 - 5	54	51	105
Total	64	61	125



## ACCESS & INVESTMENT NEEDS

- **MDGS FOR 2015:**

- Extend access to water to 85 million people
- Extend access to sanitation to 110 million people
- Required investments: US\$30.6 billion (not including WWT)
  - Water: US\$12.5 billion
  - Sanitation: US\$ 18.1 billion

- **UNIVERSAL ACCESS:**

- Extend access to water to 129 million people
- Extend access to sanitation to 205 million people
- Required invest.: US\$ 52.1 billion (not includ. WWT) / US\$ 71.6 billion (includ. WWT)
- Extend solid waste final disposal services to 250 million people



## OTHER SECTOR INDICATORS

- MORE THAN 219 MILLION RECEIVE INTERMITTENT SERVICE
- HIGH PROPORTION OF WATER PROVIDED NOT POTABLE
- LESS THAN 15% OF WASTEWATER IN URBAN AREAS RECEIVES SOME TYPE OF TREATMENT
- 60% OF SOLID WASTE DISPOSED IN OPEN DUMPS, CREEKS OR RIVERS



## SECTOR CHALLENGES - GOVERNANCE

- Incorporate the subject in governments' political agenda and programs
- Create or strengthen relevant sector institutions
- Strengthen regulatory frameworks
- Reinforce policy, planning and regulatory entities
- Establish clear "rules of the game" for all stakeholders
- Implement financing mechanism, assuring efficiency and focalization



## **SECTOR CHALLENGES – OPERATORS' EFFICIENCY**

- Focus on technical role and commercial objectives
- Limit political, union and special interests influence
- Incorporate providers under commercial regimes
- Train professionals, technicians and management personnel
- Promote the integration of municipal services to capture economies of scale
- Strengthen the role of local communities for the management of rural services



## **SECTOR CHALLENGES – ATTRACT FINANCING**

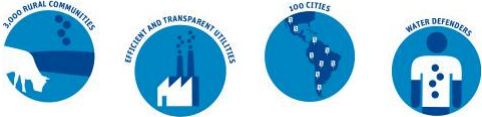
- Greater allocation of national budget funds, for many years
- Access loans from multilateral – international sources
- Gradually adjust tariff levels and structures, so that they reflect full real costs, together with subsidy schemes focalized on low income families
- Attract private sector investment





## GOAL AND PROGRAMS

- **GOAL**
  - Launched in 2007 to achieve universal access to sustainable, reliable, and acceptable quality W&S services
  
- **FOUR PROGRAMS**
  - 100 CITIES
  - 3,000 RURAL COMMUNITIES
  - WATER DEFENDERS
  - EFFICIENT AND TRANSPARENT UTILITIES

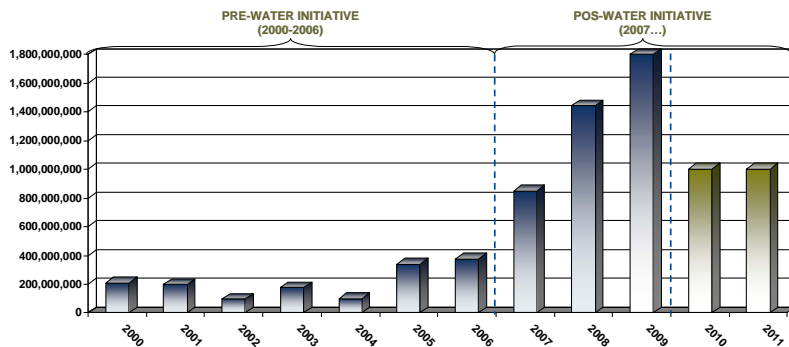


## SUPPORT MODALITIES

- **SOVEREIGN & NON-SOVEREIGN GUARANTEED LOANS**
  - **Investment Loans**
    - SG: Medellin River (US\$450M for waste water treatment plant)
    - NSG: SABESP (US\$600M for CAPEX)
  - **Performance Driven Loans**
    - Lima, Peru (US\$50M for water and sanitation)
  - **Policy Based Loans**
    - Colombia (US\$ 250M to support water and sanitation reforms)
- **INVESTMENT GRANTS & TECHNICAL ASSISTANCE**
  - Spanish LAC Water and Sanitation Fund
  - AquaFund
  - InfraFund
  - Energy Efficiency in Water Companies (SECCI)
- **WATER OPERATORS PARTNERSHIP (WOP)**



## LOAN APPROVALS 2000-2009



- **More than US\$ 3.5 billion approved since 2007**
- **13 and 17 loans approved in 2007 and 2008 respectively**
- **17 projects for more than 1.8 billion approved in 2009**
- **Expected approvals 2010-2011 at least US\$ 1 billion per year**



## PROGRESS SINCE APPROVAL (2007)

- MORE THAN US\$ 3.5 BILLION FOR SECTOR FINANCING
- MORE THAN US\$16.5 MILLION FOR TECHNICAL ASSISTANCE
- 112 CITIES (TARGET 100)
- 1500 RURAL COMMUNITIES (TARGET 3,000)
- 21 MICRO WATER-SHEDS (TARGET 20)
- 62 WATER OPERATORS UNDER THE EFFICIENT AND TRANSPARENT UTILITIES PROGRAM

