



# Water Supply and Sanitation



“Investment in infrastructure without related investments in developing policy and institutions will have a limited impact in relation to the Millennium Development Goals. Utilities should be accountable to their users – who are their *raison d’être*”, says Meike van Ginneken, senior water and sanitation specialist of the World Bank at e-waterexpo.net this week.

This GDLN session at e-waterexpo.net, the virtual pavilion of the Water Tribune and the World Bank, organised at World Expo in Zaragoza, was dedicated to debate accountability of Water Supply and Sanitation utilities. The Water Tribune was for the debate and exchange of experiences connected with experts in Uganda, Peru, Kenya, and Honduras.

While utilities have changed in size and nature with decentralization, they face the same challenges as their centralized predecessors. Many utilities are locked in the vicious spiral of weak performance incentives, low willingness and ability to pay by customers, and insufficient funding for maintenance leading to deterioration of assets, while necessary reforms are often blocked by inappropriate political

interference. Although considerable attention is placed on the financial and technical governance of utilities, the voice of users is often muted. One consequence is that service providers do not take account of users’ priorities and preferences. The utility, in turn, loses the trust and cooperation of the community that it is supposed to serve. The result is service deterioration, which further alienates users.

Van Ginneken concluded: “Recent research has shown that consumer accountability can improve the quality of services. The challenge for practitioners is instilling and maintaining appropriate cultures within utilities and building the trust of the users”.

[more information and the recommendations resulting from this session, can be found on e-waterexpo.net]



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## Democratisation of Water in Honduras

“Utilities should account for their actions and resources to their consumers if they expect them to pay for services. In Puerto Cortes providing voice to users was a key step to ensure continuous good water supply”, says Maro Lara, former mayor of Puerto Cortés, during his presentation at the Water Tribune for the 5<sup>th</sup> Thematic week on Water Supply and Sanitation.

Before the mid 1990s, water services in Puerto Cortes were managed by a national utility. Performance was low and water supply coverage stood at 62%. In 1994, the Municipality of Puerto Cortes acquired control of its drinking water system. In 1999, the municipal water division was corporatized into a municipally owned company (Aguas de Puerto Cortés – APC). Over the years, the Municipality has sold part of its shares in APC, and it now holds 19 percent. Sixty two percent of the shares are owned by five cooperatives with a collective membership of 11,000 members,

such as the cooperative of port workers and the chamber of commerce. 19 percent are owned directly by households.

APC engages regularly with users through public meetings as well as surveys to inform the company of user perceptions of its performance. APC has a functioning complaint mechanism, and users can go to the regulator if they are not satisfied with the actions taken by APC.

At present, APC has reached water supply coverage of 92% of the population. Service has improved from 12 hours a day to continuous 24 hours service. Unaccounted for water has decreased from 50% to 30%.

## Peru's Ombudsman is serious about water

When Peruvian pensioner Hugo Bazalar, saw that he was overcharged for his water, he complaint a credit on his next bill, but to no avail. This made him decide to come to Peru's Ombudsman to get help.

Since 1996, Peruvians can bring their case to the Ombudsman, who maintains a network of 46 field offices. Problems with utilities are the most frequent complaints. Complaints often deal with intermittent supply or billing issues.

Bringing his case to the Ombudsman helped to move the utility into action. Although it cannot enforce compliance with its decisions, the resolution of cases is high. “Many cases are resolved in less than a week, some take longer. We amplify the voice of the poor and the marginalized”, said Carlos Alza, advisor the Ombudsman and former deputy Ombudsman, at the e-waterexpo.net session this week. “We put the authorities on notice that corruption, incompetence, and an indifferent attitude are not acceptable in a democracy”.