

The Challenge to Serve All.

A Regulator's Approach

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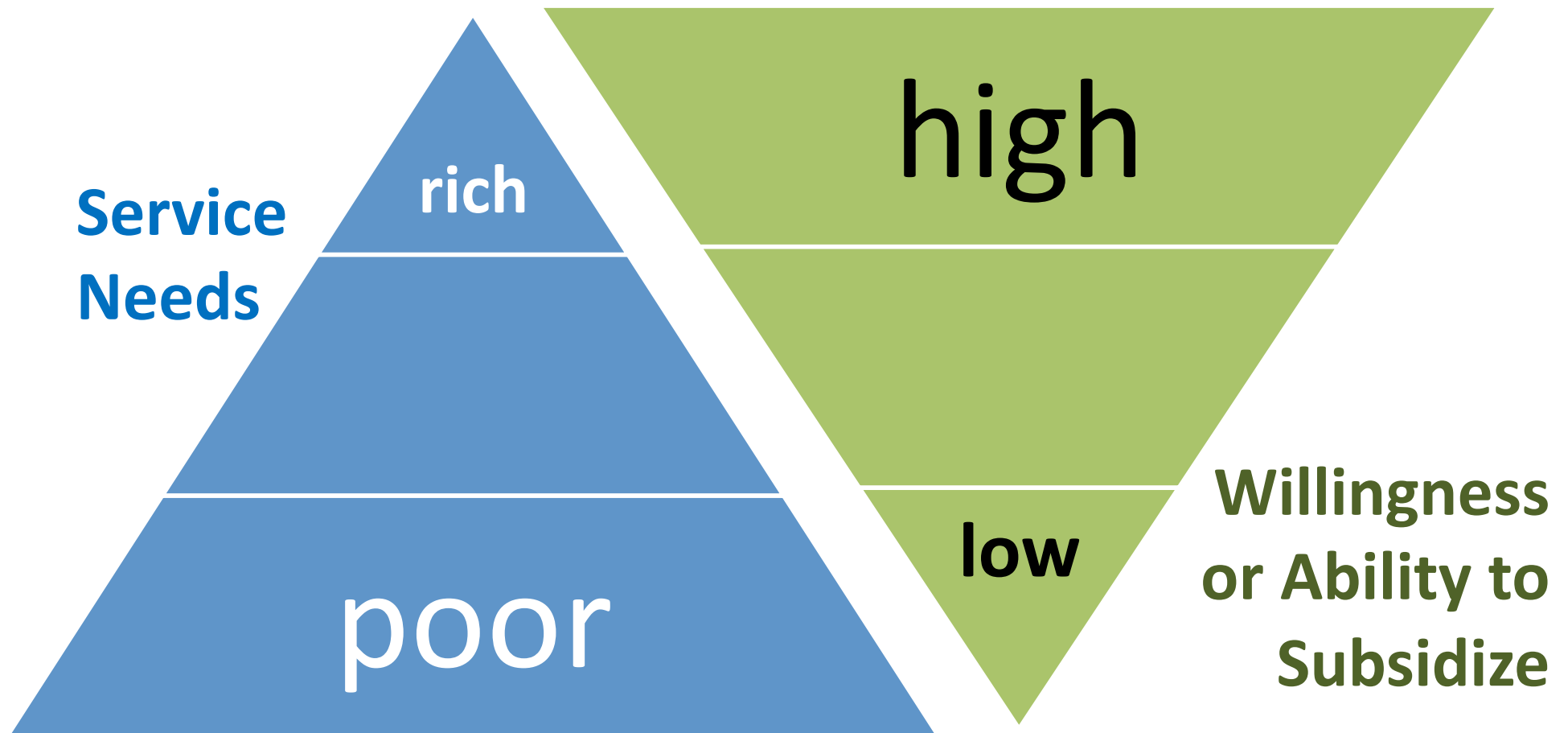
MOZAMBIQUE

1. 21 Million people; Urban: 7 million; GDP per capita: \$900 (one of the 15 poorest)
2. $\frac{3}{4}$ Urban Population in Slums – **Over 50% below poverty line of \$1/person/day**
3. Urban Water Coverage: 2003 – 33%; 2009 – 60%;
2015 – 70% (MDG Target)

WATER AND SANITATION AS HUMAN RIGHT

- At Country level, means little – the emphasis is on poverty reduction!
- Regulator's past approach :
 - ✓ Identify the specific needs of the poor: beneficiary assessment studies, service mapping;
 - ✓ Identify, monitor and expose the so called “critical areas” of low service;
 - ✓ Improve cost recovery to support service extension.

The Investment Perversion – The Poor have to Pay!



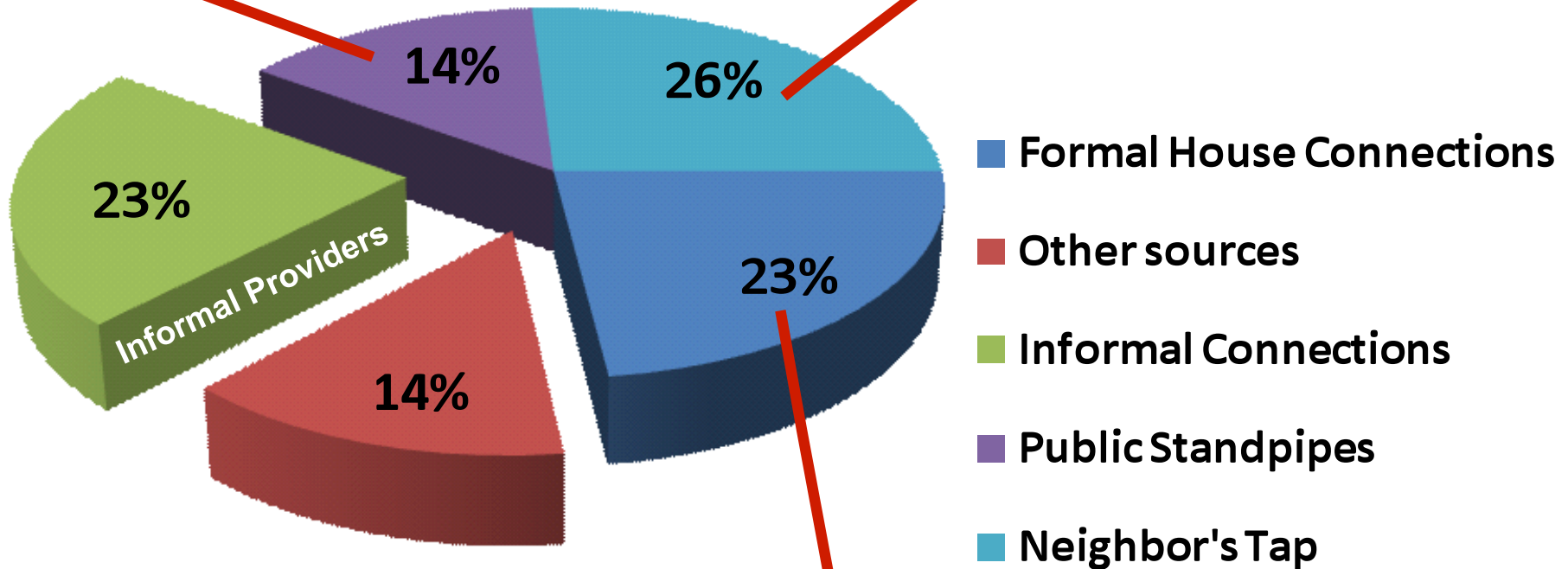
- On major urban centers, it were invested in 10 years over 300 million USD to reach a coverage of 60%, (and serve additional 2 M people).
- Additional investment to serve another 2.5 M people, mainly the poor, will be largely dependent of higher water tariffs. 5 years ago the average tariff for domestic consumption was \$0.40, and is projected to reach about \$0.60, in the near future.

Maputo - How people gets water?

- Today: <10%

Source of Supply - 2007

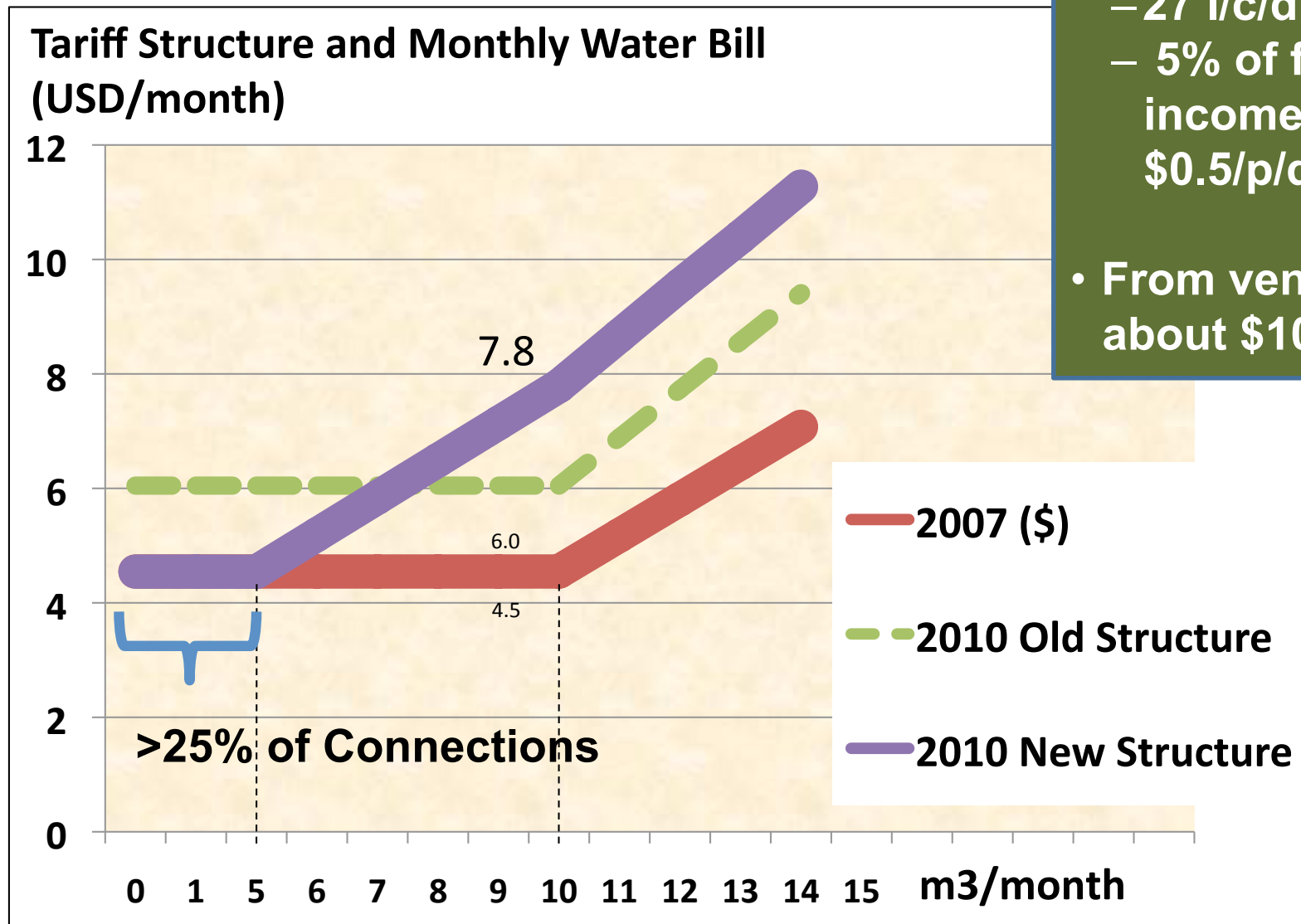
- Perceived as illegal
- CRA is piloting the legalization of water resale at Neighbor's Tap



- Increasing: today it's about 30%;
- 2010 – connection charge 55% subsidized

Tariff Structure coping with the extension of service to the poor

- \$4.5 for 5 m³:
 - 27 l/c/d
 - 5% of family income leaving on \$0.5/p/day
- From vendors is about \$10/month



WATER SUPPLY - FACING THE CHALLENGE!

CRA's Strategy

1. Commitment to **Serve All** – Reach the “Unserved”
 - **In Mozambique the house connection doesn't require land tenure proof**
2. Income Group Targeting – not just the poor! The rich have to pay more!
3. Look for **all adequate options of service** - like water reselling by neighbor.
4. **Tariff Structure to better target the poor, and sustain cheap connections.**
5. Cross-subsidize the connection charge; payment by installments
6. Improve Regulator's relevance/effectiveness in peri-urban areas
7. “Make serving the poor a fair business” – **to massively scale up!**
8. **Look for alternatives for monthly payment of the bill** – “pay per use meters”?

SANITATION

Building a Vision!

1. **On-site and Of-site sanitation integrated planning;**
2. Need to conceive all sanitation solutions as part of a “Service”, including sludge treatment/reuse – **the “Utility-zation” of on-site sanitation!**
3. Find appropriate scale for **business based service delivery for peri-urban areas.**
4. Offer options vs. costs and promote “upgrading” –
 - from “unimproved” to “improved” solutions and up the sanitation ladder!
7. The service is based on the user paying – subsidies, yes but well targeted.

Water and Sanitation as Human Right

Some ideas:

1. Global acceptance of a screening on human rights based approach on all projects/programmes;
 - Like is done for EIA, gender aspects, etc.
2. Improve the visibility of the impact of water and sanitation on the HPI
3. Support land tenure legalization but water and sanitation services is for all
 - “Pro-poor Connections” to be done possibly through community based confirmation process.
4. Water and sanitation not as infrastructure but as a SERVICE
9. The service is based on the user paying – Low Tariff means often subsidizing the rich and neglecting the poor



Thank you!

WATER FOR ALL!

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