

Human Rights Council

Independent Expert

on the issue of human rights obligations related to
access to safe drinking water and sanitation

Consultation on Private Sector Participation
in the delivery of water and sanitation services
and the Right to Water and Sanitation**RIGHT TO WATER – FROM CONCEPT TO REALITY**

This paper is a submission of Veolia water to the Independent Expert on the issue of human rights obligations related to access to safe drinking water and sanitation

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Water is a human right. This is the strong belief of Veolia and the core of a water operator job: bring water to those who need it most.

It's been many years now since Veolia recognized and promoted officially the Right to Water, a concept that needed to be defined and implemented. While governments disagreed about an international recognition, private water operators defend and promote every day the Right to Water.

Veolia takes concrete actions every day to maintain access to water service for vulnerable people in financial difficulty and to ensure that no one is left out: educating the disadvantaged about usage, involvement with the social services, spreading bill payment, contact with customers in arrears, and, when necessary, cancelling debt.

I. Water is a human right

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

- additional costs, because shantytown inhabitants who are not connected to the public network generally pay 10 to 20 times more for their water than those connected to the public service;
- under-servicing, because the water is not free-flowing and because, given the many continuity breaks between the various water carriers, it ends up being of a bad 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 running water in their homes, young people – 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.

II. Accelerate projects to meet the Right to Water effective implementation

Once commitments have been made, action on the ground has started up more slowly than expected even if projects fail, this is no a reason to resign one self to failure.

According to the last Joint Monitoring Program report, the World is on track to meet the MDG on drinking water. This good news should not hide massive inequalities: 884 million people, 37% of whom live in Sub-Saharan Africa, still use unimproved sources of drinking water while India and China represent more than 50% of people gaining access between 1990 and 2008.

- In Morocco, very few people in the countryside have safe drinking water, but in the last decade four million more people have gained access to drinking-water systems in the countryside. At the same time, rural primary school attendance for girls has leapt from 30% to more than 50%
- In Niger, an institutional reform accelerating the progressive transfer of responsibilities to local communities and the private sector has increased the number of branch-pipes.
- In Gabon, the number of people connected to a modern drinking-water system has nearly doubled and the country has met its Millennium targets ten years ahead of schedule.

III. What have we done ?

Since the start of its contracts, Veolia Water AMI has provided over 2 million more people with access to drinking water, particularly those living in remote areas.

Evaluation of the number of people having gained access to drinking water (at the end of 2008) since Veolia Water AMI began managing the service

| | RABAT-SALÉ | TANGIERS & TETOUAN | GABON | NIGER | KARNATAKA | TOTAL |
|---|----------------|--------------------|----------------|----------------|----------------|------------------|
| Via individual connections (socially assisted or traditional) | 399,000 | 476,000 | 421,000 | 330,000 | 180,000 | 1,806,000 |
| Via standpipes | 0 | 32,000 | 150,000 | 83,000 | 0 | 265,000 |
| TOTAL (individual connections and standpipes) | 399,000 | 508,000 | 571,000 | 413,000 | 180,000 | 2,071,000 |

- From 2002 to 2008, Redal and Amendis installed 50,530 socially assisted water connections. They supply over 252,650 people (counting 5 people per household on average);

- Since the start of its delegated management role, SEEN has installed 16,474 socially assisted connections. The number of individual connections has risen by 61%. In total, at the end of 2008, SEEN was supplying drinking water to 413,000 more people since the start of the contract thanks to new connections and standpipes;
- In Gabon, since the start of outsourcing, the number of people connected to modern water and electricity supply systems has increased significantly. The number of water supply subscriptions has risen from 59,829 in 1997 to 121,852 in 2008. The supply rate for drinking water in the delegated scope has risen from 48% to 73% for individual connections, and 98% for the total supply rate (including standpipes);
- In India, at the end of 2008, Veolia Water India had installed approximately 25,000 connections supplying 180,000 inhabitants of Karnataka¹², including 5,500 socially assisted connections.

All these achievements could be replicated in many countries where political will and professionalism of the operator make a real change.

IV. How to promote access to water and sanitation in developing countries

1st point: Doing more with the same facilities

Our first mission is to optimize the use of existing infrastructures entrusted by the delegating authority: water production and treatment plants, water and sanitation networks, tanks, etc., which allows to serve more people with the same capabilities and without waiting for the creation of new networks.

- In India, since 2006, under a performance contract with 3 Municipalities of the State of Karnataka, Veolia -by improving the service through accounting of volume of water supplied and leakage reduction- has succeeded in providing 24/7 supply to 180 000 additional people, who previously had, for the better served, 3 or 4 hours of water every 4 days.

2nd point: Implement socially adapted and acceptable pricing

For a service to be socially acceptable the price borne by the user has to be adapted to his revenues; it is therefore necessary to design mechanisms in order to finance the expenses of the service that cannot be supported by the user.

- In Morocco, the rates decided by the authorities are divided in brackets with the first called “social” (6m³ of water per month sold at a price below purchased priced to the national producer ONEP). Through a policy of development of metering, Veolia has expanded the scope of this mechanism for a large number of families.
- In Gabon, the less fortunate families have access to a specific social rate made possible through a system of balancing out developed on all water and electricity services managed by SEEG, a subsidiary of Veolia.



- The prices of water in Niger are amongst the lowest in this part of the world: the good rate of bill payment (96.59 % for private customers and 98.34 % for businesses and industrial clients in 2008) proves the affordability of the price of water.

3rd point: Develop social assisted connections

Reducing the price of the service for the user is not enough if most households have no access to public water. The price to pay to connect to the network is unfortunately often dissuasive for many families.

Veolia helped to alleviate procedure for individual connections in Morocco. With the delegating authorities, Veolia proposed a general connection authorisation in the four districts of Tangiers concerned by the social connections program. Thanks to the reduction in the number of supporting documents required for individual connections and the equipment of J-PAL/Amendis that helped families to fill the administrative documents: photocopy and photo of the home's facade are done immediately and procedures costs are free for the families.

Veolia strongly developed individual connections because they dramatically improve life conditions of the neediest.

- In Morocco, to enable access to individual connections, Veolia has developed social connections implementing original financial mechanisms designed with the delegating authority, using micro credit, tax and local revenues, and testing funding from national and international backers. Between 2003 and 2008, nearly 250 000 people have gained access to water "at home" thanks to this system, and nearly 100 000 to sanitation.

4th point: Creation of a new mode of access to water, collective and secure, for those who cannot get individual connections

Veolia has developed and proposed to the Moroccan authorities a system enabling the poor – who cannot have access to individual social connections - to have every month 4 to 6 m³ of water prepaid by the municipality - 40 litres per person and per day-, from a standpipe with secure and individualized access. Thanks to an electronic chip the use of these standpipes is reserved to the neediest families identified by the local authorities. This ensures that these families, who do not yet have access to individual connections, benefit from exclusive access to standpipe.

The main benefit of this system called SAQAYTI is that it targets the poorest by avoiding "parasite use" and thereby improves services conditions for those who really need the water. It also allows the town to plan and reduce the spending. Towns equipped with this system have seen their budgets for water consumption fall by 50% to 75%. Authorities in Tangiers have decided to install 45 more standpipes of this type.

5th point: Developing local customer services

In most countries where Veolia Water AMI takes actions, water and electricity bills are issued on a monthly basis. Users have to go at least once a month to payment reception facilities to pay there bills. These users are most often located in suburban areas, and have to invest a lot of time and money to commute. Veolia has developed a service of "mobile agencies": buses equipped to reach out to customers and perform services such as bill payment, subscription or social assisted



connection requests. These mobile agencies move to isolated areas of suburban towns and villages on pre-designated dates with representatives of the inhabitants.

Therefore, all customers, including those in the remote areas, have access to the same customer service without having to move every month. Other services have also been created in order to improve proximity to customers (Jiwar networks, mobile counters, etc.).

6th point: Explain the correct use of water to maximize the benefits of access to services for the inhabitants

Veolia considers that the dissemination of clear messages on the proper use of water, sanitation and electricity, is an integral part of the service it owes to its customers. In the case of households newly served, Veolia drives public-awareness actions about hygiene and health with partners such as NGOs or doctors.

- In Niger, SEEN, a subsidiary of Veolia Water AMI, has launched a “Water and Health” program : the first step was to train the whole staff to the links between water and hygiene, and the second step consists in a sanitary education for the populations of the 52 cities in which Veolia manages the water public services.

7th point: Research and Innovation: developing new models for the rural areas

Veolia is an urban player. Sensitive to the difficulties faced by rural operators in developing countries, Veolia decided to experiment, in partnership with actors aware of rural issues, new models aiming to provide quality water in conditions adapted to the demand of residents and economically sustainable in spite of the local constraints. During the realization stage of these models, Veolia involves the capacities of the group to reinforce rural players and transfer its know-how to future operators.

Therefore, Veolia established in 2008 with Professor Yunus, a joint-venture, Grameen Veolia Water Ltd. Grameen’s first project is to create a service of quality water for the 100 000 inhabitants of the region Goalmari, Bangladesh, who have only access to arsenic-polluted water. The gains of the new service will be reused to launch similar projects.

The plant will eventually supply drinking water to 40,000 people in this village, around 100 kilometers distant from Dhaka, the nation’s capital. The water produced from treatment of water from the river running next to Goalmari is compliant with World Health Organization standards. It is distributed via a system of storage reservoirs, standpipes, and deliveries to the farthest-flung locations.

The new plant will be followed by four further treatment plants to provide a total of 100,000 people with drinking water, living in villages in central and southern Bangladesh.

8th point: Evaluate the impact of programs undertaken by Veolia on the quality of life

Veolia considers necessary to evaluate the real impacts of the actions it has launched to support the MDG’s on the quality of life and human development.

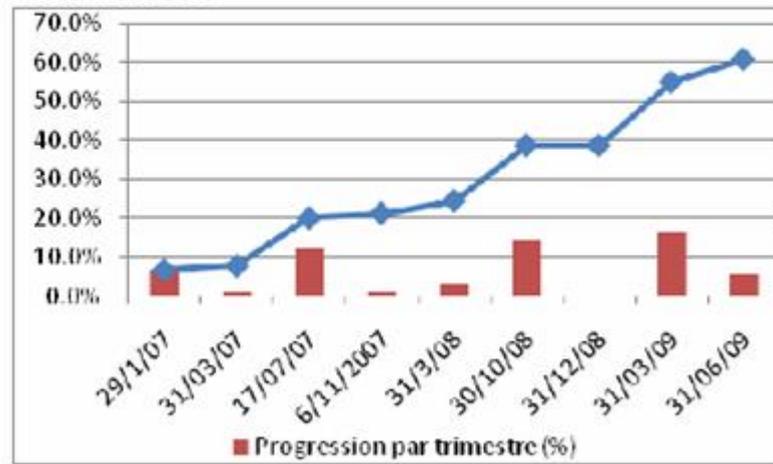
Consequently, it has developed several programs involving scientific partners recognized for their competences and their independence. The results of a program launched in 2007 with the Poverty Action Lab to assess the impact of individual social connections made by Veolia in Tangiers were

presented in March 2009. The Poverty Action Lab led by Esther Duflo is a MIT laboratory, specialized in the evaluation of development projects.

The conclusion of the study presented in 2009 shows that the water connection has three main impacts: firstly, the connection allows beneficiary households to increase the quantity of water used to wash themselves, cook and wash dishes, needs that are not entirely met by other sources of water supply. Secondly, the connection helps free up time for personal leisure, households activities and social and family life. Lastly, the connection reduces the number of households in conflict with their family or their neighbours; it increases the social capital of beneficiary households. These three main effects lead to higher overall satisfaction among connected households, measured several months after the first monthly credit reimbursements and water bill payments.

The World Bank has assessed the performance of the OBA program in Tangiers. In September 2009, the World Bank expressed its satisfaction about the progress made by Amendis: the connection rate is above expectations, reaching a 22%, the overall objective is at 61% with high possibilities to be achieved on time.

Réalisations



Source : World Bank OBA Synthesis Document

V. Developing trust and confidence

All these concrete actions in favour of the Right to Water implementation could not be achieved without trust and confidence.

While public-private partnerships can provide rapid results, they need time to bear all their fruit. Efforts to improve a service require perseverance. The public-private partnership offers local authorities an opportunity to take a long term view. Its time-frame is not that of neoclassical economics or elected terms of office. It is much longer. In a world obsessed by the short term, this is sufficiently rare to be worthy of mention.

By explicitly undertaking not to respond to invitations to tender whose content it judged incompatible with the interests or subscription capacities of the populations involved, and encouraging the optimum involvement of populations in the management of water and sanitation services, Veolia has made the support of local populations for service levels and pricing one of the conditions for long-term success in managing a local public service. Recognition of the importance of this element can contribute to the emergence of a local civil society in developing countries.



Thus in October 2007 more than 40 people representing different components of Nigerian civil society responded positively to Veolia’s invitation to take part in a day of discussions marking the mid-term report on the contract between the Nigerian state and the SEEN.



It is to be hoped that such multi-player dialogue will help promote right to water visions, and a new culture of responsibility. This will help put an end to the ideology, opacity, demagoguery and populism.

Veolia has developed strong and long-lasting partnerships with all stakeholders concerned by the Right to Water effective implementation.

Working together in

...Tangiers

Between 2003 and 2008, a partnership between the Moroccan Ministère de l’Éducation Nationale, UNICEF, the Al Barzakh Association, Grand Lyon (french municipality), the Veolia Environnement Foundation and Amendis the Veolia Environnement subsidiary helped 50 schools to fight against school dropout, which sharply decreased from 8% to 1,5%. This program, in the context of the INDH initiative launched by his Majesty the King Mohammed VI benefited to more than 50 000 primary school pupils.



...Rabat

Thanks to the effective collaboration between Maghreb Machrek pour l’Eau (ALMAE) and NGO fighting for the Right to Water, Veolia Environnement MAROC and UNESCO, the project “Right to clean Water” developed various truly concrete actions promoting



- improvement of life conditions in poor areas Ama II, Mabrouka, Salé, Laayayda
- raising awareness on hygiene and sanitation

PROJET INTEGRE

LE DROIT A L' EAU SAINE AU PROFIT DE LA POPULATION DE LAAYAYDA - SALE

...Libreville

The SEEG organized various events about water and health. SEEG also leads several in-company actions against HIV: training educators, organizing information sessions, creating 7 HIV/AIDS sub-



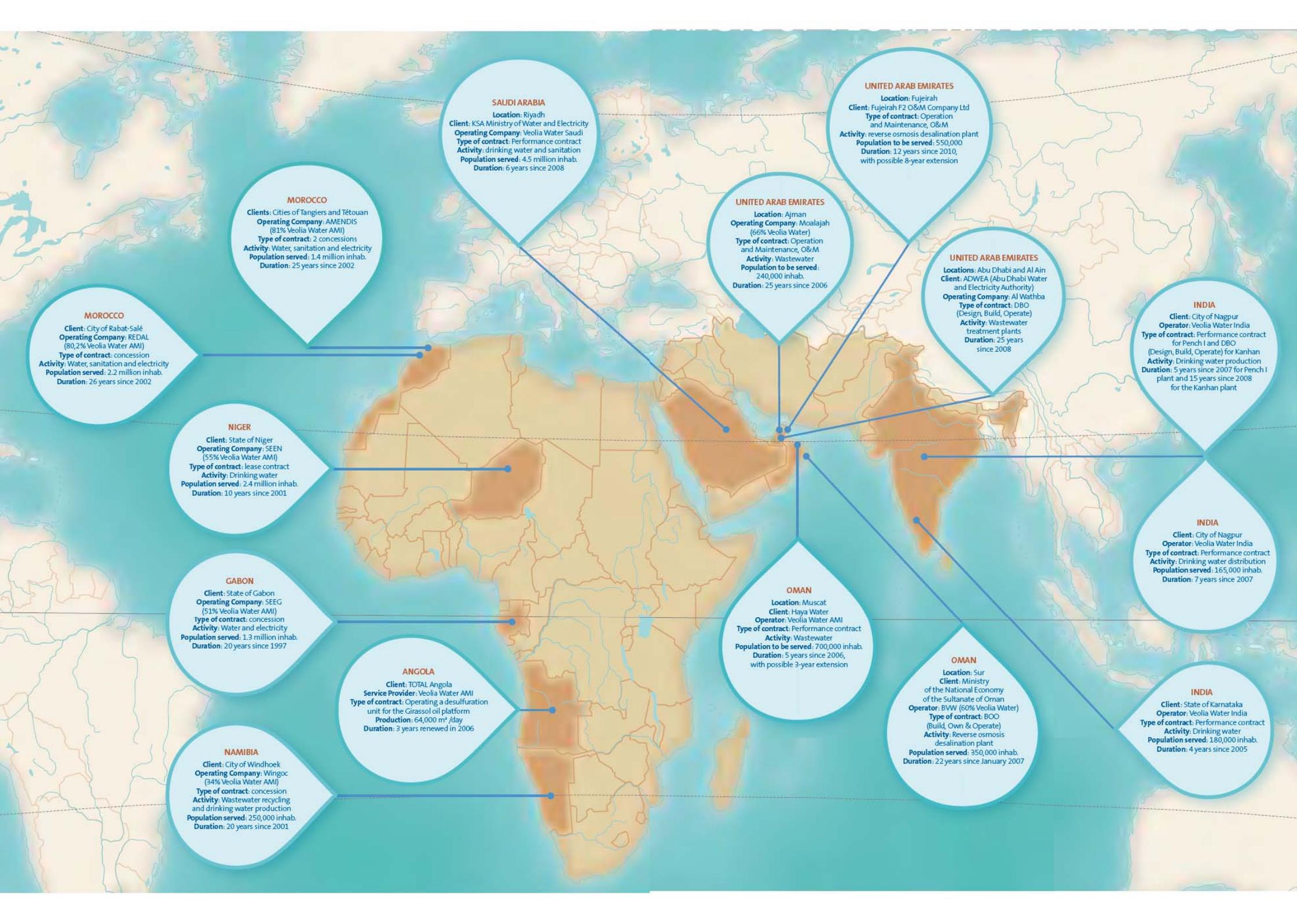
committees throughout the country, signing a contract to provide free and anonymous testing, purchasing anti-retroviral drugs, etc.

Qui pourrait contester que le droit à l'eau est un droit humain essentiel ? Comme beaucoup d'acteurs internationaux, nous sommes favorables à une reconnaissance internationale de ce droit. Encore faut-il que celui-ci soit associé au droit à l'assainissement, fondamental pour la santé publique.

(...) Le droit à l'eau mérite mieux que les affrontements stériles qui détournent les énergies de l'action. Le monde de l'eau qui se réunit à Mexico entendra-t-il l'appel que lançait Gabriel Garcia Marquez :

« N'attendez rien du XXI^e siècle, c'est le XXI^e siècle qui attend tout de nous »

Antoine Frérot Veolia CEO March 17th 2006







| | Total AMI | REDAL (Rabat) | AMENDIS (Tangiers) | AMENDIS (Tetouan) | SEEG (Gabon) | SEGN (Niger) | Veolia Water India (Karnataka) | Veolia Water India (Nagpur Demo zone) |
|---|-----------|--------------------------------|--------------------------------|--------------------------------|---------------------------|--------------|--------------------------------|---------------------------------------|
| BASIC DATA | | | | | | | | |
| Start of contract | | October 2002 | January 2002 | January 2002 | July 1997 | June 2001 | April 2005 | June 2007 |
| Activity | | water, sanitation, electricity | water, sanitation, electricity | water, sanitation, electricity | water and electricity | water | water | water |
| Number of residents within the supplied area (Millions of inhabitants) | 13 | 2.2 | 0.86 | 0.58 | 1.27 | 2.4 | 0.18 | 0.165 |
| Number of towns and centres supplied | 145 | 13 | 7 | 14 | 42 water + 49 electricity | 52 | 5 | 1 |
| IMPROVEMENT OF THE ACCESS TO ALL | | | | | | | | |
| DRINKING WATER | | | | | | | | |
| Number of water customers | 1,275,627 | 377,872 | 161,626 | 124,525 | 121,852 | 93,857 | 24,145 | 11,750 |
| Water production (Millions of m ³) | 395 | 4 | | 2 | 77 | 48 | | |
| Water purchased (Millions of m ³) | 427 | 85 | 43 | 25 | 1 | 1 | | |
| Water distribution (Millions of m ³) | 786 | 72 | 34 | 21 | 62 | 41 | 7 | 18 |
| Number of residents supplied by individual connection (Millions of inhabitants) | 10 | 1.76 | 0.74 | 0.49 | 0.88 | 0.88 | 0.18 | 0.15 |
| Number of new socially assisted connections in 2008 | 13,865 | 4,754 | 2,654 | 1,660 | 33 | 4,764 | | |
| Number of socially assisted connections created since start of contract | 74,254 | 32,889 | 10,259 | 7,382 | 3,906 (since 2003) | 16,474 | 5,500 | 1,750 |
| Number of standpipes managed | 4,228 | 238 | 448 | 185 | 698 | 2,659 | | |
| Estimated number of residents supplied with public standpipes (Millions of inhabitants) | 1 | 0.15 | 0.11 | 0.037 | 0.15 | 0.67 | | |
| Number of residents supplied with drinking water (Millions of inhabitants) | 11 | 1.9 | 0.85 | 0.53 | 1.03 | 1.54 | 0.18 | 0.165 |
| SANITATION | | | | | | | | |
| Number of wastewater customers | 898,773 | 377,872 | 160,481 | 124,165 | | | | |
| Number of residents connected to sanitation (Millions of inhabitants) | 3 | 1.64 | 0.73 | 0.53 | | | | |
| Number of new socially assisted connections in 2008 | 4,874 | 548 | 2,654 | 1,660 | | | | |
| Number of socially assisted connections created since start of contract | 19,734 | 7,139 | 6,112 | 5,476 | | | | |
| ELECTRICITY | | | | | | | | |
| Number of electricity customers | 1,031,154 | 470,920 | 201,300 | 155,971 | 202,963 | | | |
| Electricity production (GWh) | 1,640 | | | | 1,640 | | | |
| Electricity purchased (GWh) | 2,647 | 1,703 | 944 | | | | | |
| Electricity distribution (GWh) | 3,835 | 1,539 | 865 | | 1,431 | | | |
| Number of residents supplied (Millions of inhabitants) | 5 | 2.06 | 0.80 | 0.58 | 1.26 | | | |
| Number of new socially assisted connections in 2008 | 14,276 | 5,857 | 3,113 | 2,372 | 2,934 | | | |
| Number of socially assisted connections created since start of contract | 68,151 | 34,119 | 16,042 | 6,419 | 11,571 | | | |
| ENVIRONMENT | | | | | | | | |
| Yield of networks | | | | | | | | |
| Drinking water distribution (in %) | | 81% | 79% | 76% | 80% | 85% | 88% | |
| Electricity distribution (in %) | | 91% | 93% | 94% | 87% | | | |
| Compliance of water distributed with health standards | | | | | | | | |
| Level of bacteriological compliance (in %) | | 100% | 100% | 99% | 99% | 100% | 100% | 100% |
| Overall compliance level | | 100% | 100% | 100% | 99% | 97% | 100% | 100% |
| Sanitation | | | | | | | | |
| Volume of wastewater collected (Millions of m ³ /year) | 362 | 61.9 | 27.3 | 16.6 | | | | |
| CUSTOMER MANAGEMENT | | | | | | | | |
| Number of agencies (including mobile agencies) | 164 | 28 | 16 | 11 | 43 | 54 | 5 | |
| Existence of call centres | | yes | yes | yes | yes | | yes | |
| SOCIAL DATA (including headquarters) | | | | | | | | |
| Staff | 6,360 | 1,691 | 852 | 1,258 | 1,495 | 542 | 23 | 10 |
| Safety and working conditions | | | | | | | | |
| Number of work accidents with interruption of activity | 75 | 20 | 14 | 13 | 24 | 1 | | |
| Number of working days lost due to work related accidents | 2,690 | 1,144 | 401 | 330 | 711 | 8 | | |
| Frequency rate | | 6.8 | | 7.6 | 9.7 | 1.1 | | |
| Severity rate | | 0.3 | | 0.2 | 0.2 | 0.01 | | |
| Training | | | | | | | | |
| Training budget (M€) | 2,384 | 535 | | 805 | 828 | 117 | | |
| Number of participants | 6,214 | 1,694 | | 2,336 | 1,275 | 698 | | |
| Total training duration (hours) | 135,646 | 27,311 | | 31,140 | 62,466 | 11,472 | | |
| ADDITIONAL DATA | | | | | | | | |
| contribution to economic development | | | | | | | | |
| Turnover (M€) | 664 | 205 | 108 | 57 | 190 | 18 | 1 | 2 |
| Investment budget since start of contract (M€) | 1,146 | 417 | 173 | 143 | 398 | 8 | 5 | 2 |
| Annual water investment budget (M€) | 84 | 6 | 8 | 7 | 8 | 1 | 1 | 2 |
| Annual sanitation investment budget (M€) | 35 | 8 | 6 | 6 | 14 | | | |
| Annual electricity investment budget (M€) | 50 | 23 | 10 | 17 | | | | |
| Total annual investment budget (M€) | 177 | 40 | 25 | 31 | 25 | 1 | 1 | 2 |

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ANNEX 1

Veolia Sustainable Development Report 2009

ANNEX 2 ; 2-1 ; 2-2

Oba Pilot Tangiers – World Bank 2009
GPOBA Morocco

ANNEX 3 ; 3-1

Subsidized Water Connections policy

Evaluation of Amendis' Program on Subsidized Household Water Connections (Tangiers) – Abdul Latif Jameel Poverty Action Lab, MIT

ANNEX 4

Le point sur l'axe environnement du projet de lutte contre l'abandon scolaire à Tanger - Avec la participation des entreprises Amendis Veolia Waterforce- Comite français pour l'UNICEF

ANNEX 5

Saqayti system (UNESCO – Water resources in Maghreb 2009)

ANNEX 6

Le droit à l'eau sein au profit de la population de Laayayda – Salé - L' Alliance Maghreb Machrek pour l' Eau « ALMAE » - La Chaire UNESCO Interdisciplinaire pour une Gestion Durable de l' Eau and Veolia Water AMI