

UAL 22 Frau Fiedler

CEPAL 2008 Regional Conference

Policies for economically efficient, environmentally sustainable and socially equitable drinking water and sanitation services

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Conference participants,

Ladies and Gentlemen,

Señoras y Señores:

- Me alegro de poder hablar con Ustedes -hoy y aquí- sobre un tema que me interesa mucho a mí, así como a la cooperación para el desarrollo de Alemania con América Latina y el Caribe – el agua potable y el alcantarillado.
- Hoy para mí es dos veces un “Premiere”: Se trata de mi primera visita a Santiago y es también mi primera visita a la CEPAL. Estoy muy impresionada por el lugar que he podido conocer hasta ahora, así como por la CEPAL que ha organizado este seminario con eficacia, como es de costumbre.
- Como Ustedes pueden notar fácilmente, el castellano no es mi lengua materna. Para no martirizarles a Ustedes ni a mí con el poquito de castellano que domínó, permítanme ahora seguir en inglés con el fin de que mi discurso “brote a borbotones como una fuente” - para no apartarnos del tema.

Water shortage – an important global topic

- Water is a key to the future of humanity. Clean water means health, food, wellbeing. Water is an important factor in the fight against poverty. Water is an important resource for agriculture – that is the challenge which we face. Access to water is a basic need and access to clean water a human right.
- That is why one of the Millennium Development Goals is to halve the number of people without permanently secured access to safe drinking water and put an end to the unsustainable exploitation of water resources.

Let us take a look at water in Latin America and the Caribbean

- In Latin America and the Caribbean a great deal has already been achieved with regard to water supply and sanitation compared with the situation worldwide. 91% of the population has access to clean drinking water, 77% to sanitation facilities.
- There are of course also vast differences between individual countries in Latin America. In Uruguay, all households are connected to a safe water supply. In

Peru, 18% of urban inhabitants and 61% of the rural population do not have access to water at home. There are also vast differences in other countries in the region between rural and urban areas. It is estimated that, altogether, more than 40% of the rural population in Latin America has no piped drinking water. There is a need for government action and also for development policy interventions, if the MDGs are to be achieved.

How does Germany contribute to development cooperation in the water and sanitation sector with the aim of addressing water problems in Latin America and the Caribbean ?

Water is a priority area of our bilateral development cooperation in Latin America and the Caribbean:

- **German development cooperation** addresses the water sector in all its complexity, working in the fields of “Water for People” (drinking water and basic sanitation), water for food, water for ecosystems and water for other uses (tourism, energy, industry).
- In the current portfolio there are a total of 30 projects in 8 countries, for a total financial volume of about 315 million euros.
- The most important partner countries are Bolivia, Nicaragua and Peru.
- The emphasis of this cooperation is on **improving water supply and sanitation mainly in small and medium-sized towns**. German development cooperation is also intensively involved in providing advice for organisations and policymaking with a view to ensuring sustainable water supply solutions for the poorest members of the population as well.

Now I would like to say a few words on **a topic** that we deem particularly important:

The question of public or private water supplies – a political question in Latin America and the Caribbean too

- One of the core questions that always arises in connection with water supply is which is the best alternative: using the public or the private sector to deliver water and sanitation services?

Supplying people's water needs can be seen as a task for the state.

- Water can be regarded as a public good, which the government has to supply at moderate prices.
- It can also be regarded as a private good, which should be offered at a reasonable price under schemes involving private sector participation.
- However, for privatised **utility companies**, poverty-oriented water management is not a priority. For some people that may mean that **when the price of water goes up, the amount of food they can afford to buy goes down**. Conflicts as in Cochabamba in Bolivia are the result.
- I want to say this clearly: if poor people are unable to pay for water that should not mean that they do not get any.

- In fact it is the other way round: the **right** to water gives us clear guidance for resolving existing conflicts over this scarce resource.
- But the right to water does not rule out private sector participation in its provision.

The goal of our development policy is to ensure sustainable water supplies for all, including the poorest members of the population. German development cooperation provides flexible support for a variety of solutions. In Germany too we have public – particularly municipal – water authorities, and also private companies that offer water and sanitation services on a commercial basis. Achieving the goal of sustainable supplies of good water at acceptable prices is important to us and is the basis for deciding what kind of institution is the right one in a particular environment.

- What is our answer to the question as to whether water supply should be managed by public, mixed or private enterprises?

There is not just one solution but many. We have to conduct a political dialogue on the option that is best adapted to the situation of the particular country. There is no one size fits all solution.

- We need organisations like CEPAL, GTZ, KfW, InWEnt and others to lead a political dialogue, and share and disseminate best practices and innovative solutions.

Conclusion

- Ladies and Gentlemen, I hope I have managed to give you an idea of how important the topic water is for us within the discussion about development and climate policy. Before I conclude my address to you, I would like to say that I am particularly pleased that ECLAC is the initiator and moderator of this workshop. As Latin America's leading think tank, ECLAC stands for values and goals that are shared by German development cooperation. ECLAC and the Federal Ministry for Economic Cooperation and Development (BMZ) have been linked in strategic partnership since 2003. ECLAC uses the experience of German development cooperation and also supplies important know how in situations where German development cooperation is involved in providing advisory services.
- With that in mind, I hope this symposium will bring forth ideas, approaches and suggestions which reflect the specific problems and challenges in Latin America and are tailored to the requirements of this region. ECLAC has decades of experience to contribute here.

Thank you very much for your attention, I wish the seminar every success, muchísimas gracias y buen trabajo.