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Economic Commission for Latin America

Latin American Seminar on Horizontal Co-operation for the International Drinking Water Supply and Sanitation Decade

First Session

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HORIZONTAL CO-OPERATION IN SUPPORT OF THE INTERNATIONAL DRINKING WATER SUPPLY AND SANITATION DECADE

Note by the secretariat

81-2-175

I. INTRODUCTION

1. At the eighteenth session of the Economic Commission for Latin America (CEPAL), held in La Paz, Bolivia from 18 to 26 April 1979, which considered the implementation of the Mar del Plata Action Plan adopted at the United Nations Water Conference, it was recommended that taking account of paragraphs 4 and 5 of Resolution VI of the Mar del Plata Conference, inter alia

> "measures be taken with immediate effect to foster the launching of projects for horizontal co-operation in the field of water resources in Latin America".

2. At the same time the Sessional Committee on Water Resources, established as a permanent organ to promote the implementation of the Mar del Plata Action Plan (CEPAL resolution 411 (XVIII), paragraph 1), requested the secretariat to participate "in the work carried out by WHO/PAHO with the aim of concerting the efforts of the countries of the region to ensure the fulfilment of the objectives of the International Drinking Water Supply and Sanitation Decade", inter alia through,

> "consultation with governments for the exchange of experience on progress achieved and difficulties encountered, and possibly the convening of special meetings of representatives of national and international agencies connected with the implementation of the programmes of the International Drinking Water Supply and Sanitation Decade".

3. The purpose of the present document is to report to the Latin American Seminar on Horizontal Co-operation for the International Drinking Water Supply and Sanitation Decade on the progress achieved and difficulties encountered in the social, economic and financial aspects of water supply and sanitation programmes and on the possibilities for horizontal co-operation between the countries of the region for the purpose of assisting in the implementation of such programmes and for the resolution of the difficulties encountered. This document is based on reports by governments regarding the general preparations for the International Drinking Water Supply and Sanitation Decade, and on information obtained through visits.

/II. SOCIAL,

II. SOCIAL, ECONOMIC AND FINANCIAL ASPECTS OF WATER SUPPLY AND SANITATION

4. The International Drinking Water Supply and Sanitation Decade comes at a time when Latin America has already completed two decades of intensive investment in the sector in nearly all the countries of the region. A considerable improvement has been achieved since regional targets were first set for drinking water supply and sanitation at the meeting of Ministers of Public Health in Punta del Este, Uruguay in 1960 (a commitment which was renewed in Santiago, Chile, in 1972), but in recent years the rate of improvement in the levels of service has tended to stagnate and difficulties have arisen with the maintenance of existing systems. The proportion of the population served has even dropped in several countries - Argentina, Colombia and El Salvador, for example - and with a few notable exceptions, the pace of the expansion of services has fallen in the region as a whole. Even among the urban population, it is only in some of the smallest countries (such as Costa Rica and Panama) that water supply is universal, and Panama is the only country with universal water supply and sewerage services. In rural areas it is unusual for the proportion of the population with a household supply of piped water to reach even half. In the region as a whole, 70% of the urban population in 1977 lived in houses connected to piped water systems, but only 16% of the rural population had this privilege. In the rural areas of some countries (such as Haiti, Paraguay and Guatemala) the existence of a piped drinking water supply is almost unknown, and generally speaking sanitation is rudimentary.

5. Traditionally in Latin America, as elsewhere, water supply has been a municipal function. In most of the region, however, the municipalities constitute a weak level of government with very limited autonomy and little financial independence. The countries of the region - even those with a federal system - have been characterized

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by extremely centralized governments, and most of the non-central governments have tended to be weak and inefficient. The typical municipal water company was insufficiently capitalized, provided an unreliable service with a poorly maintained system, and its income did not keep pace with inflation. This led to the adoption of a series of reforms following the Punta del Este meeting, directed in addition to the setting of specific supply targets and improvement of the organization and administration of the services. The particular form assumed by the policies adopted to this end has varied from one country to another, but in general the reforms have possessed a number of common characteristics. These include the creation of standard national services to replace or supplement existing municipal or state companies, as has long been the case with Obras Sanitarias de la Nación in Argentina, the Instituto Nacional de Obras Sanitarias in Venezuela, and more recently in Brazil the creation of state water supply and sanitation corporations. Normally, the provision of piped water and sewerage services has been fused under the responsibility of a single institution and stricter criteria have been adopted for technical and financial management.

6. It is, however, clear that despite their initial success these policies have not generally speaking led to a continuing increase in the number of household connexions to water or sewerage systems in urban communities nor to a significant expansion of rural water supply and sanitation services. The designation of the 1980s as the International Drinking Water Supply and Sanitation Decade provides a suitable occasion for reconsidering strategies favouring the expansion of water supply and sanitation services, especially the financial aspects and the question of the broader relationship of the sector to the process of economic and social development.

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7. In many countries of the region, new initiatives are being taken in the sector. These include policies of decentralization of the management of the sector, notably in Argentina and Chile, a strong emphasis on self-financing through the adoption of an adequate tariff structure, and reconsideration of the technology being applied, particularly in sanitation, to reduce high capital investment costs. At the same time, considerable stress is being placed on the adoption of more effective administrative practices and on the general improvement of the technical and financial management of the sector. Heavy emphasis is being placed on manpower development and training. One successful experience involving a more concerted strategy towards the sector is reported by Brazil with its system of autonomous state water supply and sanitation companies combined with independent state environmental protection agencies and the Banco Nacional de Habitacão, which is responsible for financing through loans at variable interest rates adjusted to selected social criteria.

8. In all policy areas, there is considerable heterogeneity between the countries of the region. This situation, although due in part to the differences in character of the countries, provides an opportunity for the fruitful exchange of experience and mutual co-operation. Moreover, there is a long tradition of co-operation at both the bilateral and regional levels, often through the good offices of the Pan American Health Organization. There is room and a need, however, to strengthen and formalize such co-operation particularly in the social, economic and financial aspects of the management of the sector. Within this concern for general improvement in the management of water supply and sanitation services, most countries of the region see a necessity to place emphasis on questions relating to institutional structure and form, sectoral planning, the social and economic evaluation of projects, finance (including tariff structures), and manpower training.

/III. HORIZONTAL

III. HORIZONTAL CO-OPERATION

9. In the past two decades, there have been many examples of what is now termed horizontal co-operation. This co-operation has, however, tended to be either on an ad-hoc basis or part of the programme of activities of an international organization, most commonly the Pan American Health Organization. There has been a lack of any formal intergovernmental co-operation in this sector in Latin America. Individual companies have co-operated through contacts brought about by seminars, training courses and the like organized by international agencies, and similarly, many governments have a tradition of inviting other countries to participate in national training programmes and seminars, to say nothing of the many regional and sub-regional events of this kind where the organization is shared by several countries.

10. The predominance of staff drawn from the region in all the international agencies, the overwhelming employment by these same agencies of consultants from the Latin American water supply and sanitation sector, as well as the widespread assistance and operation of private consulting companies all suggest that in this sector there is a good base upon which to develop a more formal system of intergovernmental co-operation.

11. This past experience shows the possibilities and potential for horizontal co-operation in water supply and sanitation between the countries, or rather the different national institutions, of Latin Latin America. It also shows, however, that despite the efforts of PAHO and the invaluable activity of the Asociación Interamericana de Ingeniería Sanitaria (AIDIS) as a professional association, there is a need for improvement in the institutional framework sustaining co-operative activities.

12. It is not obvious, however, what form such an institutional framework should take. There are few guidelines available, but one

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alternative that merits serious consideration is the establishment of a specific system for co-operation among water supply and sanitation institutions. This system could encompass all aspects of co-operation, co-ordinate all co-operation activities, and as a clearing house for offers of co-operation and requests for assistance.

13. There are precedents for associations of companies in other fields upon which an institutional system for on-going co-operation in water supply and sanitation could be based, and a number of institutions for horizontal co-operation exist in other sectors. For example, in energy there is the Asociación de Asistencia Recíproca Petrolera Estatal Latinoamericana (ARPEL), founded in 1965, which possesses a permanent separate secretariat. Others, however, such as the Conferencia de Electrificación Rural (CLER), work without a permanent secretariat. In transport, the Asociación Latino Americana de Ferrocarriles (ALAF), founded in 1965, brings together railway companies, manufacturers of railway equipment and other organizations directly or indirectly linked to railway transport. It, too, has a permanent secretariat.

14. In all cases the objectives and functions of the institutions are to provide mutual technical assistance to their members. ARPEL runs numerous training seminars to keep the professional employees of its member institutions informed of developments in the oil industry, and it also gathers and publishes information in this field. CLER is a less active but nevertheless useful institution which works fundamentall through bi-annual conferences, organized in turn by the national member organizations, to permit the exchange of experience and opinions on different themes. ALAF is also very active, with its annual assembly and its continuing work on co-operation and co-ordination of all aspects of rail transport in Latin America.

15. The creation of a similar organization for mutual co-operation among water supply and sanitation institutions would complement the

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existing international institutions in the sector. Such an organizatio could operate in collaboration with, or independently of, the existing international organizations such as the Pan American Health Organization or CEPAL. The form adopted could be any of a number of possibilities, including:

(a) An international association for institutions, the secretariat of which would be rotated between the different national member institutions;

(b) The establishment within one of the existing international organizations of a programme to facilitate horizontal co-operation, possibly in collaboration with other organizations;

(c) The formation of a new international association with a permanent secretariat.

16. Whatever form the organization might take, its functions could embrace the maintenance of a clearing house for offers of co-operation or requests for assistance, the organization of meetings or seminars on common problems, arrangements for the exchange of personnel between institutions, the development of bilateral or regional training courses, and the diffusion of information.

17. Whether an institution specifically responsible for horizontal co-operation is to be established or not, the opening of the International Drinking Water Supply and Sanitation Decade demands consideration of ways to rationalize co-operation activities among the water supply and sanitation institutions of the region.