



2015 UN-Water Annual
International Zaragoza
Conference
15-17 January 2015

Water and Sustainable Development
From vision to action

UN WATER



Veolia Water Initiatives: improvement of WASH services in Guayaquil, Ecuador

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Summary

Guayaquil is the largest and the most populous city in Ecuador, with around 2,5 Million inhabitants. It is well known for the cultural, commercial, industrial and political activity, and thus considered the economic capital of the country, attracting both internal migration and the construction of informal housing.

The Guayaquil Government aimed to improve the services and operating performance of the existing water utilities, especially to underprivileged urban areas that have little access to drinking water.

Veolia has been awarded a 30-year concession in 2008 to provide drinking water and sewerage services to Guayaquil, with the explicit objective of increasing the coverage and turning the company into a sustainable water provider. At the beginning of the operation, Interagua had to face 3 main intricate challenges:

- Develop access to services (water & sanitation), especially for underprivileged people
- Reach an economic balance
- Develop the acceptance of delegated management service

Interagua has decided to launch several action plans and technical, social and financial mechanisms to modernize the services rendered and help the disadvantaged people access quality resources at affordable prices. Thus the grievances related to the existing social inequalities in the region are reduced and relationships with users and governments positively influence the image of the company to strengthen its legitimacy.

Keywords

Accessibility to services, quality services, affordable price, reduction of non-payment, strengthening corporate image, legitimacy, social acceptance, cancellation of debt, customer service, sensitization, dialogue, consultation.

Issues addressed

Water resources management (water-use efficiency, integrated water resources management, transboundary cooperation, sustainable extraction and supply of freshwater)

- Disadvantaged neighbourhoods on the outskirts of the city benefit from massive water connections and sanitation.
- Lower rates for people who are below the poverty line in the city.

Water resources management (water-use efficiency, integrated water resources management, trans boundary cooperation, sustainable extraction and supply of freshwater)

- Rates that increase depending of the volumes of water consumed.
- Reduction of per capita consumption

Tools for implementation

Who is involved?

- Interagua
- National and Local Government
- Users
- Municipal Leaders

What were the objectives?

- Ensure balance of the concession
- Build good relationships with users
- Ensure access to services for people with difficulties
- Modernize services
- Provision of quality services

Implementation challenges:

- Cost of implementation.
- Distrust of stakeholders due to ignorance of the projects and their benefits.

Main task/activities undertaken /Tools used:

- Increased coverage of service
- Development of large investments in low-income sectors
- A rate for everyone / Social price
- Cancellation and regularization of debts programs
- Mechanisms for arbitrating fair solutions
- Strengthening communication with stakeholders / Socialization of works
- Process improvement and implementation of new technologies
- Adequate infrastructure for customer service
- Priority to water quality enhancement

Main outcomes / impacts (what has changed?):

- 97% of population connected to drinking water supply (+60% over 10 years), and 86% population with sanitation in 2014.
- 497,000 connections of drinking water and 384,000 sewerage users at the end of 2014.
- Help to rationalize the water consumption through a subsidy for the first cubic meters: 2,057 buildings, nearly 10,000 people, benefit of this special rate.
- As a result, 90% of customers pay their bills. Debt cancellation for 5,000 low-income users. In January 2014 there are 26,194 agreements with payment flexibility. Through dialogue and awareness committed by users to pay their bills is achieved.
- The ombudsman has negotiated on 3,473 complaints and resolved 90% of complaints.
- 1,564 interventions in 2013 in groups of 300-400 people.
- Barely 0.73% of customers registered a monthly claim.
- Recognition by government agencies.
- First company in the country to have an integral certification of their processes.

Lessons Learned:

Triggers:

- Fight the culture of non-payment of utilities
- High levels of conflict between the company and users
- Arrears accumulated due to lack of clear policies to regularize their debt to the company

Drivers:

- By selecting an international operator, the Guayaquil government's objective was to harness the benefits of modern expertise and management techniques for its water services
- The second objective was to improve the health and living conditions of local population.

Barriers:

- Lack of institutional relationship with low-income communities and strong opposition groups questioning the legitimacy of the delegation of service in the hands of a private company.
- Constitutional review process questioned the private water management/ Opposition from local citizens groups

What has worked well?

- It has achieved good coverage of services.
- The measures have been welcomed by the population.
- Improved communication with stakeholders.
- Troubleshooting faster due to different mechanisms in place and also thanks to the good availability of users.
- Implementation of new technology that increases the quality and facilitates business processes reducing claims.

The way forward: Continue expanding the service every year up to 100% coverage.

Links: http://www.interagua.com.ec/ambiente_socializacion_obras.html

<http://veolia.com.mx/servicios/municipal/casos-de-estudio/modelos-tradicionales/ecuador-guayaquil>