

# Water must be managed as a social good to avoid Middle East social and economic unrest

Monday, 23 June 2008

## Press Release Content

- **45 million people in region lack safe water.**
- **Lessons learnt - PPP's must be economically sound and have sound regulation.**

Metito, the international desalination, water, and wastewater treatment specialist, urged governments and the private sector to manage water as a social good. Metito warned that global lessons in Public Private Partnerships (PPP's) in regards to water utilities must be considered if the Middle East and North Africa are to improve the water services.

Rami Ghandour, Executive Director of Strategy and Investment, Metito said, "Water touches everybody's life and it is the responsibility of the governments to provide a framework that allows the water provider to perform and thereby improving the service to the communities. In the past, there has been lack of finance on the water infra structure and services have declined. It is our belief that the private sector can work with the governments in improving services so that all communities have access to safe drinking water and sanitation. Water is an issue, which defines our cultures, our traditions and the structure of the societies that we live in.

Despite the vital importance of these services, 45 million people in Middle East North Africa (MENA) region lack safe water and more than 80 million lack safe sanitation. On a global scale, different sustainable approaches to water delivery is required by national governments otherwise the situation will not improve and there be even more people without water".

Mr. Ghandour spoke of the lack of efficient infrastructure is increasing pressure on the region's already stretched demand for fresh water. There is a global trend to promote water utility PPP's however the dynamics of PPP's alone do not guarantee success. International experience in Jakarta, Manila and Buenos Aires are examples where PPP's were poorly structured so there was limited success.

To some extent they were, producing investment into infrastructure, an increase in the number of connections, water quality improvements, customer service improvements and distribution pressures increases, among others. However these three examples failed

because the local communities were not involved, regulation was not independent and tariff increases were not properly implemented.

Mr. Ghandour continued, "By contrast, there have been water utility PPP projects in the region such as Metito's concessions at Dubai Investments Park, United Arab Emirates and Sharm el Sheikh, Egypt, where public and private organisations have partnered together to produce very successful water plants that benefit the social and economic fabric of their communities."

Lessons learnt during this conference for water utility PPP's include:

- Water must be managed as a social good.
- There must be sound economics.
- There must be regulation.