

# WEAKNESSES IN WATER COMMODIFICATION POLICY IN THE ARAB WORLD: IMPACTS ON UNDERSERVED POPULATIONS AND WATER RESOURCES.

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◆ THIS POLICY BRIEF EXPLORES THE DEFICIENCIES RESULTING FROM POOR REGULATION OF WATER VENDORS BY LOOKING INTO ILLUSTRATED POLICY GAPS AND SUGGESTING RECOMMENDATIONS FOR AMELIORATED WATER SERVICES.

## SUMMARY:

The perception of water as an economic commodity has been gaining further focus in the Arab World, with the explosive increase in water sales by about %56 from 2001 to 2011 (UNDP, 2013). This growth in demand, specifically in bottled water and vendors, has been driven by several factors: 1. arid climate and annual summer public water shortages, b) unreliable and insufficient water provision, c) pollution problems, d) a psychosocial belief that bottled water is of better quality, safer, and healthier, and recently e) attacks on water infrastructure (e.g. in Iraq and Syria). Access to safe water is a basic human right recognized by the United Nations (UN, 2001), but without proper policy and regulation, water commodification could infringe on this right by violating equity and deprioritizing the needs of the poor. This policy brief explores the deficiencies resulting from poor regulation of water vendors by looking into illustrated policy gaps and suggesting recommendations for ameliorated water services.

## 1. INTRODUCTION:

In most of the Middle East and North Africa (MENA), water delivery trucks have become increasingly more common, playing a larger role than ever, filling gaps in public water provision throughout the region. This private sector service is operated by private companies or individual owners. The majority of these owners have regular customers, including households, restaurants, shops, and hotels. The water trucks operate at maximum capacity during periods of peak demand, especially during the summer months. Water access via delivery trucks is determined mostly by the availability, quality, and reliability of both the wells and the municipal piped water supply, linked to geographical location, the purchasing power of end users, and the storage capacity at the customer's end.

## 2. BACKGROUND OF IFI ENGAGEMENT IN THE ARAB WORLD

The current status-quo for water commercialisation in the Arab World can be highlighted through the following points:

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ACROSS THE ARAB WORLD, THE AVERAGE WATER PRICE FROM WATER VENDORS, TAKING INTO CONSIDERATION VARIATIONS IN LIVING STANDARDS, IS AROUND USD 1.5\$/M3 (UNDP, 2013)

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THIS IS LARGELY DUE TO A LACK OF REGULATORY REQUIREMENTS OR INCENTIVES TO DO SO, AS WELL AS AN ABSENCE OF LEGAL OR COMMERCIAL PENALTIES FOR POOR SERVICE PROVISION AND QUALITY

1. **Costs associated with water provided by vendors are much higher than those supplied through pipes due to lack of price regulation.** Yemen is a case in point. Privileged Yemenis who have access to the piped system managed by the National Water Resources Authority (NWRA) pay around USD 0.04\$/m<sup>3</sup> of water. In contrast, the poor, who lack such access, are forced to buy water from trucks at a rate ranging between USD 3.05\$ to 14.00/m<sup>3</sup>, some 76 to 350 times more expensive (FAO, 1997b). In Jordan, particularly in the urban areas of the Balqa and Zarqa governorates, water from private vendors is 20 to 46 times higher than that from the piped network (Wildman, 2013). Across the Arab World, the average water price from water vendors, taking into consideration variations in living standards, is around USD 1.5\$/m<sup>3</sup> (UNDP, 2013). The highest rates are in Yemen and Sudan, due to a lack of improved water service provision.
2. **Limited public participation and representation is a significant for improving services.** On the one hand, citizens in the Arab world often have no means by which to voice their complaints and report cases of inefficiency and unaffordability. Information on water from private vendors is not made available to consumers, and where complaints are made with regard to water quality or supply, private vendors fail to carry out improvements in water services. This is largely due to a lack of regulatory requirements or incentives to do so, as well as an absence of legal or commercial penalties for poor service provision and quality.
3. **Insufficient monitoring of water safety standards and a lack of risk management constitute two of the main causes behind the spread of diseases, particularly amongst the poor, who often have limited access to health care.** The number of deaths resulting from diarrhoea alone is been estimated to have been 1,386,576 DALYs\* in 2010 in North Africa, Oman, Iraq, Yemen, and Jordan (UNDP, 2013).
4. **No limits on water extraction.** Vendors withdraw water from deep and shallow wells haphazardly, leading to an overdraw of groundwater resources and aquifer depletion. Moreover, this practice leads to the degradation of water quality and sea water intrusion in coastal areas. Examples include the Chaouia coastal aquifer south of Casablanca in Morocco (Lakfifi et al., 2004) and the Nile Delta in Egypt (Kashef, 1983).

\* According to the WHO (2015), a Disability-Adjusted Life Year (DALY), "can be thought of as one lost year of "healthy" life. The sum of these DALYs across the population, or the burden of disease, can be thought of as a measurement of the gap between current health status and an ideal health situation where the entire population lives to an advanced age, free of disease and disability."

◆ THE SOLUTION WOULD BE TO CLEARLY SEPARATE POLICY FROM IMPLEMENTATION, OPERATION, AND DELIVERY BY CREATING OR APPOINTING AN INDEPENDENT REGULATORY AUTHORITY THAT CAN ALSO SERVE AS AN AGENT FOR PUBLIC DIALOGUE AND

◆ A LAW OR REGULATORY DECREE STIPULATING THE CREATION OF AN INDEPENDENT REGULATORY BODY IS A BIG LEAP FORWARD AS IT ENTAILS HANDING OVER THE CONTROL OF INFORMATION

◆ ACCORDING TO THE WORLD BANK (2013), IN GREATER BEIRUT AND MOUNT LEBANON ALONE, THERE ARE SOME 20,000 ILLEGAL GROUNDWATER WELLS

## POLICY OPTIONS AND RECOMMENDATIONS

### A. Establishing an Independent Water Regulatory Body

An independent regulatory body with clear responsibilities is an essential element for setting prices and holding specific entities accountable for the delivery of efficient and affordable services to the underserved. There is a tendency in most of the developing Arab World for policy makers to be responsible simultaneously for the policy, regulation, and delivery of water services. For example, in Algeria the Water Resources Ministry is responsible for developing water policies, delivering water services, and regulating the sector overall (Source needed). This traditional approach to policy creates conflicts of interest. It also imposes a secondary risk: as most of the officials in the policy sphere have been trained as administrators and not as operational managers, they are inevitably drawn into politics and often deprioritize operational requirements. The solution would be to clearly separate policy from implementation, operation, and delivery by creating or appointing an independent regulatory authority that can also serve as an agent for public dialogue and engagement.

### B. Filling the Gaps in Policy

In order for regulation to be well-grounded, it is necessary, as a first step, to introduce legislation and, when needed, decrees. In countries where laws exist but are not applied, appropriate enforcement mechanisms must be promoted. A law or regulatory decree stipulating the creation of an independent regulatory body is a big leap forward as it entails handing over the control of information. In the United Arab Emirates, the legislative mandate of Law No (2) of 1998 established the creation of an independent regulatory body, the Regulation and Supervision Bureau of Abu Dhabi (RSB), which reports directly to the emirate's Executive Council. RSB's main role is to regulate the emirate's water, wastewater, and electricity sectors (RSB, 2015). Elsewhere in the MENA region, similar bodies are rare, which is a gap that needs to be addressed.

### C. Licensing of Water Vendors

Licensing water trucks would limit the authority to sell water to selected and regulated companies. For this measure to be fully functional, it needs to be properly enforced. In Lebanon, there exists a licensing mechanism controlled by the Ministry of Public Health, but only 38 water companies are actually licensed, which is a small percentage of the total number of companies or individuals selling water (Nash 2015). According to the World Bank (2013), in greater Beirut and Mount Lebanon alone, there are some 20,000 illegal groundwater wells. Water quality testing is sporadic, and Lebanon has yet to update its water quality standards from 1999. Despite the licensing mechanism, the country has been facing an

◆  
THERE IS AN URGENT NEED TO PASS LEGISLATION AND ESTABLISH ENFORCEMENT MECHANISMS THAT CAN REGULATE WATER PUMPED FROM WELLS ON A NATIONAL SCALE THROUGHOUT THE ARAB REGION.

expansion of illegal and uncounted small scale water distributors. Ironically, these water distributors often take bribes from customers to obtain water of a better quality (pumped from deeper wells) and/or better service. One of the many downsides of this approach is that those who cannot pay extra end up with lower quality service and poorer quality water.

In Yemen, licenses are provided by the Water and Sanitation Foundation, within the Water and Environment Ministry (Al-Khameri, 2014). Legally, cases of non-compliance are dealt with by a committee on behalf of the authority. This committee prepares an incident report and submits it to the public prosecutor. Though this is the official procedure, such cases are rarely actually pursued. Thus licensing procedures should be stricter, for example by requiring proof of water quality testing and transparency on sales provided at for licence applications and renewals. Empowering traffic and civil police to check the licenses of water trucks is another possible means improving enforcement mechanisms.

#### **D. Regulating and Controlling Water Extraction**

Beyond the laws governing independent regulators, laws governing groundwater extraction need to be set to preserve aquifers. In Morocco, although such laws have existed since 1995, the institutional framework remains poor. This is noticeable particularly in the Wadi Souss catchment, where the water balance decreased from 233 million m<sup>3</sup> to 228 million m<sup>3</sup> from 1996 to 2003 as a result of irrigation, potable water supply and industrial needs (FAO, 2009a).

In Lebanon, there are a series of piecemeal laws forbidding groundwater extraction from private properties, for example in Beka'a (Law No. 3 in 1963) and between El-Mot and Al-Ghadir rivers (Law No. 86/67). However, as in Morocco, the implementation of these laws has been spotty at best. Law No. 2010 was written to reform the water sector's ineffective management in Lebanon, but it tackled only distributors of filtered drinking water. In Yemen, particularly in the Sana'a basin, serious over-extraction of groundwater occurs at a sharp rate of 2 to 6 m per year, due partly to pumping for water supply (FAO, 2009b). There is thus an urgent need to pass legislation and establish enforcement mechanisms that can regulate water pumped from wells on a national scale throughout the Arab region.

#### **E. Civil Society Intervention**

The ineffective regulatory climate in the MENA region partially reflects a failure on behalf of the state to deliver its citizens rights with regard to water access and security. It also implies that the top-down approach cannot constitute the sole element of a robust and practical solution for the region. Policy intervention that follows a bottom-up scheme, focusing on local communities as nuclei

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A KEY STEP TOWARDS THAT GOAL IS EFFECTIVE PUBLIC PARTICIPATION, WHICH COULD ENSURE THE PROPER ENGAGEMENT OF LOCAL COMMUNITIES AND RESPECTED NGOS

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IN ADDITION, PROVIDING BOTH A STIMULUS FOR GOVERNMENTAL ACTION AND A PARTICIPATORY PLATFORM FOR THE UNDERPRIVILEGED, NGOS SHOULD BE DIRECTED TOWARDS RAISING AWARENESS OF WATER QUALITY, OFFERING GUIDANCE AND EXPERTISE, AND MONITORING THE COMPLIANCE OF PRIVATE VENDORS WITH REGARD TO PRICES AND WATER QUALITY.

of development will be essential to complement the top-down approach and to devise a holistic and sustainable solution. Akhtar Hameed Khan, a distinguished Pakistani development practitioner, attributes the failure of governmental programmes in his country to the insufficient socio-cultural and economic understanding that governmental officials exhibit towards low-income communities, particularly those in informal settlements.

In the MENA region there is an urgent need to bridge this gap and promote understanding via NGOs, which could serve as liaisons between the community and the government. A key step towards that goal is effective public participation, which could ensure the proper engagement of local communities and respected NGOs. In most of the Arab World, policy in general, let alone water policy, has yet to acknowledge the full ability of civil society to be part of the political debate and to fit the purpose of advocacy. As reported by ESCWA (2009), "Social and political discourse remain heavily dominated by a 'two-sector' model that acknowledges the existence of only two social spheres outside of the family unit -- the market and the state, or business and government." The Arab uprisings, mainly in Egypt, Yemen, and Libya, have highlighted the absence of civil society in governance structures in the MENA region, which became evident following the fall of ruling regimes (ESCWA, 2014).

Despite subsequent changes in the region's political climate, and though civil society has expanded and gained in terrain and voice, the engagement of the poor remains, to an important extent, constrained and superficial. In order to gain political focus, local NGOs need to seek new and creative opportunities to build channels of communication.

The town of Teshie, in the greater Accra region of Ghana, is an example that could be replicated or built upon in many rural parts of the MENA region. In Tehsie, people faced intermittent water provision and were heavily reliant on water tankers. A local community group that had not received a regular tap water supply for 20 years formed an association, under the name of the Teshie Concerned Citizens Association. After unsuccessfully appealing to the ministry responsible for water provision to restore a regular supply, members of the association protested "The Failure of Ghana Water Company Ltd. to restore and maintain a regular supply of water to Teshie." The Company responded by attributing the problem to illegal connections. As a result, the Greater Accra Regional Minister set up a committee, including a member from the Association, to investigate the problem. The Committee reported and suggested the completion of a local storage tank to enable the storage of a greater amount of water when pressure is sufficiently high for the supply of the Teshie area (Rouse, 2008).

In addition providing both a stimulus for governmental action and a participatory platform for the underprivileged, NGOs should be directed towards raising awareness of water quality, offering guidance and expertise, and monitoring the compliance of

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THE GOVERNMENT'S ROLE WOULD BE TO PROVIDE THE LEGAL FRAMEWORK AND THE RIGHT ADVOCACY FRAMEWORK FOR SUCH PRACTICES, PROVIDING NGOS WITH FULL AUTONOMY.

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THE CURRENT STATUS OF WATER COMMODIFICATION VIA TRUCKS HIGHLIGHTS THE FAILURE OF MOST OF THE MENA GOVERNMENTS IN FULFILLING THE RIGHT OF THE UNSERVED TO WATER AND PROTECTING WATER RESOURCES

private vendors with regard to prices and water quality. Effective monitoring requires appropriate funds. Over the years, most Arab countries have received external funds from international development agencies. Although this approach can provide solutions, there is a risk that the money will be mismanaged, which opens the doors for self-financing by municipalities for monitoring work, when applicable.

One good decentralised practice could be for municipalities and NGOs (which should also include members of the local community) to organise themselves, strengthen their capacities, and creatively push for acting as independent regulators of water trucks.

Their focus would be on giving a voice to the people, thereby creating a transparent platform for voicing concerns, and offering understanding of poor practices employed by water tankers. They would be responsible for setting fixed prices of water services, providing and renewing licenses to water vendors, and using licensing fees to monitor water and pay for expenses. Members of the local communities should meet regularly, discuss problems, and come up with recommendations. Effective management is thus essential, requiring excellent leadership, patience, and financial transparency.

The Government's role would be to provide the legal framework and the right advocacy framework for such practices, providing NGOs with full autonomy. In urban and peri-urban contexts, a number of challenges arise. In such settings, establishing coherent community groups can be difficult. Moreover, the unavailability of water resources imposes a greater reliance on outside vendors. One alternative is to work with small street entities, though this is a long-term process requiring much time and effort. Therefore, focus should be directed towards liaison with key governmental entities (e.g. mayors and their administrative associates) who could facilitate community work and push it forward.

## CONCLUSION

The current status of water commodification via trucks highlights the failure of most of the MENA governments in fulfilling the right of the unserved to water and protecting water resources. This failure itself provides an opportunity for local communities, civil society, and NGOs to be the main drivers of water policy and regulation, and to change the status-quo, so as to develop and obtain a sustainable and equitable water governance structure. A number of challenges arise due to a loss of community cohesion in cities, a need for expertise, and a lack of funding. However, with sound regulation and proper initiative, these challenges can and should be overcome for the Arab World to gain what it has to offer from its existent and remaining untapped resources, both water and human.

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