

WATER & WASTE **BRAZIL**

Regulation top priority in Brazil's waterworks PPPs, says water economist

By Daniel Bland - Thursday, July 18, 2013



To keep Brazil's water resources sustainable, proper regulation by local government authorities is the most important part of public-private partnerships (PPP) in the waterworks sector, water economist David Zetland told BNamericas.

Brazil's sanitation law 11.445 has been providing a regulatory framework that offers security to the sector but, yes, some regulatory improvements are still needed, affirmed president of Brazil's state sanitation companies association Aesbe, José Carlos Barbosa.

As for the goal of regulators, "They should focus on satisfying water consumers [as opposed to concession holders], making sure to treat commercial and residential clients equally. Any bias, and of course corruption and other games, should be eliminated," Zetland said in an interview.

At the same time, concessions should be made in which the contracted water provider is remunerated by revenue from water usage fees as opposed to tax revenues. This will help guarantee high quality service and satisfied consumers, which will bring financial returns to concession holders.

David Zetland is currently a senior water economist at Wageningen University in Amsterdam who holds a PhD in Agricultural and Resource Economics from California's UC Davis. He is also the author of "The End of Abundance", a book covering economic solutions to water scarcity.

Read the full interview with him in this week's Water & Waste Perspectives, for subscribers only.

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