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Are poor households connecting? Private water enterprises in rural Viet Nam



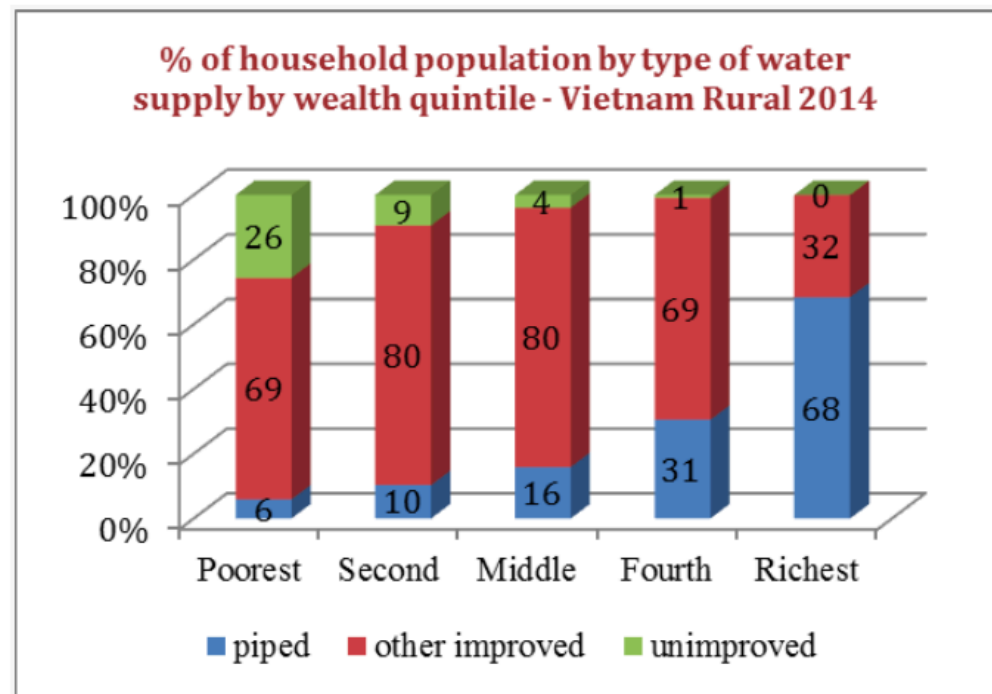
Pathways to universal and sustained water, sanitation and hygiene

Key messages

1. Poor households were less likely than non-poor households to access piped water services, with connection fees the main barrier (across service provider types)
2. Private enterprises typically charged higher connection fees and tariffs... but they also offered more flexibility
3. Private enterprises CAN reach the poor, but strong public regulation is needed to ensure quality and poor-inclusive services

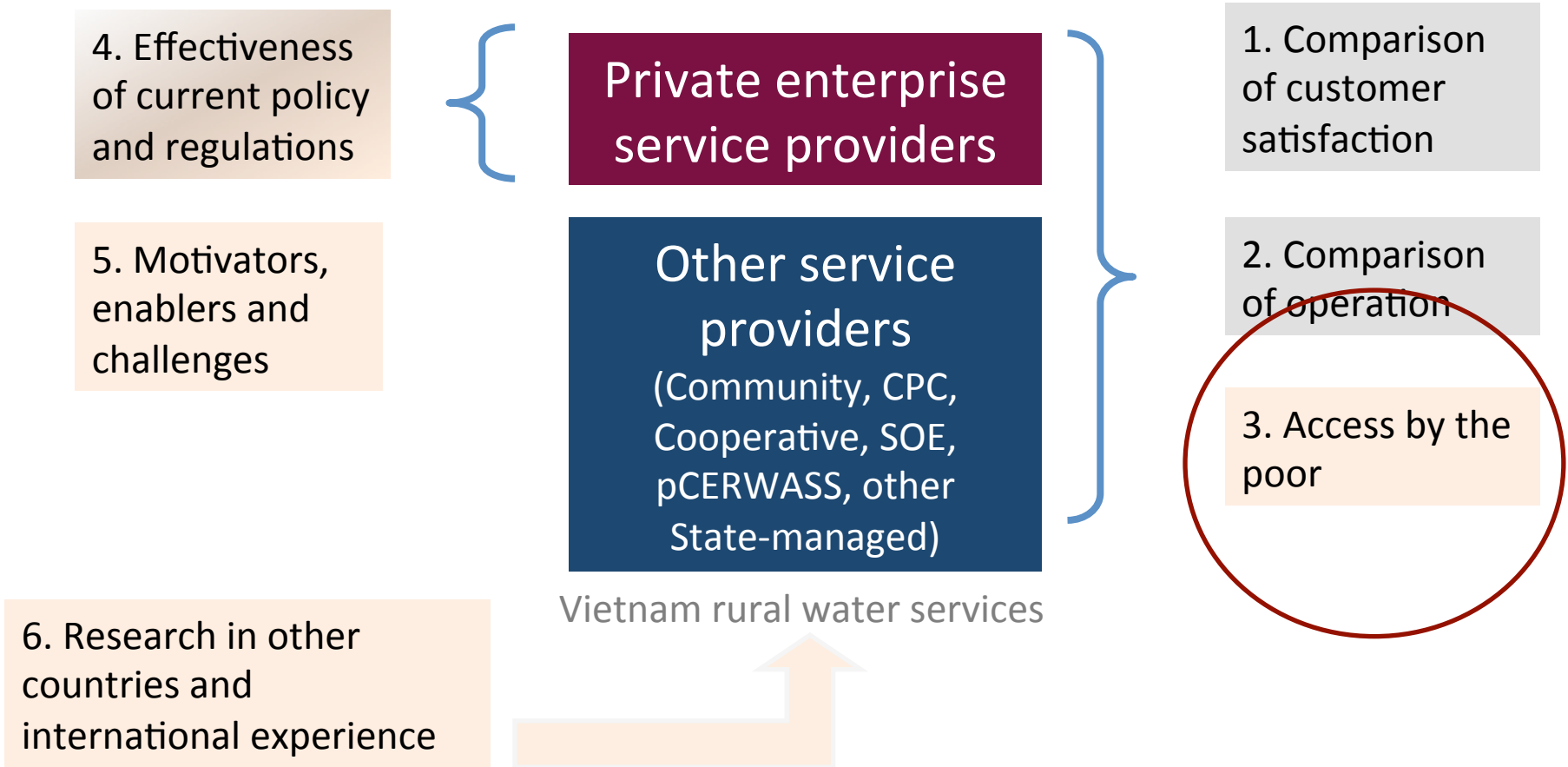
Why this research?

- Increasing role of private sector in rural water supply in Viet Nam
- Limitations in state budget to invest in rural water supply
- Access to water for the poor is more difficult than the non-poor



Source: 2014 Vietnam Multiple Indicator Cluster Survey

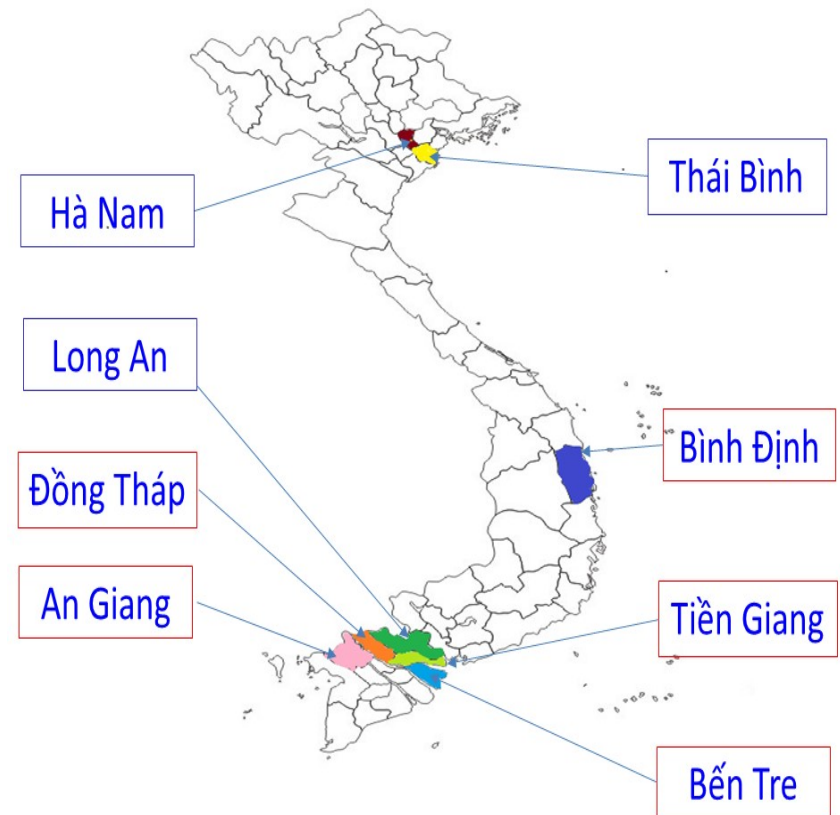
The study



Research locations and methodology

Research participants across all studies:

- 78 private enterprises
- 47 other service providers
- 2016 households
- 61 commune leaders

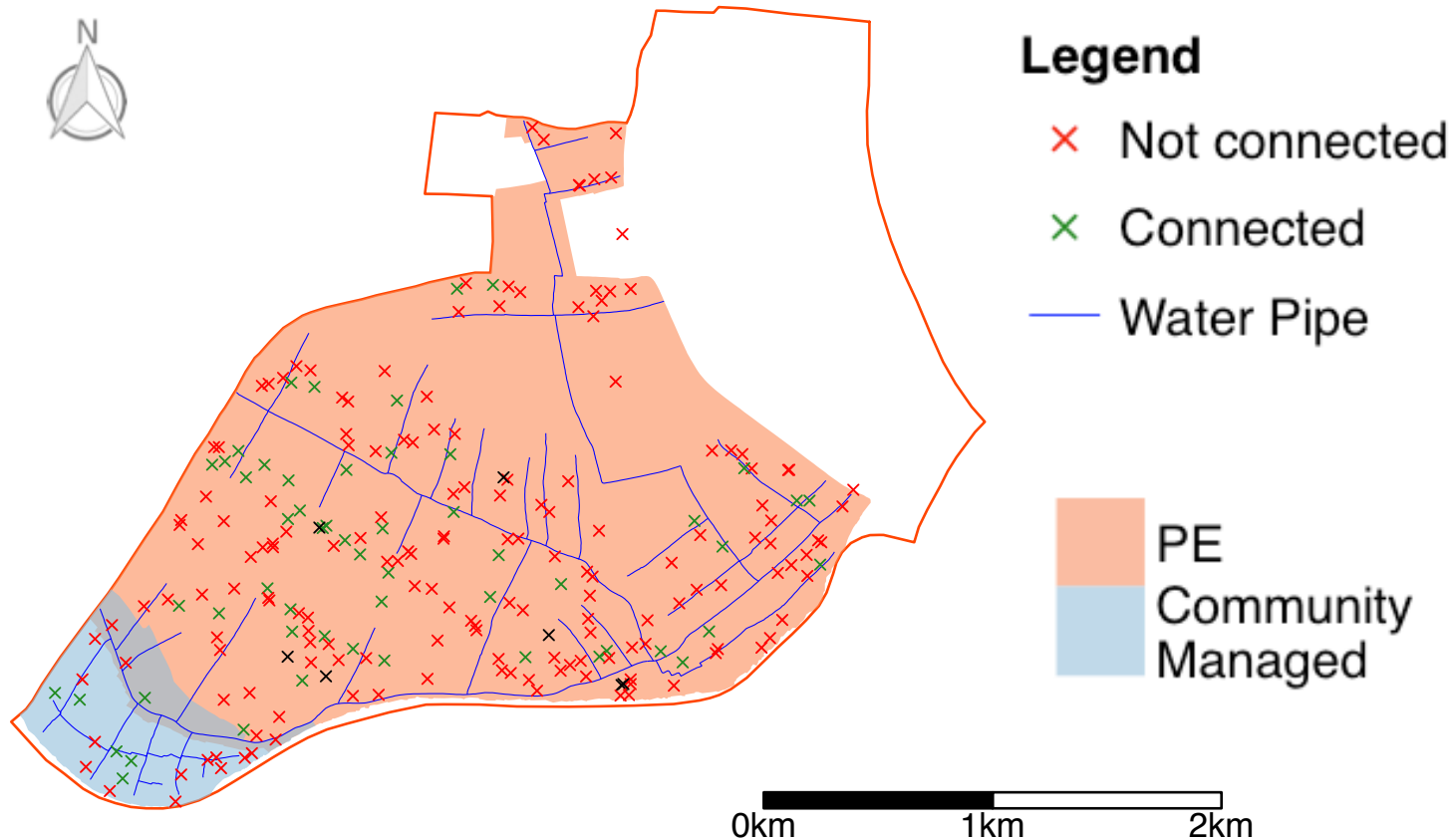


Finding 1: Mapping of poor households and service areas showed the poor faced challenges

- Poor households were statistically **less likely** to be located in a water service area (*in the two relevant case studies*)
- Poor households were statistically **less likely** to be connected within service areas (*in four of six case studies*)

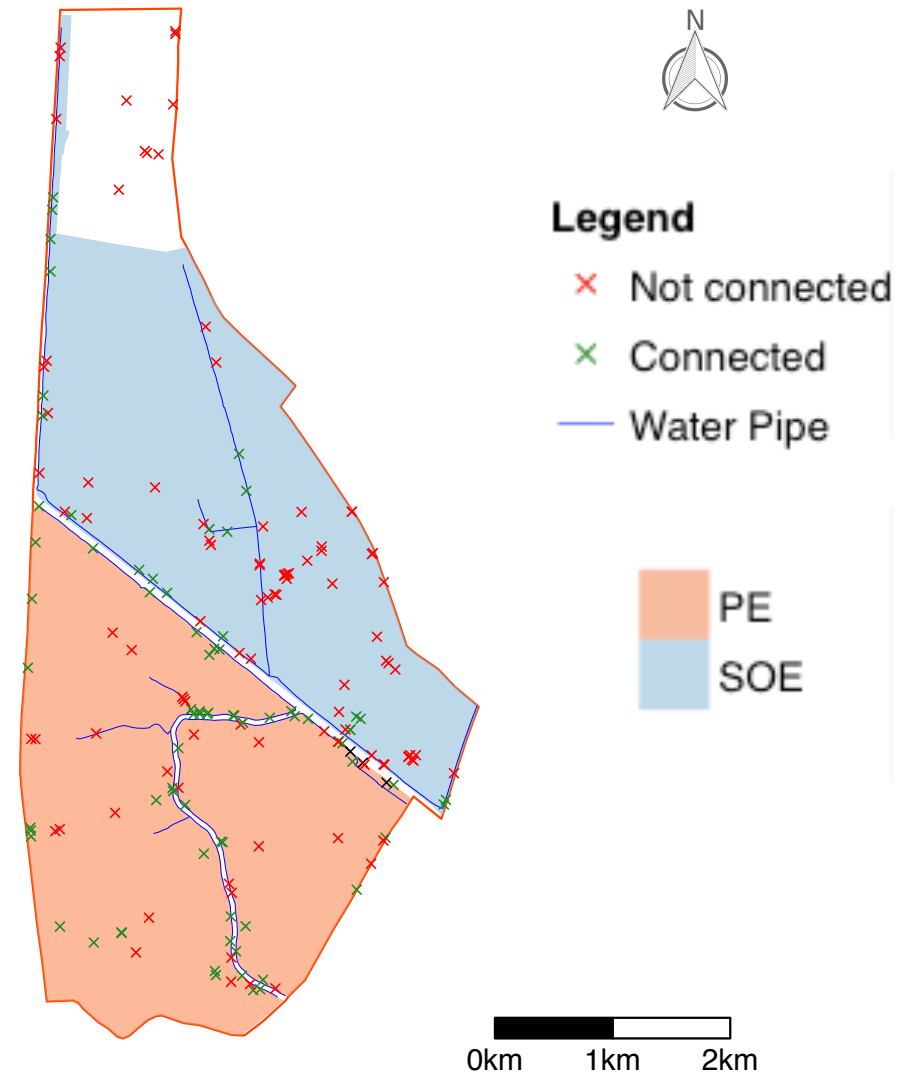


Example: Non-poor ~6.5 times more likely to be connected than poor (Hoa Hau commune, PE area)



But a pro-poor approach can lead to better access for the poor

Thien Trung commune
Private enterprise
service area: **poor**
households were
~5.26 times more
likely to be connected

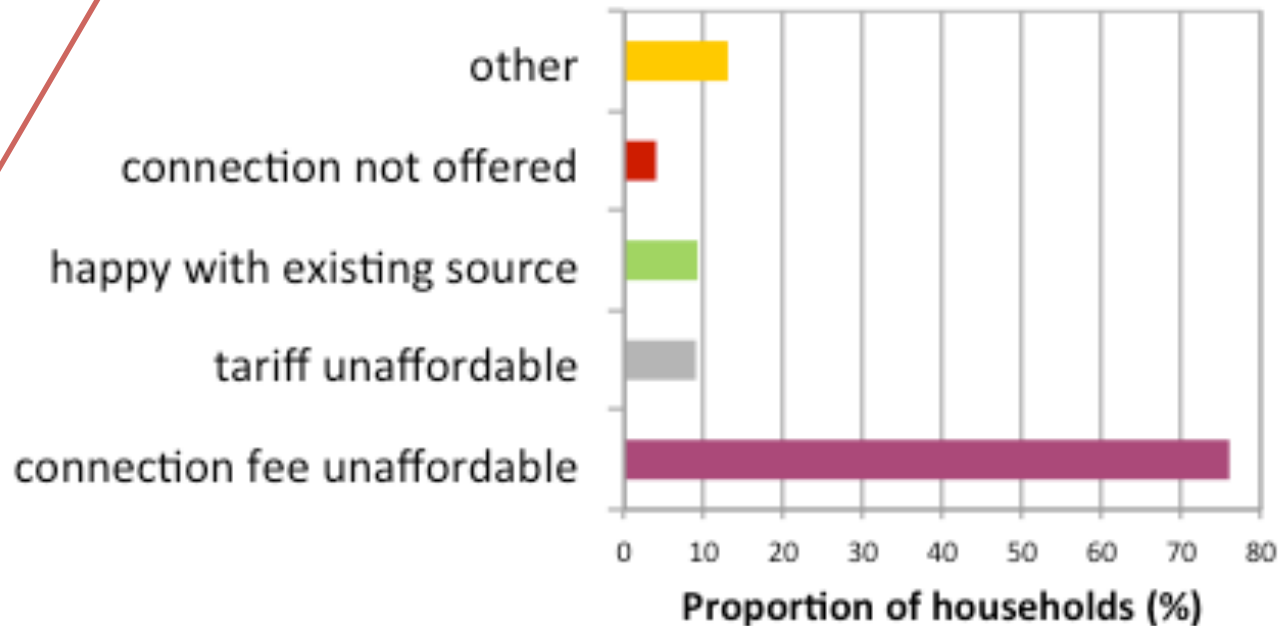


Connection fees were the main barrier

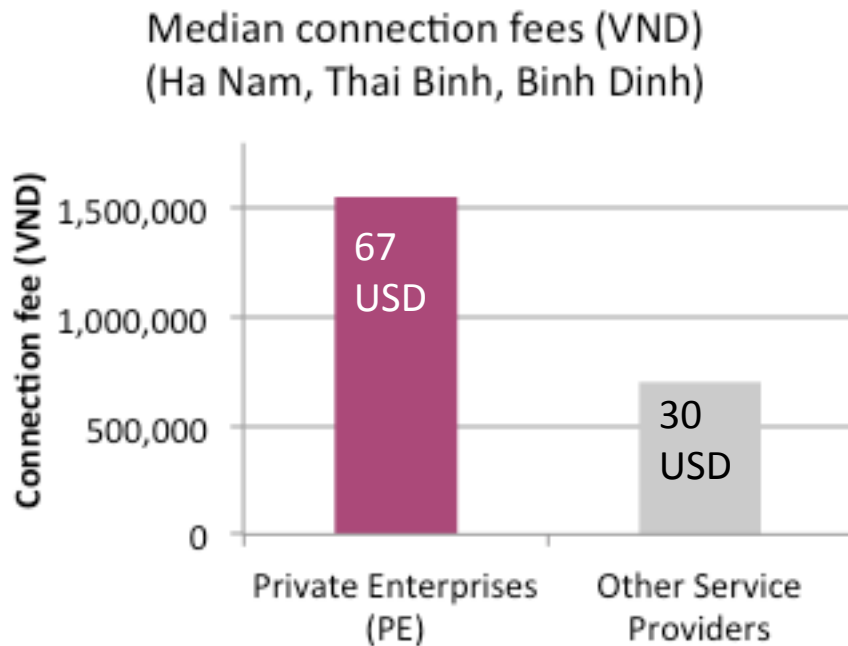
"I don't want to connect to the piped water service because we are too poor..."

Householder
from Song Binh
Commune, Tien
Giang Province

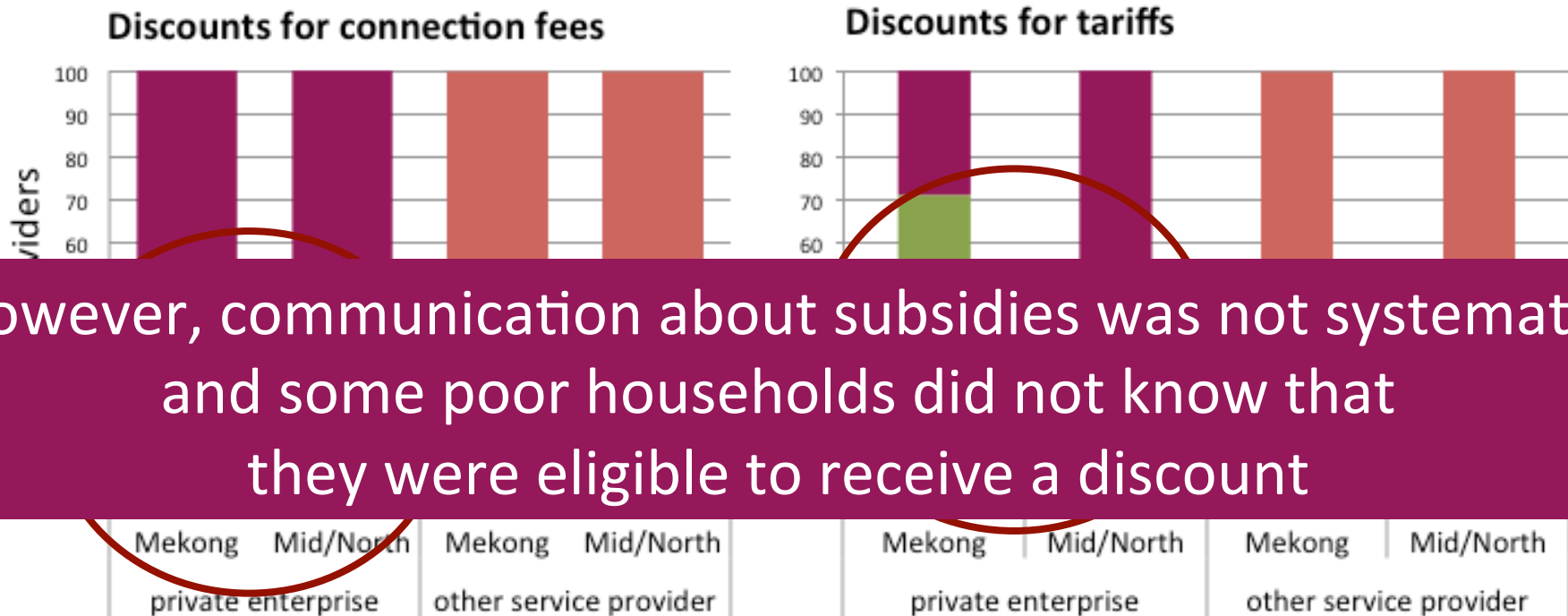
Reasons for no piped water connection for poor non-connected households (n = 452)



Finding 2: Private enterprises generally charged higher fees...



...but offered discounts more often



Finding 3: Private enterprises can reach the poor, but stronger government regulation is needed



74% of responses
(n=128)

Customer demand
Distance, density, profitability
Landscape/geography

5% of responses
(n= 128)

Serving the poor

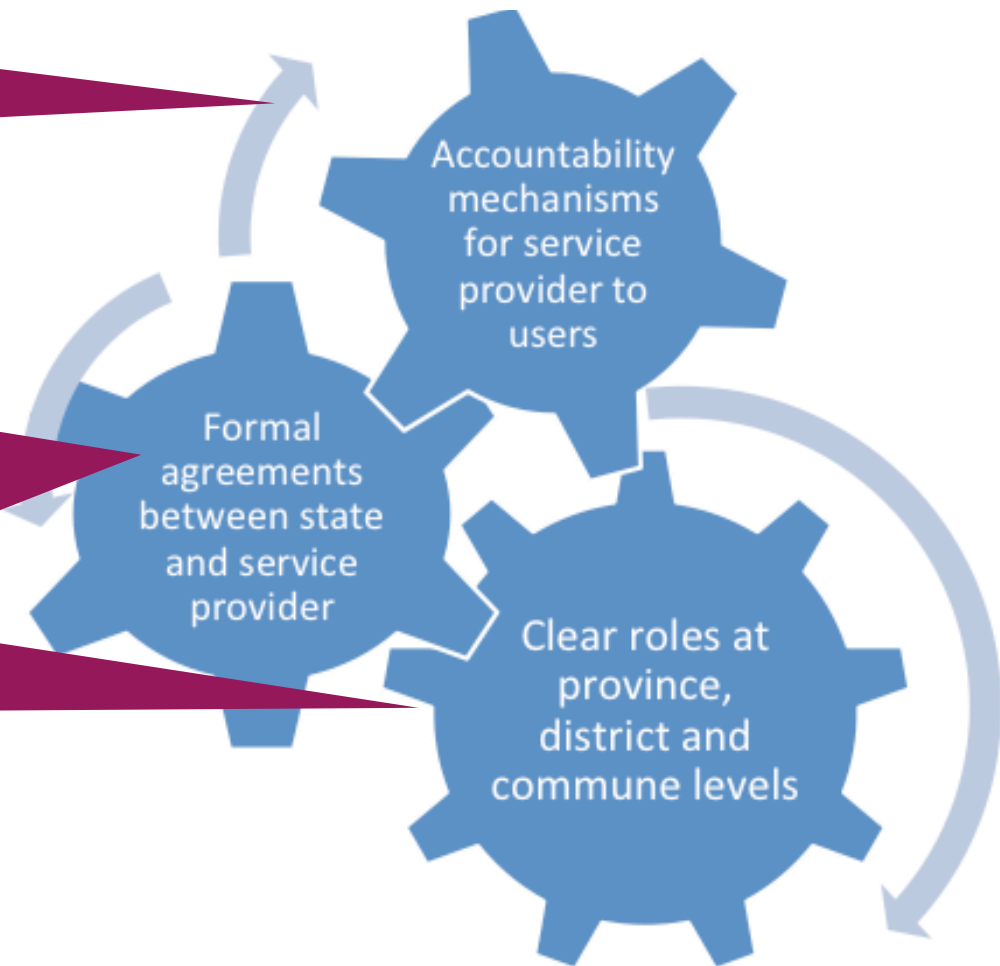
What are important factors for deciding location of infrastructure?

Finding 3: Need for stronger government regulation

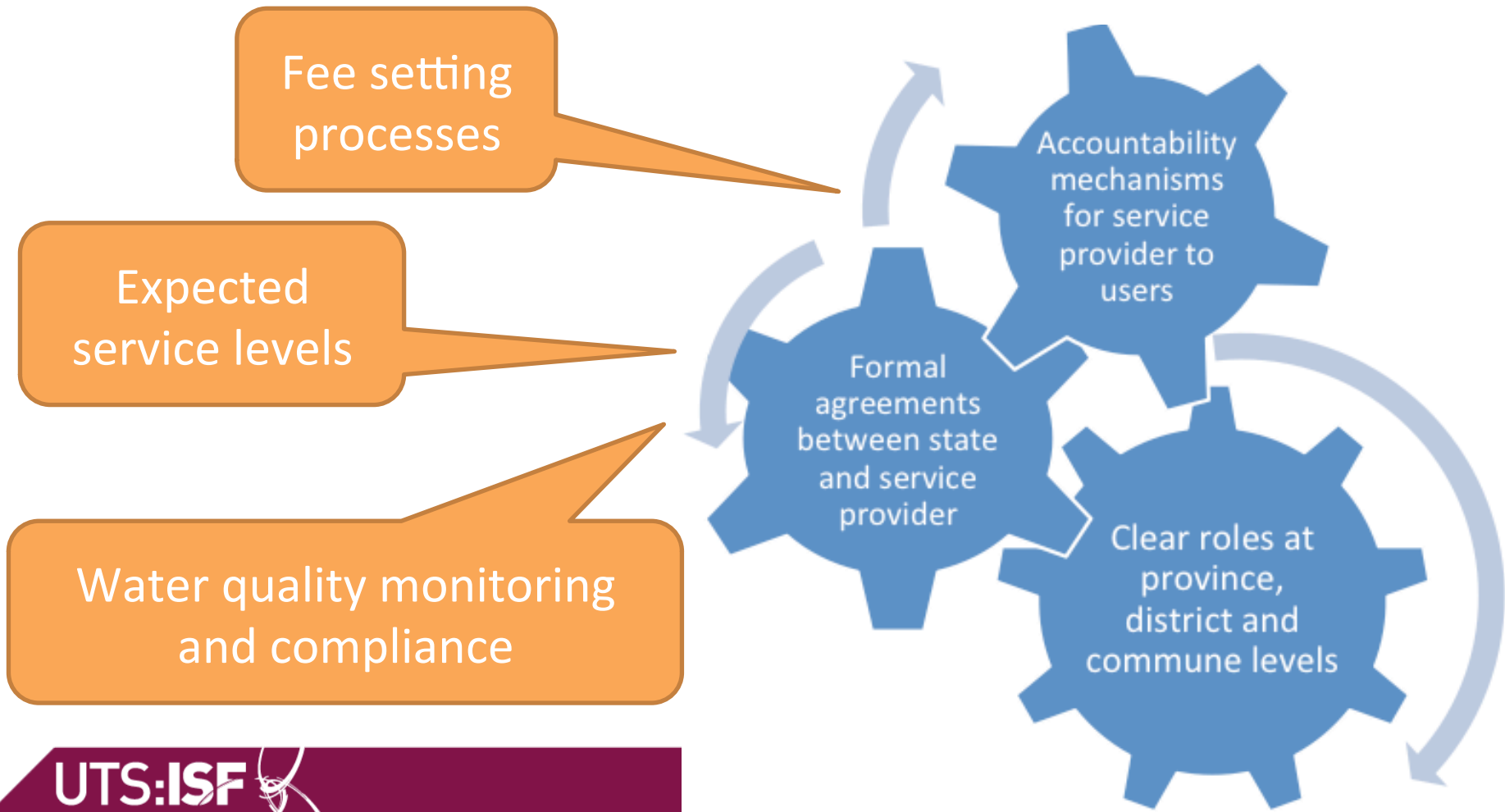
Only two of eight provinces had a formal of complaints mechanism

Currently there are only investment certificates rather than formal legal agreements including service performance standards

Currently there are often unclear or overlapping roles in terms of planning and monitoring



Key areas for further development



Key messages

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2. Private enterprises typically charged higher connection fees and tariffs... but they also offered more flexibility
3. Private enterprises *can* reach the poor, but strong public regulation is needed to ensure quality and poor-inclusive services

Thank you

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