

# Ministry of Housing and Cities



### Overview

The Ministry of Housing and Cities (MHC) was established in 2011. It is in charge of formulating, coordinating, and executing public policies, plans and projects for the planning of territorial and urban development, promoting efficient and sustainable land use, providing conditions for access and financing of housing, and ensuring promoting efficient and sustainable land use adequate provision of water and sanitation (W&S) services in Colombia.

MHC's functions are developed by two Vice-Ministries: Housing and Water and Sanitation. In turn, the Vice-Ministry of Water and Sanitation has two directorates, which provide their technical expertise: i) Policy and Regulation, and ii) Infrastructure and Utility Development. This institutional structure has allowed the MHC to design and implement a comprehensive W&S policy.

Over the last decade, the MHC has made important contributions to water security in Colombia. This has been done by progressively increasing the number of households with access to quality water and sanitation services, improving the capabilities of service providers and local governments, designing, and implementing strategies to cope with climate change effects on water and sanitation and increasing wastewater treatment, among others. In all these initiatives, the MHC seeks to increase investment in the W&S sector and to take advantage of new technologies. Thanks to these contributions, Colombia is on the path to achieve the Sustainable Development Goal 6 (SDG 6) in 2030.

## Water and Sanitation Policy

Under the leadership of the MHC, Colombia's W&S sector has established a policy agenda, whose main objective in the medium-term is to achieve SDG 6. This requires extending water and sanitation services to all of the population, improving standards of services, and ensuring their sustainability. To accomplish this, the MHC's water and sanitation policy has designed several strategies aimed to:

- 1 Close gaps in access to W&S.
- 2 Improve the efficiency of service providers.
- Ensure the environmental sustainability of water and sanitation services.





## Closing Gaps in Access to W&S

Our W&S institutional framework has allowed Colombia to make an important progress on the provision of services. Nonetheless, this progress has not reached many rural areas and informal urban neighborhoods, which are home to many of the most vulnerable people in the country. To address this situation, the MHC led an agenda of legal and regulatory changes to allow the extension of W&S services to reach these particular areas, called "differential schemes". These schemes are the backbone of the initiatives designed and implemented by the MHC to close gaps in access to W&S, as it is presented below.

Closing Gaps in Access to W&S





#### Guajira Azul (Blue Guajira)

Guajira Azul is MHC'S most ambitious initiative for social transformation through its improvement of access to W&S in Colombia. It is focused on La Guajira, the northernmost department of the country and one of the most lagging in terms of access to W&S in the country; it also has some of the highest levels of poverty and an institutional lack of capabilities. Guajira Azul recognizes La Guajira as a strategic territory for the country's development, and it is committed to reduce poverty, improve the quality of life and boost productivity in the department. This strategy seeks to ensure continuity, coverage, and quality in water services with a model of social, environmental, financial, and technical sustainability. Projects undertook by Guajira Azul are agreed upon with the communities, most of them from the Wayuu indigenous community.





### Agua al Barrio (Water to the Neighborhood)

Agua al Barrio seeks to provide drinking water and basic sanitation solutions to populations located in informal urban settlements, that do not have an adequate provision of W&S services. This initiative is executed through the implementation of differential schemes, that recognize the difficulties of providing services in these neighborhoods under the traditional regulation and focuses on adapting them to the particular needs of each neighborhood. Agua al Barrio is the path to universalization in W&S for the many people who lack access to them in Colombian cities. In this way, progress is being made towards achieving the SDG 6.







### Agua al Campo (Water to the Countryside)

This initiative seeks to take advantage of differential schemes to close the gaps in coverage and quality of W&S services in rural areas. It has a special emphasis on communities located in municipalities prioritized by the peace agreements signed by the Colombian government and former guerrilla group FARC.

Agua al Campo provides technical assistance to formulate studies and designs for the construction of W&S infrastructure that is suited to the needs and characteristics of rural households. This infrastructure gives room for alternative solutions that are feasible and cost-efficient for many rural households, unlike the traditional provision of drinking water, typical of urban settings. Agua al Campo also provides technical assistance to strengthen capabilities of rural providers and ensure their sustainability. Rural providers tend to be community associations, very different to traditional utility companies. Finally, another important component of this initiative is the collection and processing of information, in order to identify the state of W&S provision in rural areas and the needs of the communities.



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### Improve the efficiency of service providers

Most of the progress achieved by Colombia's W&S sector in the last decades is the result of the consolidation of capable and efficient utility companies, as well as a regulation that promotes high standards of services and controls their market power. Nonetheless, these capabilities are concentrated in the biggest utility companies, with many small and medium size W&S providers experiencing efficiency problems. However, even the biggest companies have room for improvement, when compared to international standards. Thus, improving the efficiency and management of these companies is crucial for the sector's development and the achievement of SDG 6, including an increase of their capabilities to engage in research, development, and innovation activities. Because of this, the MHC has designed an implemented programs to help W&S providers to improve their performance.



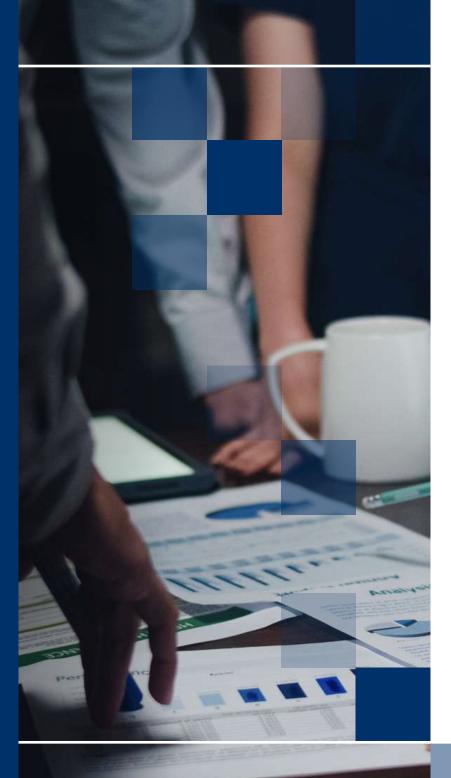




## Corporate Governance for W&S Utility Companies

Colombia's W&S sector has a decentralized nature, meaning that municipalities are responsible for the adequate provision of services within their jurisdictions. Typically, municipalities entrust the provision of W&S services to utility companies, many of which are property of the municipalities. This institutional arrangement allows for excessive interference by municipalities on the management of utility companies, and ultimately affect W&S services provision. To ensure an adequate exercise of the municipalities' rights, as owners of utility companies, the MHC has issued norms to incorporate corporate governance principles in their management. These norms require municipalities, as owners of the companies but also as local authorities in a myriad of topics, to set measurable goals for utility companies and periodically evaluate them, in areas like the financial sustainability of companies, environmental, planning and W&S norms, proper revelation and treatment of conflicts of interest, among others.





## Technical assistance to W&S providers

Given the big disparity in terms of performance and capabilities of W&S providers in Colombia, ranging from big utility companies to small providers, the MHC has established a technical assistance program to assist them in providing better services. Assistance is provided to selected providers on technical, financial, environmental, and social aspects. This initiative has proved so critical to the sector, that the MHC is currently in the process of increasing the scope of this technical assistance, with the help of international cooperation donors.





## Ensure the environmental sustainability of water and sanitation services

The provision of W&S services not only depends crucially on the conservation of water resources, but it also directly impacts the environment, especially through by-products like wastewater and solid waste. The MHC has designed programs to mitigate these specific effects on the environment and ensure a long-term conservation of water resources. Colombia's W&S sector, also takes part in the government's agenda to comply with the Paris Agreement, since it shares part of the country's national determined contribution and has designed actions for decreasing the emission of greenhouse gases made by wastewater treatment plants and solid waste landfills.





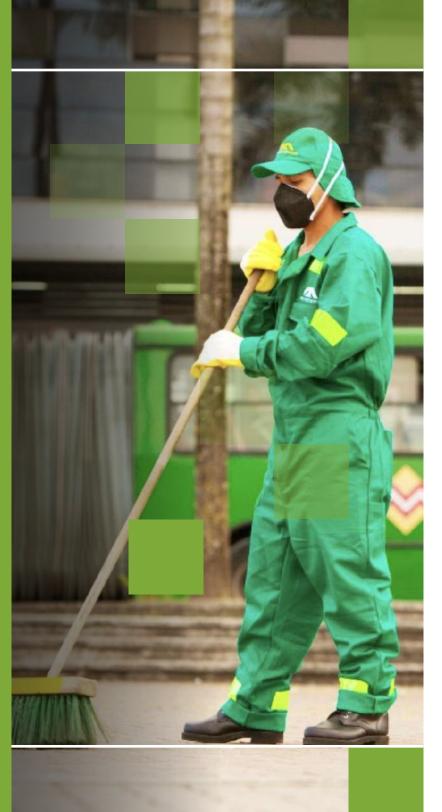


### Wastewater Treatment Program (CAVIED corresponding Coording)

(SAVER, acronym in Spanish)

This program aims to help municipalities design, finance, and construct wastewater treatment systems, in order to improve water quality on the receiving end, and thus reducing the negative impacts on the health of the communities located downstream. SAVER focuses on the municipalities that discharge wastewater on the 10 most critical river basins in the country: Bogotá, Chicamocha, Medellín, Cauca, Suárez - Fonce, Pasto, Chinchiná, Otún, Quindío - La Vieja and Río de Oro. This program is key in achieving the MHC's medium-term goal regarding wastewater treatment. By 2030, Colombia will treat 68.6 % of urban wastewater in a safe way.







## Circular Economy Solid Waste Reuse

This initiative integrates the W&S sector with the National Policy for the Integrated Management of Solid Waste, by promoting compliance with the circular economy principles. It includes processes and procedures established to control environmental and health impacts, associated with the solid waste collection, such as: transportation, recovery, treatment, and final disposal. An important aspect of this program is the creation of economic incentives for the collection, classification, and reuse of solid waste. Many urban communitites have implemented this initiative in Colombian cities and have even made them their main economic activity. These incentives are funded by a share of the payments that urban households make to solid waste collection services, which then allow these communities to continue these important tasks and provide economic opportunities to the poorest inhabitants of Colombia's cities.