Public Water for All

the Role of Public-Public Partnerships

A 'Reclaiming Public Water' discussion paper

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For background documents, see also http://www.waterjustice.org/ and http://www.tni.org/

Feedback

We warmly welcome your feedback and comments on the issues raised in this discussion paper. For information about joining the 'Friends of Public Public Partnerships' working group or questions about other activities of the 'Reclaiming Public Water' network, please write to
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Introduction

For the past decade or more the international water debate has been obsessed with the question of how to expand the role of the private sector in order to improve water delivery worldwide? During the previous World Water Forum (Kyoto, March 2003) public sector managers, who would bring a different approach, were virtually absent from discussion panels.[1] Hosts of the Kyoto conference, which include the private think tank the World Water Council, created a forum which promoted the belief that improved water delivery is only possible with private sector involvement. A belief supported with practice. For the past fifteen years, ample incentives for private sector expansion have been promoted by international financial institutions, Northern governments and other donors. Such policies neglected other options for improving public water delivery. These policies have been serious distraction from real solutions to the global water crisis.

Since Kyoto, this ideological monoculture has started to crack. Major reasons, being the high claims made of privatisation and other forms of "private sector participation" have been grossly exaggerated. Expectations about the extra cash that the private sector would bring and improved efficiency gains associated with its operations have been impossible to meet. Despite rhetoric and promises, almost all finance for water delivery continues to come from public sources. Furthermore, studies carried out by the London based Public Services International Research Unit (PSIRU) on water operators on all continents show "there is no systematic intrinsic advantage to private sector operation in terms of efficiency".[2] Over the last year, Suez and other water multinationals have been forced to withdraw from concessions in cities in Bolivia, Argentina, Tanzania and elsewhere after failing to deliver promised improvements.

Against this background is a growing awareness that public water operators, responsible for over 90% of water supply worldwide, deserve attention and support. Building on these public utilities by improving their performance through political, technical and financial support as well as management reforms is crucial to achieving the necessary expansion in water connections. Improvement and expansion of public water delivery should be considered key to delivering the Millennium Development Goals (MDGs).

The good news is that improving public water delivery is possible. As documented for instance in the book "Reclaiming Public Water - Achievements, struggles and visions from around the world" (2005) wide ranging approaches to the reform of urban public water systems are being pursued in Southern countries.[3] This paper presents a number of other examples. Often facing enormous difficulties, these innovative reforms have substantially improved public services in numerous cities. In many cases, the reforms are rooted in citizens' engagement and other forms of democratisation. Particularly in Latin America new public sector models are under development in cities where large parts of the population lack access to clean water and adequate sanitation. The aim is to overcome bureaucracy and other common causes of public service failure and secure affordable clean water for all with public water companies that are genuinely public, in terms of participation and not just ownership.

In many cases, new forms of local co-operation or partnerships have developed between the public water operators, communities, trade unions and other key groups.[4] In addition to this, public water partnerships between utilities are attracting more attention. This has involved matching up well-performing public utilities with those that are performing less well to share expertise on a not-for-profit basis in order to improve the standard of the lesser performing utility. Both of these approaches are often described as Public-Public Partnerships (PUPs).

In its 2005 report, "Public- public partnerships in health and essential services",[5] the Public Services International Research Unit (PSIRU) concludes that PUPs can include a wide range of different types of actors. A defining feature is that these are partnerships in which there is no for-profit private sector involvement. PSIRU identifies the following key types of PUPs:

- partnerships between two public authorities;
- partnerships between public authorities and communities (and/or NGOs as well as with trade unions);
- development partnerships (with an international dimension);
- international associations.

Public-Public Partnerships are slowly attracting high-level political support. One important step forward was the UN Commission on Sustainable Development who at its 2005 summit (CSD-13) embraced public-public partnerships as part of the list of measures to be implemented.[6] At previous CSD events, only public-private partnerships (which involve a private water firm) had been recommended. The challenge is now to translate the endorsement of PUPs into real political and finan-

cial commitment, for example from donor governments in Europe and North America. To this end, the UN Advisory Board on Water and Sanitation, established by Secretary-General Kofi Annan in March 2004, has a working group on Public-Public Partnerships who are discussing practical measures to enable public-public partnerships to develop as a means of accelerating progress towards the Millennium Development Goals.

A visible sign of the growing support for the idea of public-public partnerships is the session organised on this subject by the United Nations Department for Economic and Social Affairs (UNDESA) at the World Water Forum (Mexico City, March 2006). This is a significant shift from previous Forum's where at the Hague (2000) and Kyoto (2003) public water received virtually no mention.

This paper focuses on the potential of two types of non-profit partnerships: first between public authorities and communities and other local actors, and the second between two public authorities. Through examples and analysis of cases, it aims to shed light on the possibilities that such reforms could bring. It hopes to spark debate about successes and failures and include some recommendations for the kind of political actions that are needed to support improved public water supply around the world.

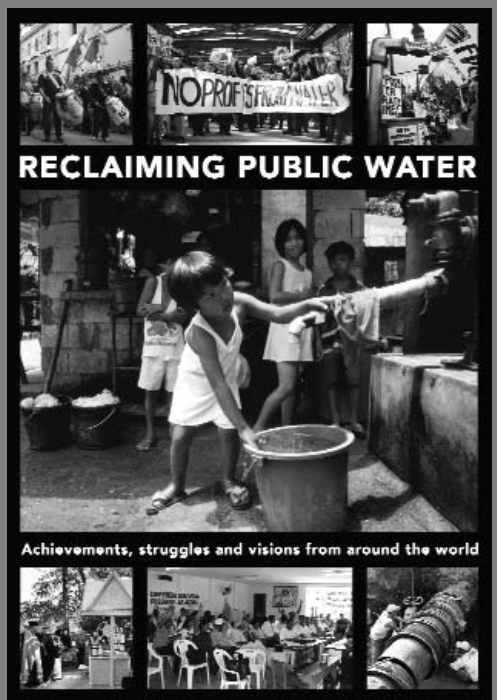
Part 1:

Improving water service delivery through local-public partnerships

The last decade's obsession with increasing the role of the private sector in water delivery has resulted in little attention being paid to new approaches which are improving public water services in Southern countries. While the role of effective regulatory bodies has been key to successful public water management in many Northern countries, an important trend in parts of the South is the use of democratic water management practices.

As is all too often the case, the problem is not a lack of new ideas and success stories. The problem is that policy makers, nationally and internationally, are either unaware of such cases, or ignore them because of their own ideological commitment to other approaches. Aiming to shatter this silence and the illusion that there is no alternative to the private sector in water delivery, the book "Reclaiming Public Water" published in 2005, presents a wide range of examples of how diverse forms of enhanced citizen involvement and democratic control has sparked major improvements in the effectiveness, responsiveness and social achievements of water utilities in cities in the South.

"Reclaiming Public Water - Achievements, struggles and visions from around the world" was written by public utility managers, trade unionists, community activists, academics and NGO campaigners from 20 countries from around the world.[7] It was published in January 2005 in English and has since been translated into Indonesian, Spanish and Italian, with Finnish, Japanese and several Indian language versions pending. The book presents wide ranging examples of new progressive models of public delivery and how they have resulted in major improvements in access to clean water and sanitation.



The Brazilian city of Porto Alegre is probably the most well known example of successful public water delivery based on democratisation. It combined participatory budgeting with strong civil society participation in management of the water utility (a model often described as 'social control'). Inspired by the achievements in Porto Alegre, a growing number of other Brazilian cities have embarked on transforming public water services through democratic reforms.[8] This goes further than dialogue with water users. It involves transparency of the utility's operation, democratic control over key financial decisions and citizen's participation in priority-setting during planning phases. The aim is to avoid the flaws of past models of public water management and secure genuine *publicness* in public service delivery ('publicness' defined as commitment to the public interest and accountability to the public). Beyond Brazil, this trend promoting democratisation of water supply is spreading rapidly across Latin American and other parts of the world. Similar democratic reforms have been initiated elsewhere in the world, independent of the Latin American experience. As the privatisation tide is turning, this reinvention of public services through effective citizens' participation and democratic control is extremely important.

Many of these models can be described as new forms of partnerships between the public water operators, communities, trade unions, civil society groups and other key actors. Among the examples described in the book "Reclaiming Public water" are (see also appendix):

- **Public-collective partnership in Cochabamba (Bolivia):** democratic control over the public utility SEMAPA (via citizens elected onto the company's board) and a strong role for local water committees in distributing bulk water supplied by SEMAPA to the unconnected peri-urban areas.
- **Community-utility partnership in Savelugu (Ghana):** Ghana Water Company delivers bulk water to the community, who run the next stages of water delivery; planning, tariff setting, new connections, maintenance and billing.
- **Public-Workers Partnerships in the province of Buenos Aires (Argentina):** a worker's cooperative manages the public water utility ABSA, consulting closely with public authorities and water users.
- **Communitarian water delivery in Venezuela**: local communities, the water utility and elected officials co-operate in communal water councils

to identify needs and priorities for improvements, allocate available funds and develop joint work plans.

These examples are only the tip of the iceberg. Below, in more detail, are two additional examples of reform processes; Tamil Nadu (India) and the city of Capetown (South Africa). These are followed by presentations of proposals for reform underway in El Alto (Bolivia) and Santa Fe (Argentina) after the failed privatisation experiments in these two cities, both involving water multinational Suez.

Democratisation of water delivery in Tamil Nadu

In 2003, the Indian state Tamil Nadu (a state with 70 million inhabitants) initiated an ambitious programme of institutional transformation of public water services. This was in response to crippling water scarcity and challenges by civil society and international funding agencies. The goal was to transform the public water company (the Tamil Nadu Water Supply and Drainage Board - TWAD) into a more people focused, community responsive and publicly accountable organisation. A key feature of the efforts to democratise the state water company was a change the mindset of the technical staff, which involved overcoming bureaucratic and technocratic tendencies. This meant determining new roles and relationships between technicians and communities. The result has been new energy and a renewed public service ethos. "Given the space and opportunity, public service delivery organizations can transform and deliver on their responsibilities towards their disadvantaged fellow citizens", V. Suresh, Vibhu Nayar and Pradip Prabhu conclude in a February 2006 paper on the Tamil Nadu experience.[9]

A series of exploratory process workshops were organised to gain acceptance and internalise what Dr. V. Suresh, a consultant working with the Change Management Group of the TWAD, calls the company as a 'new community orientation thrust'. These Change Management Workshops resulted in the Maraimalainagar Declaration which includes a commitment to aim for 10% increase in coverage using the same budget.[10] This involves evaluating existing schemes and focusing more on traditional water bodies with the aim of rehabilitating these so that they can be used most effectively.[11] A key element in the transformation process was the creation of a Koodam (a traditional concept of Indian society) in which all involved (including senior staff from the water company) interact with each other as equal persons without distinction of rank, position or privilege and engage in the common task of learning from and with one another. Another key feature of the democratisation process is the implementation of lessons in villages across the state. A special program called Total Community Water Management has been launched by the group in 472 villages across 29 Districts. This program is about creating a new approach towards water where the focus is community-based. Detailed village water master plans were prepared by the community with the assistance of engineers.

While it is and remains hard to get people to participate, this can be changed when people see possibilities of meaningful and purposive interaction with the service provider. The group has invited UNICEF and MIT, Cambridge to evaluate the impact of the Change Management Process on Institutional and Community Water Management Practices. The first set of results is very promising. According to Dr. V. Suresh, efficiency gains of 40-50% have been achieved through these Partnerships for Drinking Water Sustainability. In their paper *The Maladies of the Water Situation Democratising and Demystifying The Conundrum*, V. Suresh, Vibhu Nayar and Pradip Prabhu conclude that "the ongoing experience of reform within a state level water utility in Tamil Nadu state in India shows, at least in the area of rural water supply, that there are immense possibilities of reassessing and actually scaling down project requirements of capital investment by involving the community and stakeholders along with local democratic bodies in the management of water supply, maintenance and administration."[12]

The seven principles [13] of Total Community Water Management in Tamil Nadu:

- Our Vision is 'Secure Water for All, Forever'
- Conserving Nature as the Guarantee for Future Water
- The Community at the Forefront to ensure Sustainable Water Security
- Vibrant, Revived and Recharged Water Bodies
- Cost effective technology to ensure local (operational & financial) management
- Safe disposal of solid and liquid waste
- Water Regulatory Authorities at the village, district, state and national level
- Assured equitable and sustainable water for all.

Capetown: "Raising the Citizens' Voice"

In Cape Town, South Africa the democratisation of public water services is underway. Nationally, the Department of Water Affairs and Forestry (DWAF) launched, in 2005, its National Water Services Regulation Strategy. This is part of DWAF's institutional transformation into the country's national water regulator. Laila Smith, a consultant working with Capetown Water, points out that if this strategy is going to work, raising citizens' voice in the regulation of water services is crucial.[14] 'Such a task is no small feat in a country where citizen capabilities to articulate demands of the state mirror the country's historical inequalities. To address this in Cape Town, DWAF has sponsored a pilot project, a partnership with the City's Water Department and the Regional branch of DWAF. This aims to establish a methodology for developing and institutionalizing Citizens' voice. Cooperative governance, which involves working through three spheres of the state, has been a good start as it promotes the sharing of resources.'

Laila Smith describes the process of reform from the perspective of how it seeks to nurture and encourage all citizen's participation. The short term objective of the project is to educate citizens, particularly those from previously disadvantaged areas, in what their rights are and how to enforce them. This involves the development of training modules focused on areas ranging from citizens' rights and responsibilities to sanitation and hygiene services to infrastructure maintenance. The modules will be delivered and facilitated by community development workers, active in each of the township areas that have been selected for the pilot through a provincial job-creation programme.

In the medium term the project seeks to enable citizens to gain an increased understanding of how services, and in particular, regulation, work so that they can monitor the water department. With this monitoring capacity, it is hoped that residents will hold the water department to account for the provision of a quality of service that is available to all and not only those in more privileged parts of the city. The long-term objective is to encourage citizens from these areas to use this increased understanding of how water services work, and get involved in strategic decision-making to determine how resources are allocated. These are the tools that enable citizens to monitor the water department and hold them accountable. Laila Smith notes how in order to make this happen, South Africa has much to learn from cities in countries such as Brazil, India, Venezuela and Bolivia, with strong track records for involving citizens in water services.

'Ten years into democracy, South Africa has created some of the most progressive legislation in the world designed enable citizens to play an active role in guiding municipal matters. Making this a reality has proved much harder and resulted in strained state/civil society relations. The "Raising the Citizens' Voice" project is about trying to put legislation into practice by allowing citizens to play a key role in ensuring greater distributive and procedural equity in the management of water and sanitation services.'

Latin America: post-privatisation partnerships

The failure of privatisation in many Latin American cities has ushered in a new phase of water management policy, especially in Southern countries. A return to the state-run water management models that existed pre-privatisation is not an attractive option. El Alto in Bolivia and Santa Fe in Argentina demonstrate this. Meanwhile, the citizens of the many cities that have gone through disappointing if not disastrous privatisation experiences also conclude that there is nothing a private company can do that a public can't. This is not true in reverse and public water has major advantages over private corporations. Public water utilities can develop processes which enable genuine transparency with real citizens' participation and democratic control. The lack of 'profit motive' plays a key part in this.

Towards a public-social company in El Alto

In El Alto, Bolivia, the government recently terminated the water concession of French water giant Suez. This came in response to defiant citizen protests against seven years of privatisation which had failed to deliver promised improvements. With a privatisation contract that guaranteed Suez a 13 percent rate of return, a large number of the 800,000 inhabitants were left without access to water. This was in part due to hefty connection fees (almost eight times the monthly minimum wage in Bolivia). With the departure of Suez, the local population now envisages a democratised public utility with citizens` participation. FEJUVE, a federation of over 600 neighbourhood councils in El Alto, has developed a detailed proposal for the transition towards a "public-social company"; a new model without private sector participation.[15] FEJUVE aims to replace the top-down decision-making of the Suez-controlled company with full transparency and "bottom-up decision-making through people's participation". In the proposed new public model, community representatives would be part of a general assembly, which sets out the overall policies and elects the water company's

board. Civil society would also be represented on a new Control and Monitoring Commission which has the task of guaranteeing collective control and acting to avoid corruption in the day-to-day operations of the company.

Post-privatisation 'publicness' in Santa Fe?

In January 2006, the provincial government of Santa Fe, Argentina, cancelled the privatised water concession of Aguas Provinciales de Santa Fe, owned by water giant Suez. Instead a new state-owned company, Aguas Sanafesinas (ASSA) was formed to supply water and sewerage services for 1,8 million consumers in 15 cities in the province.[16] Subsequently, consumer and ecologist groups, are now engaged in the question of how to ensure that the new public company performs better than Suez? "Public means much more than the State", writes Alberto Munoz in the paper "Conditions for Sustainable Water".[17] "In the 21st century citizens are organised in multiple forms and demand participation in decision-making that ensures effective democratic control". Munoz stresses that citizens' participation does not mean that the state can abandon its responsibility for securing water and sanitation services for all citizens, quite the opposite. Investment in improved sanitation is particularly crucial, Munoz underlines, as it can prevent costly health problems.

Workers and Citizens Key to Improved Water Delivery in Peru

For several years, the Peruvian water workers union FENTAP worked intensively with the water users to develop alternatives to the government's privatisation plans and to the seriously failing state-run utilities. In 2001 FENTAP proposed alternative legislation for water services, which was not adopted. Since then the focus has been on diagnosing the specific problems which confront municipal water companies. Increasing the autonomy of the operators while enabling civil society to monitor and control, for example through a board elected by the population, is considered key to modernising the country's water utilities and improving their performance. FENTAP sees a crucial new role for citizens and the water workers in promoting institutional reform and the democratisation of drinking water services. In a 50-page report about FENTAP's vision for reform, Luis Issara outlines a detailed proposal for the modernisation of EPSEL.S.A , the public water company in the city of Lambayeque.[18] The report considers how to enable the expansion, renovation and rehabilitation of water infrastructure and discusses financial viability, social tariffs and affordability within these reforms. These proposals are yet to have the opportunity to prove themselves as donors continue to make loans for utilities' modernisation dependent on privatisation.

Concluding remarks

Despite all of the resources at their disposal, international development and financing bodies have so far failed to notice, or worse still, chosen to ignore, the improvements made by innovative public sector water reforms in many cities and countries. Building on the cases presented in the book "Reclaiming Public Water" and elsewhere, the first half of this paper presented a number of additional real-live examples, as a contribution to a rapidly evolving discussion.

Democratisation, local public-public partnerships and other reform efforts designed to secure genuinely 'public' water delivery, have been initiated in very different circumstances. In cases, such as Tamil Nadu, reforms were launched to resist pressures to privatise and to demonstrate that water delivery can improve while remaining public. In a growing number of cities, failed privatisation provides new opportunities. This opportunity is bringing new models of public water delivery that move away from inadequate public models which existed before the privatisation ideology took control in the 1990's.

While these models do not provide blueprints (as each has its own problems and risks), important common features are emerging. Critically, the realisation that 'publicness' cannot be taken for granted, but requires commitment to democratic reforms. Local people must be given a central role in defining public water models that they feel will serve their interests. This is particularly important for communities where connections to clean water sanitation are the lowest.

The examples described show that anti-privatisation campaigns are about more than resistance. Often, these are movements that based on real experience, hold elaborate visions and concrete proposals for public sector alternatives. Indeed, there is often a keen willingness from citizen coalitions to actively engage in implementing improved public options for water and sanitation. However, substantial political change and legislative reforms are needed to allow these approaches to be implemented, including the recognising and legitimising of popular participation.

Extensive citizens' participation and other democratic reforms of water management might not be a universally applicable approach. In many countries, the best way forward may be to promote more effective regulatory oversight of public utilities. The question is, based on local circumstances, how to ensure that public principles such as transparency and accountability are central to the way public utilities are run?

Part 2:

Domestic, regional, and international public partnerships

Part one described a variety of local public interest partnerships involving public water operators and other actors. Part two focuses on inter-municipal co-operation between public water operators.This involves the transfer of knowledge in order to build capacity of the weaker utility in areas of operational, technical and financial management. These public-public partnerships, build on the tradition of twinning. They can help to overcome weak public administrative capacity in Southern country cities, and speed up much needed expansion and improvement of public water supply. By definition they do not include any private sector partner and throughout the process, no profits are taken out of the local water system. A wider definition of PUPs, would include linkages involving academic institutions, Non-Government Organisations (NGOs), and other actors (as long as the partnership is on a non-profit basis). Partnerships restricted to utilities are sometimes referred to as Public Utility Partnerships or 'Public Operator Partnerships'.

Possible activities under public-public partnerships

- Reforming (and democratising) decision-making and planning
- Institutional and human capacity building (including training of managers and workers to boost capacity and public sector ethos: including integrity, equity, clarity, accountability, transparency, openness, cooperation, and evaluation)
- Managerial consulting, training and capacity building
- Administrative support (including working conditions, salaries, benefits, and supervision of any outside contracting)
- Financial planning, social tariff setting (differential for domestic, industrial, commercial, institutional, and agricultural uses), billing, and customer service and collection & assistance in locating available finance
- Maintenance (including repair and replacement of equipment)
- Leakage control and other sustainability measures
- Advice and other assistance in operational infrastructure and/or project design assistance in service delivery
- Construction
- Operation
- Expansion of coverage
- Information technology

Domestic PUPs - examples from Honduras, South Africa and Brazil

The potential of domestic public-public partnerships is yet to be realised, but there are important examples of this in practice in many Southern countries. For example, in Honduras, urban water operator SANAA provided support for improvement of rural water services. An example from South Africa where substantial improvements were made in very difficult circumstances also provides valuable insight. This involved a not-for-profit, public-public partnership between the local government in Harrismith and Rand Water, a large public water utility that supplies water to Johannesburg. The PUP was a management contract from 2001 to 2004. The South African government was instrumental in the partnership as they covered Rand Water's costs during the preparation and running of the partnership. This Harrismith experience shows that sharing management and technical skills can contribute to rapid improvements in public water delivery. The aim was to build long-term local capacity and key steps have been made towards this goal. Although at this point it is too soon to offer a complete evaluation. For example, despite the progress made during the three-year experiment in Harrismith, it did not manage to clear the enormous backlog of people waiting for access to clean water in the impoverished townships. This underlines the fact that while PUPs can be an important tool for improving public water supply, in many cases they need to be accompanied by sufficiently ambitious policies to fight poverty and redistribute wealth nation-wide. A similar PUP project, also involving Rand Water, took place in Odi in South Africa's North West province between 1996 and 1999.[19]

Within Brazil, the National Association of Municipal Services of Water and Sanitation (ASSEMAE) has played a key role in facilitating experience sharing, capacity-building and opportunities for support between public water operators. Silvano Silvério da Costa, president of ASSEMAE, stresses that water services must be provided in a public manner, involving and guaranteeing the control and participation by the citizen.[20] In the paper *Successful Municipal Experiences in Public Utility Services of Water and Sewage in Brazil*, da Costa notes that, '[W]e know that it is not sufficient to be public to be efficient… we have much to do to improve public services provided to the population.' The paper summarises a larger ASSEMAE study of twenty successful experiences in public water delivery in Brazil. It aims to identify actions that based on principles of 'equity, courtesy, quality and social control' can achieve universal access to water

and sanitation in Brazil and around the world.[21] Based on the experiences from these 20 cities, da Costa concludes that water services can be improved and universal access achieved with "professional management geared towards the interests of the citizens". One of the key conclusions is the potential and "the need to intensify the cooperation and association among municipalities."

Domestic public-public partnerships have now been embraced by the Brazilian government, which in Law 11.107 (passed in 2005) encourages municipalities to form a consortium to provide, regulate, plan and supervise water and sanitation services. *Silvano da Costa* points out that this arrangement may contribute to 'economy of scale': "actions that are not possible by a small municipality may be possible by a group. We are calling this arrangement a public-public partnership." One such inter-municipal consortium (where a group of municipalities provide water services for more than one municipality) takes place in the city of Ibopora, in the state of Paraná. Effective public water services in Iboporă contribute to the health of urban and rural populations, including a child mortality rate far below the national average. An inter-municipal consortium is seen as a way of roll out this city's achievements in water management to other towns.

In Argentina the water operator of the province of Buenos Aires OSBA has established a foundation to advance low-cost technologies and provide advice to other public operators. The water company Sapem in the Argentinean province of Tucuman has benefited from this. Here, in 1998, the water utility was de-privatised after French water multinational Vivendi/Veolia introduced excessive price increases and failed to provide quality water.[22]

PUPs in Indonesia

In Indonesia, the public water company PDAM Tirtanadi has supported other smaller utilities in Northern Sumatra through an Operational Cooperation Contract, a domestic PUP. [23] The Amrta Institute for Water Literacy advocates Public-Public Partnerships on a much wider scale as a means of improving public water delivery in the country. The Institute highlights the case of the water utility in Solo to show what can be achieved by public utilities. Here, the utility boasts a strong social and environmental performance and responsible financial management. The operational methods and management approaches of PDAM Solo should be shared with other Indonesian water operators via domestic public-public partnerships.[24]
The Association of Indonesian water utilities (Perpamsi) launched a benchmarking programme in 2002/2003 to identify best practice in public water management. Unfortunately the programme has only attracted a small share of Indonesian water operators. The Amrta Institute recommends that at least two things need to happen in order to support PUPs in Indonesia. First, there is a need for "a firm legal basis stating that a PDAM is a company that is not oriented at making profits but prioritises the improved provision of clean water to the community." This also means ending inappropriate political interference and problematic approaches to the hiring of staff which is encouraged by local politicians. Second, it is important to "actively involve stakeholders, particularly the consumers". This is not an easy thing to do in Indonesia, where political apathy is widespread. NGOs are seen as playing a key role in overcoming this challenge.

Malaysia: Public-Public Partnerships

Despite the good track record of public water delivery in Malaysia, the government has embraced water privatisation. According to Charles Santiago, co-ordinator of the Coalition Against Water Privatisation, the country's public water utilities create a surplus, but instead of reinvesting this in improvements to the water systems, these funds are often claimed by local politicians for pet projects.[25] As an alternative to the government's plans, the Coalition Against Water Privatisation advocates domestic Public-Public Partnerships as way to spread best practice. They highlight the public water utility in the city of Penang, which delivers water to 100 percent of the population. The Penang utility combines a "commercial outlook with social obligations". Due to the very low levels of non-revenue water, tariffs are affordable for all citizens. Part of the secret to the success of the Penang water utility is a strong public service ethos which involves a commitment amongst the management and the workers to serve the population. The workers also own part of the company's shares. The rest of the utility is publicly owned but remains administratively independent. This prevents problems of political interference but still allows the population to hold the company accountable.

Despite the fact that utility managers from countries such as Thailand and India now come to Penang to learn from this example, the Malaysian government continues to ignore the option of improving public water delivery through public-public partnerships. According to Charles Santiago, this is because politically powerful Malaysian business tycoons can make money out of privatisation, whereas public water offers no such opportunities. However, there is some hope as independ-

ently, the regional government of the state of Sarawak, supports public-public partnerships as an alternative to privatisation. At a conference in Jakarta in August 2005, Santiago suggested that Indonesian utilities could also benefit from the Penang model. "We already share the smoke, so why not the public utility experiences", Santiago said, referring to the smog covering the region at the time due to widespread forest fires.[26]

Cross-border PUPs: Swedish, Japanese and Dutch Water Companies Involved in Twinning

Cross-border twinning between public water operators is not a new phenomena. Water companies with a long history of world class public water delivery for example from Sweden, Finland, The Netherlands and Japan have over the last two-three decades been involved in numerous projects to support weaker utilities both in Southern countries and in Central and Eastern Europe.[27]

Stockholm Water, was involved in PUPs in Lithuania, Latvia and South Africa and ran a joint project with Helsinki Water in St Petersburg in the 1990s. A key factor in the success of the PUP between Stockholm Water and Riga Water was the economic support from the Swedish, Finnish and Swiss governments, the European Investment Bank and the European Bank for Reconstruction and development (EBRD). Stockholm Water brought in technological and management expertise. Positive results from this partnership included improved sewage and water treatment which helped reduce pollution in the Baltic Sea.[28] In the book, *The Water Business*, Sven-Erik Skogfors, former executive director of Stockholm Water talks about how "[W]ith economic support, public water utilities can assist developing countries in one of the key sectors to achieving a safer and more secure world, namely clean water and sufficient water for health and sustenance". He calls for renewed support from Nordic donor agencies to enable municipal water companies like Stockholm Water to work together with public water utilities in Southern countries. Skogfors envisages a resource pool where knowledgeable water and sanitation personnel are available to support ailing water companies.[29]

Japan has a highly effective public water delivery system and for several decades water companies have transferred water expertise to Southern countries through training courses in Japan and by dispatching utility staff.[30] An example is the Yokohama Waterworks Bureau, which, in the spirit of international cooperation, works on "transferring waterworks system technology to developing countries that need to improve their water supply management and water utility management."[31] These exchanges are possible because of financial support from Japan International Cooperation Agency (JICA). JICA also supports a twinning project with two municipal water companies in the Vietnamese cities of Hue and Ho Chi Minh.[32] The three-year project was designed to improve waterworks management through exchanges of trainees and staff as well as seminars. Osaka is another city where the public water company has an active international solidarity programme. This includes training programmes in Osaka and sending experts overseas for example to Kenya, Sri Lanka, Indonesia and Egypt.[33] Capacity building is seen as a two way process: "To work overseas offers our staff an invaluable international experience, which contributes not only to the city's water services but is also beneficial to the city administration as a whole."[34]

Dutch water companies are all in public hands. Waternet, Amsterdam's municipally owned and controlled water company, has probably the most extensive experience in public-public partnerships. For thirty years, Waternet has been active in twinning and other international not-for-profit cooperation. Currently, the company has projects aimed at sharing expertise and experience in order to improve drinking water supply in Surinam, Egypt, Indonesia and Palestine. There is no commercial motive behind these international projects (involving numerous Waternet staff, in total the equivalent of 6 full-time staff per year). Waternet explains on its website that: "we do not want to keep our expertise to ourselves but share it with others on a basis of equality".[35]

According to Bert Roebert, former Deputy Managing Director of Amsterdam Water Company (now renamed Waternet), twinning requires long-term commitment. With the right level of commitment and resources, PUPs can steadily lead to sustainable improvements such as enhanced expertise and improved operating methodology. In Roebert's vision Dutch operators should respect the integrity of the local water companies which means advising and engaging, but not seeking management control. In fact, a key advantage of twinning is that because the local water company remains in control, they have ownership over the process. Speaking about the benefits of a project he was personally involved in, Beheira Water Company in Egypt, Roebert notes how with relatively simple changes, the capacity of several surface water treatment plants has been increased each from 600 to 1100 l/sec without major investments. This PUP includes the certification of the company's labora-

tories and environmental activities. As well as monitoring several other functions of Beheira Water Company with the aim of improving operations. Roebert, was personally involved in the groundwater part of these projects, and estimates that this groundwater project alone has provided 500,000 Egyptians with improved water, via low-cost technology and hardly any investments.

Despite these results, the Dutch government's interest in twinning has faded over the past few years. The current priority is "public-private partnerships". The amount of funding available for not-for-profit twinning has steadily decreased. The Ministry of Economic Affairs and quasi-governmental agencies like 'Partners for Water' insist that international activities must create commercial spin-offs for Dutch businesses. Most Dutch water companies have reacted to this by concentrating on their core-activities in The Netherlands or by engaging in projects abroad on a more commercial basis. Lack of funding is the biggest hurdle to seeing twinning projects established on a larger scale. "There is so much to do, but no money", says Roebert.

Waternet & Public-Public Partnerships

In Indonesia, Waternet provides technical and management advice to thegovernment of the province of Banten Western Java. This involves working with the Banten Water Supply Association (Perpamsi Banten) and the water utilities (PDAM's) in the towns of Tangerang, Lebak, Serang, Pandeglang and Kota Tangerang en Ciligong. This includes monitoring the rivers which are used as drinking water sources, designing a 'master plan' for water supply in the province, improving water treatment processes and reducing leakage rates. In Suriname, cooperation with N.V Surinaamsche Waterleiding-maatschappij, the state water company, began in 1996. This involves the transfer of expertise through partnership, the upgrading of pumping installations and the construction of solar-driven rural water treatment systems. In the Middle East, Waternet cooperates with Beheira Water and Drainage Company (BWADC), Alexandria Water Company (AWCO), Damietta Water Company (DWC) and since 2005 with the Palestinian water company Jerusalem Water Undertaking (JWU). In the mid-1990s, the company was part of a twinning project with the city of Beira in Mozambique. The project was designed to improve water supply and water drainage in Beira with advice, training and small investments. It received financial support from the Amsterdam municipal government and the Association of Dutch Municipalities (VNG).

Concern about this was emphasised in an open letter sent to the Dutch Minister of Development Cooperation in March 2006. It was signed by a broad range of Dutch NGOs and trade unions, who called upon the government to reverse the trend of decreasing political and financial support for twinning. "Public-public partnerships (without profit motive and on a basis of equality) would enable Dutch water companies to share their unique expertise and experience on a much larger scale", the open letter concluded.[36]

The Dutch government is one of the most eager promoters of public-private partnerships and uses a large share of development aid budget for this purpose. This is despite a 2005 water law that illegalises private water delivery in The Netherlands. It remains to be seen how long the Dutch government can get away with such blatant double standards: At home, banning the private sector from water delivery because of public health concerns, while in Southern countries promoting expanded private sector involvement. The governments of Sweden and Norway maintain similarly contradictory water policies.[37]

Beyond Twinning: New wave of North-South PUPs?

Recent activities in France have added new momentum to European water operators pursuing public-public partnerships. This may come as a surprise, given that France is otherwise known as the public-private partnership heartland and is home to water giants Suez and Veolia. Private water firms supply some 80 % of water users in France. While "the French model" (of leaving water delivery to private operators through 30 years concessions) is the one continually promoted by donors and international financial institutions, a backlash against privatisation is emerging within France. The result has been the remunicipalisation of privatised water services in a growing number of cities. For example in Grenoble, Castrate, NeufChâteau, Cherbourg and Varages, contracts with Suez and other water multinationals were either cancelled or not renewed and water delivery now is now in the control of public utilities. These are demonstrating superior levels of transparency and civil society participation. These successes have inspired a fast-growing movement which is promoting remunicipalisation on a larger scale across the country and involves water consumer groups, trade unions and campaigners.[38] In regions like Bretagne, Isle de France and Provence, leading politicans have signed calls for public water. Another indication of this mood change and supporting political momentum are plans to create a

French association of municipalities and regions with public water, similar to the ASSEMAE in Brazil. It is envisaged that this will have a consultative council that is open to NGOs, again a model inspired by progressive water management models in Brazil.

One of the key players in this new trend is the civil society foundation France Libertés, chaired by Danielle Mitterrand. France Libertés is actively encouraging French public utilities to engage in public-public partnerships and share their experiences of successful public management of water. France Libertés serves as an intermediary between municipal governments in Brazil and Bolivia and French public operators such as Eaux de Paris and Ville de Grenoble. Catherine Legna of France Libertés explains: "We believe it makes the most sense for the city governments, who know what it means to administer these resources, to directly contact each other".[39] The co-operation with Bolivian municipalities will be based on a technical council consisting of chief engineers from public water operators from for example Grenoble, Paris and Varage. A judicial council is also in preparation and will include lawyers that are able to offer legal assistance. For example offering support in the dispute settlement case against the Bolivian government where Suez has filed for compensation claims after the terminated concession in El Alto.

South-South Partnerships

PUPs should not be regarded as a one-way mechanism for efficient Northern water operators to assist ailing Southern utilities. Partnerships between utilities in the South, are perhaps more important, bringing together for example countries with similar socio-economic circumstances. In terms of relevant experience, that of Southern water operators is easily overlooked. For some, experience includes expanding access to piped water in the peri-urban areas of fast-growing cities where large numbers of often low-income consumers are unconnected. Northern public operators may be efficient at home, but their water networks were typically built 50-100 years ago. Their recent experience is maintaining and renewing these networks against the background of a relatively wealthy pool of water users. The experience of successful Southern public utilities is essential to the task of finding ways to expand and improve public water delivery in countries of the South.

Support mechanisms are needed which enable South-South PUPs to achieve their full potential in the quest for clean water and sanitation for all. International donors must make funds available for South-South partnerships. This must be mirrored by actions from Southern governments, examples of which are described below.

In Latin America, writes Guillermo Amorebieta of the Network of Water Sector Trade Unions "there have been many attempts to establish mechanisms for technical relations between public utilities both within our countries and internationally. In South America we know of at least 5 such experiences, with wide ranging results."[40] The majority of attempts have failed for different reasons including: the lack of national agreement around the core question; the lack of a culture of exchanging information and experiences; limits imposed on public utilities by governments and economic and financial constraints."[41] Amorebieta stresses that increased political support is key: "without the contribution of the political sector it is very hard for a public utility to divert its financial and technical resources to something other than what was foreseen in statutes and regulations. There is a need for mechanisms that allow national and international agreements for "public–public partnership" that ensure support and practical assistance is available when needed in specific cases."

An example of a failed cross-border public-public partnership is the Action Plan for Strengthening Public Water Systems launched in September 2002.

South-North Partnerships

There may be a time when South-North partnerships emerge as tools to help spread democratic water management practices in European countries, where many public water operators have lost their sense of 'publicness'. One example could be the Abruzzo region in Southern Italy. As in several other parts of Italy, public water delivery in Abruzzo is far from world class suffering from lack of efficiency. Lack of investment in maintenance has resulted in very high leakage rates. Although owned and operated by state institutions, real 'publicness' (defined as commitment to the public interest and responsiveness to the public) in the operations of the water utilities in Abruzzo is weak. In 2005, a civil society coalition managed to stop the proposed privatisation of the region's water supply. Inspired by Porto Alegre and other Latin American examples, the coalition is now promoting a more transparent, democratic and accountable model of public water delivery. It remains to be seen whether the regional government can fully embrace Porto Alegre-style reforms in order to improve the performance of its water utilities. There are signs that the North is starting to learn lessons from the South in how to re-organise public water delivery. A trend which could mean that at some stage in the future Southern water companies will be sharing their expertise on democratising water services with their Northern counter-parts.

This brought together ASSEMAE, Water utilities DMAE (Porto Alegre), Rand Water (Johannesburg) and Umgeni Water (Pietermaritzburg, South Africa). The aim of the partnership was "to develop good quality, efficient and accountable public water services that provide equitable access to water, for all." Unfortunately, lack of financial resources combined with a sudden turn by the two South African water companies towards commercial expansion strategies, meant that this PUP failed before it really started.[42]

Avoiding pitfalls in PUPs

PUPs can transfer expertise and best practice on a non-profit basis without the negative side effects of public-private partnerships (PPPs). This does not mean that there will not be problems. These can arise due to cultural differences between the partners or because of size disparity between partners, which can cause problems achieving an equal relationship. Laila Smith, a consultant working with Capetown Water, stresses the importance of the planning and development of the public-public partnership as well as the implementation phase. This earlier phase must include building political support, agreeing on joint objectives and creating mechanisms for securing equality and accountability. She recommends that safeguards are developed to protect against risks in PUPs. With the wealth of experience that already exists about twinning and PUPs, principles for good governance of could be developed. Accountability, equality, full transparency and evaluation are crucial in this. As PUPs are non-commercial and all partners involved are public, this means that every aspect of the scheme can be fully transparent. This includes financial details, which are protected by commercial confidentiality when the private sector are involved. These principles could be developed into tool books on public-public partnership management which would include monitoring and evaluation systems for PUPs. In situations involving very different actors, for example smaller community groups and large utilities, special attention and forms of capacity building might be needed. Smith stresses the importance of developing clear defining criteria for PUPs and direction for what constitutes 'publicness' in such partnerships.

Overcoming obstacles to PUPs

In order to promote opportunities for public-public partnerships which will improve the transfer of public water excellence, governments need to create a favourable environment. For example, in Brazil and in other Southern countries, there are laws that prevent public money from being spent abroad. This Brazilian law prevented ASSEMAE from assisting water utilities in Bolivia when support was requested. These legal obstacles to greater water solidarity must be tackled.

A slightly different legislative hurdle for PUPs is the European Union's competition law. This requires competitive tendering for consultancy contracts. The private sector's greater experience and financial capacity to compete for grants puts which the public sector at a disadvantage. For example, Swedish Water Development, involved in overseas PUPs, faced serious problems due to EU procurement rules.[43]

Similarly, in South Africa, rigid administrative procedures around tendering mainly benefit consultancy firms like Deloitte. Public interest researchers and civil society groups are largely excluded from accessing funding for research and other efforts to facilitate and improve PUPs.

Financing PUPs

Public-public partnerships where public utilities share their particular knowledge and expertise, have enormous potential to accelerate the spread of best practice in public water management. However, this cannot be left to the initiative and philanthropy of individual water operators. Public water

Double Dutch: public operators with private sector ambitions?

Rand Water recently won a bid for the five-year management contract to run water services in Accra and other Ghanaian cities This is a joint venture with Vitens, a Dutch public-owned water operator. The Ghana Coalition against Privatisation of Water (GhanaCAP) considers the management contract a threat to the goal of securing water as a common good and a human right for all Ghanaians. A joint letter from GhanaCAP and five Dutch civil society groups sent to the CEO of Vitens in May 2005 explains that "although the Ghana management contract is different from previously proposed privatisation models, it is the outcome of a ten year long push for privatisation of Ghana's water by the World Bank and the government, in a flawed, undemocratic process in which other options have not been seriously considered." Private sector management contracts are the latest reincarnation of PPPs. It is clear that global water corporations neither want to bring in nor risk significant amounts of finance. The management contract designed by the Ghanaian government (with the World Bank playing an active role), seems to be preparing the public water company for privatisation. This highlights the difference between this and a public-public partnership. For the latter, the clear objective is to build long-term local public service capacity.

New French Law Causes Concern

In France, the 'Santini-Oudin Law' passed in February 2005 allows public authorities to use up to 1% of their water and sanitation budgets on overseas twinning activities. This legislation can be seen as an important effort to remove financial and other obstacles to public-public partnerships (PUPs) and clearly could generate far more engagement in international solidarity projects. There is concern, however, that the law may result not only in more PUPs, but also in expanding the role of French water multinationals in Southern countries. As a large majority of French municipalities have outsourced local water delivery to Suez, Veolia, Saur and other private corporations, twinning between French public authorities and counterparts in Southern countries might result in new markets for these international water giants. In the report that formed the basis for the new law, MP Andre Santini explicitly referred to the objective of exporting "the French model of water supply" and securing new markets for large French water corporations. [44]

companies cannot risk losing substantial sums on (international) solidarity projects, as this might impact negatively on their financial health and the quality of the services they provide at home. Mechanisms must be developed that allow public water companies to access funds to reimburse costs related to the PUP. Widely available reimbursement funding will encourage water companies to more fully commit to the partnership. PUPs need ambitious government support, which includes financial support from donor governments and international financial institutions. A wide range of international multi-donor initiatives to support private sector expansion in water delivery in Southern countries have been established in the last decade. Examples include the Public-Private Infrastructure Advisory Facility (PPIAF) and the Private Infrastructure Development Group (PIDG).[45] In contrast, no international support mechanisms for enabling public-public partnerships exist.

What is required is a policy turn-around. Northern donors, many of who are still obsessed with promoting private sector expansion must make funds available for PUPs, which includes those between Southern water companies. Any funding mechanism for public-public partnerships, however, must include accountability mechanisms and meaningful space for civil society input.

The potential of public-public partnerships will be more fully realised if finance for new investment which improves and expands the water systems are made available. Currently, this lack of finance for investments limits the strength of such partnerships. Public Services International points out that workers contributions to pension funds in Europe and North America has created an enormous pool of investment finance which could be made available for investment in clean water and sanitation. The total amounts generated in such pension funds could be up to US$ 7 trillion, two-third of which belong to workers in public services. A global water bond mechanism would be one way to enable these pension funds to be more fully invested in water and sanitation and this could include public-public partnerships.

Brokering international non-profit partnerships

In its exploration of the practical measures needed to support public-public partnerships, the working group on Public-Public Partnerships under the UN Advisory Board on Water and Sanitation, has suggested a global mechanism which matches water operators; those with an interest in contributing to or benefiting from a public-public partnership. This could work through an internet-based database where water operators register their interest and connect with matching partners.

Members of the UN Advisory Board have also asked the UN to support the creation of an international association of public water operators.[46] With the launch, in October 2005 of the International Federation of Private Water Operators (AquaFed), a lobby group led by former Suez vice-president Gerard Payen, it is remarkable that there is no international association to connect public water utilities and defend public water on the international scene.[47] Guillermo Amerebieta notes how such an association could play a key role in facilitating PUPs: "There are thousands of public utilities all over the world, many of them with successful experiences, and hundreds of highly qualified trained professionals with diverse experiences. We need to integrate them into a common project and find ways to coordinate input, both to academic debate and in finding solutions to problems that need an inter-disciplinary approach."[48] Amorebieta advocates the creation of a "specific internet communication system where professionals and technicians can share information, pool analysis and feasibility assumption on specific cases and explore sources of technology designed to help companies or organisations overcome crisis situations." [49]

Roles for other public interest actors

Amorebieta, also a trade unionist, stresses that while an association of public water companies is important, it is only a first step. "Trade unions, NGOs and the public utilities themselves should

create a system of alliances that improve access to information and solutions to problems." Research institutes are also key actors in the solidarity alliances that Amorebieta envisages. "There is a need to establish bodies that facilitate the exchange of ideas using existing communication technologies. Those bodies should make technologies available to all, breaking the hegemony of some multinational corporations and highlight the existence of low-cost solutions that are available to every public utility."[50] Ad-hoc solidarity partnerships via the internet have already developed, for example the network of support groups and researchers that came together in support of the remunicipalisation of water delivery in Cochabamba after the uprising against privatisation in 2000.[51]

Public interest NGOs and trade unions have important roles to play in advancing public-public partnerships. Through advocacy, NGOs can build political support among governments, including reluctant donors. As exemplified by France Libertés, NGOs can serve as a link between public water operators in the North and South. Northern NGOs can play a key role in encouraging public water companies to engage in PUPs (instead of commercial operations).

They can also help limit some of the potential risks. For example, as highlighted in a July 2005 PSIRU report on 'public-public partnerships in health and essential services' there is the risk that "public sector corporations may see PUPs as an opportunity to practice commercial operations, while exploring privatisation opportunities elsewhere".[52] This occurred when Rand Water and Umgeni Water, two South Africa-based public water operators, decided to pursue international expansion on a commercial basis, primarily in other African countries. NGOs and unions have a crucial monitoring role to ensure that PUPs remain public and non-profit. Thereby safeguarding genuine 'publicness' in PUPs.

Concluding remarks

The second half of the paper focused on the possibilities of inter-municipal co-operation between public water operators. Important positive experiences exist. These range from domestic public-public partnerships for example South Africa, Indonesia and Brazil, to North-South twinning and emerging South-South partnerships. The role of NGOs, unions and other actors is essential. This can involve taking advantage of advocacy opportunities, building political support and assisting in the brokering of partnerships to ensure that sound public principles remain at their core.

Public-private or public-public?

As mentioned earlier, the Indonesian Amrta Institute for Water Literacy believes that "PUPs can be used as a tool to improve PDAM's [local water utilities] performance in providing water services". However, it warns for caution when considering cross-border PUPs. They "will not be successful if there is no strong pressure to make PDAM into a company oriented towards the community's welfare". The example of Waterleiding-maatschappij Drenthe (WMD) in eastern Indonesia demonstrates how what may seem to be a public–public partnership on the surface, is actually not. According to the Amrta Institute, WMD, from the Dutch northern province Drenthe, while being a public-owned water company, operates as a private company in Indonesia.[53] In the cooperation, officially described as a public-private partnership although all parties involved are public, WMD - acting as the private company - will invest 3.4 million Euros over 5 years. The Dutch government, acting as the public partner in the PPP, will invest 7.5 million Euros. The plan is that the water utility or the district government will buy out WMD's shares after 15 years. The district government of Manado in 2004 accepted a bonus of Rp 2.1 billion in return for allowing WDM to take over the management of PDAM Manado. The Amrta Institute criticizes the deal as an attempt by the government of Manado to escape its public service responsibility.

With sufficient political and financial support PUPs have a great potential to speed up improvements in public water delivery. Fortunately, there are signs that PUPs are gaining greater political support. This therefore emphasises the importance of further debate about how best to realise the potential of public-public partnerships in the goal of securing greater access to clean water and sanitation. Among the questions that need attention are:

- what kind of conditions are optimal for the transfer of knowledge in order to encourage long-term, sustainable improvements?
- what are local and national obstacles preventing the emergence and success of PUPs?
- how to generate interest and commitment to PUPs among public water operators in North and South?
- how to engage NGOs, trade unions, public research bodies and other key actors in PUPs?
- what are the best organisational mechanisms for brokering international partnerships between public water operators?
- how to make financial support available for PUPs without repeating the mistakes of past donor aid schemes?
- how to ensure transparency, accountability and civil society participation in new international mechanisms for brokering and financing PUPs?

Appendix:

Examples of local public-public partnerships

Public-collective partnership in Cochabamba

The Bolivian city of Cochabamba attracted international attention in April 2000 when the privatised concession – held by a consortium led by US multinational Bechtel - was terminated. This was in response to citizens' protests over dramatic price increases and mismanagement. Since then, intense efforts are underway to restructure the re-municipalised utility SEMAPA so that it more effectively serves the citizens, particularly the poorest. This aims to overcome bureaucratic tendencies. A clear outcome from this democratisation process was in April 2002, when citizens elected three out of seven SEMAPA board members. Abraham Grandydier Felipe, who currently represents the southern zone of Cochabamba on the SEMAPA board, explains that the aim is to create a genuinely public water company through democratic control and co-management. In a public-collective partnership SEMAPA is working with pre-existing water committees in peri-urban areas to expand access to piped water. The partnership involves SEMAPA supplying and working with the unique capacities of these committees to administer services in their local communities. Hurdles to overcome include gaining support from the local political elite, accessing finance for investments in expansion and improvement of water delivery.

Community-utility partnership in Ghana

In Savelugu, a rural community of 20,000 inhabitants in northern Ghana, a new model described as a Public-Community Partnership has proved successful in improving water supply and reducing water-induced illnesses. The national public water company (Ghana Water Company) delivers bulk water to the community, which takes care of all further steps in water delivery, from planning and tariff setting, new connections and maintenance to billing the users. In this highly decentralised system each neighbourhood has a water management committee, which has acted very efficiently to prevent leakages thereby securing more water at affordable prices. The Savelugu model was made possible through financial support from UNICEF and a consortium of NGOs, although it should be stressed that the improvements were achieved with relatively small amounts of additional funds. The main threat to the sustainability of this model seems to be external: Ghana Water Company has problems delivering the promised amount of bulk water.

Public-Workers Partnerships in Argentina and Bangladesh

After the departure of Enron's subsidiary Azurix in 2002, the management of Argentina's second-largest water company, serving the Buenos Aires province, was taken over by the water workers and their union SOSPBA.[1] The water workers took over in an emergency situation when the private operator suddenly collapsed. In close consultation with public authorities as well as water users, the worker's cooperative has achieved major improvements. Democratised management and distribution decisions have resulted in improved accountability and efficiency. This is in sharp contrast with the serious mismanagement of the water networks by Azurix. Given that a portion of shares in the new public utility ABSA are owned by the employees, questions might be raised about the fully 'public' nature of the operation. In answer, however, it is clear that the Public-Workers Partnership has made the water company more genuinely public than most 100% state-owned utilities.

In Bangladesh, a less ambitious Public-Workers Partnership led to improvements in water management in parts of the capital Dhaka.[2] Starting in 1997, the union of water workers were granted control over certain aspects pf work within the Dhaka Water Supply and Sewerage Authority. This started in one zone and later spread to another. With operational maintenance and investment responsibilities remaining with DWASA, the Employees Union managed to improve the billing system and complaints attendance in the two zones where they had control over these functions. System losses were reduced by half and this created additional revenue for improvement of the water supply system.

Communitarian water delivery in Venezuela

Since 1999, Venezuela, a new model of extensive user engagement in water management has been under development since 1999. In areas were improvements are needed, typically urban slums, the population is heavily involved in planning and decision-making as well as actual construction and maintenance work. Local communities, the water utility and elected officials co-operate in communal water councils to identify needs and priorities for improvements, allocate available funds and develop joint work plans. The users exert democratic control over their utility and hold it accountable for implementing work plans. One of the first tasks of communal water councils was to map existing water networks in the sprawling informal settlements of Caracas, where pipes are often constructed by the local population without any co-

ordinated planning. Five years later, almost all public water operators in the country have adopted this model of participatory planning and management. The number of communal water councils has reached 2500. While there is still a long way to go before the goal of clean water and sanitation for all has been achieved in Venezuela, the improvements are significant. National coverage of drinking water has increased from 81.2 percent in 1998 to 89.3 percent in 2003, whereas sewage collection went from 63.8 percent to 71.7 percent. Santiago Arconada, a water activist who has recently become adviser on participatory water management to the Minister of Environment, stresses that communities need a sense of ownership to release their full potential: "without the commitment of everyone around a water system, there is no solution".[3]

There are parallels between Venezuela and participatory water delivery in Olavanna and other communities in rural Kerala, India. Public funds which are made available through Kerala's People's Plan policy (which decentralises decision-making about a major portion of the state government finances) were supplemented by financial contributions from the communities themselves. Local citizens are directly involved in planning, management, construction, and maintenance, and this has led to major cost-saving improvements. Joy Elamon, a consultant and an active member of a district planning committee in rural Kerala, stresses that if water systems are really democratically controlled, people are willing to contribute money or labour. The Olavanna model can be seen as a new form of partnership between the state government, water managers, technicians and the local communities.

Notes

[1] David Boys of the Public Services International (PSI) observed that at the Water Forums in The Hague and Kyoto "not a single public sector water manager spoke as an official guest" and discussions were dominated by the private sector. "The Water Business", Ann-Christin Sjölander Holland, Zed Books, 2005. Page 157.
[2] "The relative efficiency of public and private sector water", David Hall and Emanuele Lobina, PSIRU, Business School, University of Greenwich. September 2005. http://www.psiru.org/reports/2005-10-W-effic.doc
[3] "Reclaiming Public Water - Achievements, Struggles and Visions from Around the World". Edited by Belén Balanyá, Brid Brennan, Olivier Hoedeman, Satoko Kishimoto and Philipp Terhorst. Transnational Institute and Corporate Europe Observatory, January 2005 (first edition), March 2005 (2nd edition). ISBN: 90-71007-10-3.
[4] Public Services International Research Unit (PSIRU) underlines that these local "PuPs are an explicit attempt to re-configure conventional models of public service delivery by expanding the role of labour, community organizations and other public interest and government stakeholders in the planning, implementation and financing of services." "Public- public partnerships in health and essential services", Public Services International Research Unit (PSIRU), co-published by the Municipal Services Project and Equinet, May 2005, http://www.equinetafrica.org/bibl/docs/DIS23pub.pdf
[5] Ibid.
[6] UN Commission on Sustainable Development, Report on the thirteenth session, New York, 11-22 April 2005. Policy options and practical measures to expedite implementation in water, sanitation and human settlements now include "Establishing and promoting public-private and public-public partnerships"; Report of the CSD on its thirteen session E/CN.17/2005/12.
[7] "Reclaiming Public Water - Achievements, Struggles and Visions from Around the World". Edited by Belén Balanyá, Brid Brennan, Olivier Hoedeman, Satoko Kishimoto and Philipp Terhorst. Transnational Institute and Corporate Europe Observatory, January 2005 (first edition), March 2005 (2nd edition). ISBN: 90-71007-10-3.
[8] Other examples of Porto Alegre-style democratic water management in Brazil can be found in the north-eastern city of Recife, Caxias do Sul in the state of Rio Grande do Sul, and Santo André, Jacareí and Piracicaba, all in the state of Saő Paulo. Porto Alegre and Recife both have far more than one million inhabitants, which shows that scale is not necessarily an obstacle to participatory water management.
[9] "The Maladies of the Water Situation Democratising and Demystifying The Conundrum", V. Suresh, Vibhu Nayar and Pradip Prabhu, Paper written for circulation during the IV World Water Forum Meeting in Mexico City, March 2006.
[10] "Nurturing Democratic Change", Change Management Group, TWAD Board, Tamil Nadu, 11th April 2005.
[11] Thanks to Vibhu Nayar (Project Director, TNRWS Project) for input and comments.
[12] "The Maladies of the Water Situation Democratising and Demystifying The Conundrum", V. Suresh, Vibhu Nayar and Pradip Prabhu, Paper written for circulation during the IV World Water Forum Meeting in Mexico City, March 2006.
[13] Principles adopted by the Change Management Group of the Tamil Nadu Water Supply and Drainage Board (TWAD). "Nurturing Democratic Change", Change Management Group, TWAD Board, Tamil Nadu, 11th April 2005.
[14] Email correspondence with Laila Smith, February 2006.
[15] "Social resistance in El Alto-Bolivia" by Julian Perez (paper about post-privatisation public water visions in El Alto),November 2005.
[16] The provincial authorities will hold a 90% stake in this firm, while the employees of the company will continue to control 10% as they did in Aguas Provinciales. "Aguas Provinciales de Santa Fe: A taste of things to come?", BNAmericas.com, February 8, 2006.
[17] "Condiciones para la Sustentabilidad del Agua – Un modelo publico para la provincia de Santa Fe, Argentina", discussion paper by Alberto Munoz and Elba Stancich, June 2005.
[18] "Democratizacion de los Servicios Publicos del Agua, Caso: propuesta de Modernizacion de la EPS Lambayeque, EPSEL S.A. (Democratisation of the Public Water Services, Case study: Proposal for Modernisation of the Company in Lambayeque, EPSEL S.A."
[19] The PUP brought together Rand Water, the municipalities of Winterveld and Mabopane, and a number of peri-urban areas under the Eastern District Councils. "Rand in South Africa - ODI", 15 January 2004. http://www.irc.nl/page/7606
[20] "Municipal Successful Experiences in Public Utility Services of Water and Sewage in Brazil", Silvano da Costa, President of the Brazilian National Association of Municipal Services of Sanitation – ASSEMAE, February 2006.

[21] The municipalities selected were: Alagoinhas, Araraquara, Campinas, Caxias do Sul, Guairá, Guarulhos, Ibiporã, Ituiutaba, Jaboticabal, Passos, Penápolis, Piracicaba, Poços de Caldas, Porto Alegre, Sacramento, Santo André, Uberlândia, Unai, Viçosa and Volta Redonda.
[22] Sapem is 90% owned by the province of Tucuman and 10% owned by the workers union of OST (Obras Sanitarias de Tucuman).
[23] "Public-Public Partnerships in Indonesia", Amrta Institute for Water Literacy, Indonesia, February 2006.
[24] "Water Privatisation in Indonesia", Nila Ardhianie, in "Reclaiming Public Water", 2005
[25] "Reform the Public Sector", Charles Santiago, Aliran Monthly, Volume 25 (2005), Issue 4.
[26] Charles Santiago in speech during the speakers' tour on the occasion of the launch of the Indonesian edition of "Reclaiming Public Water", August 2005.
[27] See for instance: "Water partnerships - public-public partnerships and 'twinning' in water and sanitation", David Hall, PSIRU, July 2000. http://www.psiru.org/reports/2000-07-W-PUPs.doc
[28] "The Water Business", Ann-Christin Sjölander Holland, Zed Books, 2005. Page 185.
[29] Ibid. Page 189.
[30] http://www.city.yokohama.jp/me/suidou/en/inter/inter.html
[31] In 2004, 13 staff was sent to Vietnam, Cambodia, and India for technical cooperation. 116 trainees from Vietnam, China, Cambodia, Nepal and more than 20 other countries took part in this Technical Training. Since 1973, Yokohama Waterworks has dispatched its staff to cities in 23 countries to transfer water supply engineering technology.
[32] JICA Grassroots Technical Cooperation Project-"Improvement of Waterworks Management". http://www.city.yokohama.jp/me/suidou/en/inter/inter.html
[33] "Themes for the exchange cover all aspects of water supply, and include management, administration, and planning of water services in addition to technical issues such as the improvement of old water pipes, maintenance for prevention of leaks, chlorination and advanced water treatment."
http://www.city.osaka.jp/english/osaka_world/cooperations.html#ow10
[34] Ibid.
[35] Our translation from the Waternet website: http://www.wlb.amsterdam.nl/WLB_aan_het_werk/Internationale_samenwerking/Internationale_samenwerking.shtml
[36] See http://www.tni.org
[37] "Privatising other people's water - the contradictory policies of Netherlands, Norway and Sweden", Public Services International Research Unit (PSIRU, July 2004. http://www.psiru.org/reports/2004-07-W-Contradictory.doc
[38] See for instance "L'appel de Varages, pour une gestion publique de l'eau en France", http://france-libertes.fr/article.php3?id_article=113
[39] "Blocking the wave of water privatisation", Raúl Pierri , IPS, September 23 2006.
[40] "The Public-Public Question", unpublished paper by Guillermo Amorebieta, Network of Water Sector Trade Unions of Latin America. November 2005.
[41] Ibid.
[42] Three years later Umgeni Water joined the "Water and Sanitation Initiative" of the World Economic Forum, a project exclusively aiming for expanding the role of the private sector in water delivery. http://www.weforum.org/site/homepublic.nsf/Content/The+Water+and+Sanitation+Initiative
[43] The now defunct Swedish Water Development was a company owned by Stockholm Water Co, Gothenburg Water Utility and Malmoe Water Utility in conjunction with the Swedish Water & Wastewater Association. The aim of the company was to assist public organizations in other countries to develop water supply and sewerage by transferring the knowledge and experience of highly qualified and committed staff from the Swedish water utilities.
[44] "C'est pourquoi donner aux communes, etablissements publics de cooperation intercommunale et syndicats mixtes, la possibilite de conclure des conventions de cooperation internationale, est non seulement un moyen de permettre une exportation du modele francais de gestion de l'eau, mais aussi un moyen de completer utilment la conquete de marches par les grands groups francais." Parliamentary report by M. Andre Santini, January 27th 2005.
[45] See also "Dirty aid, dirty water", World Development Movement, 2005.
http://www.wdm.org.uk/resources/briefings/aid/dadwlong.pdf
[46] See for instance "NGO Report on the first meeting of the UN Secretary-General's Advisory Board on Water and Sanitation, 22-23 July 2004. http://lists.iatp.org/listarchive/archive.cfm?id=96734
[47] http://www.aquafed.org
[48] "The Public-Public Question", unpublished paper by Guillermo Amorebieta, Network of Water Sector Trade Unions of Latin America. November 2005.

[49] "There exist very few possibilities of obtaining human, financial, and technological resources in order to establish mechanisms for Public-Public Partnership. It is required urgent international solidarity in this aspect", writes Amorebieta, who calls for "establishing a network of professionals who can contribute in seriously and with responsibility with their theoretical skills with the appropriate financing, and a concrete field work to look for solutions in accordance with each reality." From "Perspective on Public-Public Partnerships", Guillermo Amorebieta, February 2006.

[50] "It would then be important to stimulate permanent cooperation between universities and utilities in order to build information flows between all stakeholders and connect those who need technological and operational support. We should do the same with the public technological institutions of the countries more advanced in this area". From: The Public-Public Question", unpublished paper by Guillermo Amorebieta, Network of Water Sector Trade Unions of Latin America. November 2005.

[51] Email correspondence with Philipp Terhorst, WEDC, Loughborough University, England.

[52] "Public-public partnerships in health and essential services", Public Services International Research Unit (PSIRU), co-published by the Municipal Services Project and Equinet, May 2005, http://www.equinetafrica.org/bibl/docs/DIS23pub.pdf

[53] Efforts to conduct cross-border PUPs has been attempted between NV Waterleidingmaatschappij Drenthe (WMD) The Netherlands with 11 PDAMs in the eastern districts of Indonesia (see http://www.wmd.nl/). From "Public-Public Partnerships in Indonesia", Amrta Institute for Water Literacy, Indonesia, February 2006.

[54] "Argentina: Workers' Co-operative Takes over Post-Enron", by Guillermo Amorebieta. "Reclaiming Public Water Achievements, Struggles and Visions from Around the World", Transnational Institute and Corporate Europe Observatory, January 2005 (1rst edition).

[55] Speech by Zahirul Hoque, Dhaka Water Supply and Sewerage Authority during the "International Seminar on Advancing Alternatives to Water Privatisation" (Kyoto, March 2003). http://www.waterjustice.org/analysis.php?componentID=5&articleID=18