

Global water crisis: Partnerships for the future

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When it comes to public services like access to water and sanitation, it has been proved that turning to the private sector is hardly the solution. Public Public Partnerships (PUPs), on the other hand, have achieved remarkable successes worldwide by forging open, democratic and dynamic relationships between State institutions and communities.

Photo: K. R. Deepak



NOT FOR PROFIT: Water is too important a resource to be made a commodity; Engineers of the Maharashtra Jeevan Pratikaran at a workshop conducted by the TWAD (below).

Public Public Partnerships (PUPs). Just three words. But put together, they constitute an idea which can solve the challenge of reforming public sector, thereby reaching essential services like welfare, education, water and sanitation to millions left out of the development process worldwide.

PUPs have produced astonishing results in numerous places in Latin America and is slowly making their way into Asia and Africa, seriously challenging the dominant hegemony of the notion of "Public Private Partnership", the main institutional mechanism by which development is being pushed in developing countries.

PUPs are not theoretical constructs. PUPs emerged in Latin America amidst a context of failed IFI-led reform programmes in water, and as a means to finding positive solutions by promoting institutional co-operation, collaboration and consultation between successful public utilities and other utilities which needed help. PUPs also arose from the demand of citizens groups to be partners in utility reforms.

PUPs encompass three forms: partnerships between a successful public utility offering technical, financial and managerial support to the other utility.

PUPs also envision partnerships between public utilities and communities, involving the community in finding solutions as equal stakeholders. In its most ideal form, this partnership will lead to a community managed and owned water delivery system.

Finally PUPs envisage partnerships of individuals and groups across public sector institutions networking for change as has occurred in India.

Inspiring success

Inspired by the PUPs revolution, the United Nations incorporated the substance of PUPs into a new institution called the “Global Water Operators Partnership” (GWOPs) in 2007. The UN pointed out that 90 per cent of the world’s piped water is publicly owned and managed and even small managerial improvements could yield major benefits. The UN Secretary General’s Board recommended a structured programme of co-operation among water operators, based on “mutual support and on a not-for-profit basis”.

Public reform successes following the PUPs model are visible in Brazil, Cambodia and Uganda. In South Africa, PUPs are a major model for partnerships between different Municipalities and City Corporations to help one another with technical and material support, managerial expertise, financial accounting, improvement in systems and improved human resources practices.

Exchange of experience, knowledge and best practices, capacity building and improving financial management have been concrete outcomes of PUPs in practice. Thus, PUPs represent a win-win situation for both the utility offering support and the recipients. For the latter, the advantages are obvious: advice and support from more knowledgeable engineers, finance specialists and other technical persons from other utilities, at minimal costs. For those offering assistance, the exercise represents a re-inventing of their future relevance as “knowledge sharers”, a point stressed by Antonio Miranda from Brazil, a member of the UN Secretary General’s Advisory Board (UNSGAB).

The significance of PUPs stands out only when we consider it against PPPs (Public Private Partnerships, also referred to as Private Sector Participation (PSP)). The notions, values and ethical dimensions of PUPs and PPPs are so antithetical to each other, that they represent two divergent institutional architectures for the service sector.

PPP was the main institutional change mechanism pushed forward by the IFIs in the early 1990s amidst the charge that failure to reach essential services like health, water, education and sanitation was because of failure of the public sector, and that the challenge of service delivery was best served by entry of private sector. A wave of PPPs engulfed the water sector in particular after the First Earth Summit in Rio de Janeiro in 1992. The private sector was projected to bring in finances for investments, to improve efficiency and ensure good governance. The expectation was that the population, disillusioned with years of dealing with inefficient and unresponsive public sector, would welcome the entry of private players while the water MNCs would be attracted by a large profitable market. The 15-year period from 1992-2007 saw a massive surge of PPP projects worldwide.

However, the projected infrastructure investment did not materialise nor did PPPs lead to any significant difference in efficiency or improvement in services. Reports of the World Bank, Asian Development Bank and other IFIs themselves state this. A 2004 IMF paper stated, “it cannot be taken for granted that PPPs are more efficient than public investment and government supply of services” and pointed out that despite claims, the theory is ambiguous and the empirical evidence is mixed. This view is echoed in a 2005 World Bank report of A. Estache and others. Similarly, a study of Latin America by the AEI-Brookings Joint Centre for Regulator Studies in January 2004, a survey of 18 cities in Asia titled, “Water in Asian Cities – Utilities performance and Civil Society Views” and a 2004 study by economists covering 110 African water utilities found no significant difference between public and private operators in terms of cost efficiency.

A little-noticed event of great significance occurred in 1999: as a response to the growing protests and criticisms about privatisation of water and other infrastructure projects, the international financial institutions, led by the World Bank, created the Public Private Infrastructure Advisory Facility (PPIAF), with the primary objective of building consensus about private sector participation and whose main aim was to “eliminate poverty and achieve sustainable development by privatisation of infrastructure”.

Using public funds pledged by a few European countries, PPIAF identified privatisation advice and promoting privatisation through a process of "consensus building" as its core functions.

The challenge before PUPs is thus clear. Antonio Miranda, the UNSCGAB member stressed, "if the ideological prejudice and institutional obstacles against public sector are removed, the role of PUPs become very apparent," adding, "one per cent of the IFIs' annual investment budget would be enough to cover the costs of 100 or maybe 1000s of PUPs worldwide".

The main obstacles to PUPs are the absence of a forum for enabling utilities; this is hampered by poor funding and by bureaucratic rules and regulations. Nevertheless, recent experiences of PUPs in Peru, Brazil, Argentina, Indonesia, Venezuela and India show that PUPs can surmount these challenges (See Box).

In India, engineers of the Change Management Group of the Tamil Nadu Water Supplies and Drainage Board (TWAD) were invited in 2006-07 by the Maharashtra Jeevan Pratikaran (MJP- equivalent of the Maharashtra State Water Board) as also the Jharkhand State Water Department, to train engineers and policy makers on change management and community partnerships in the water sector. In Maharashtra results emerged quickly.

Another impressive PUP intervention is the ongoing institutional transformation within Tamil Nadu's Agricultural Engineering Department (AED) undertaken by the TWAD CMG. Following intensive training inputs, teams of AED engineers are today fanning out across villages in Tamil Nadu creating community teams of engineers, farmers and citizens to tackle issues of sustainable water provision.

Indispensable

Given the scale of the water and sanitation problem, the public sector alone can achieve the Millennium Development Goal of reducing by half the number of people requiring safe water and sanitation in the world by 2015.

PUPs are the hope for the future. They highlight a dynamic, democratic and open relationship between the public sector and the community. The worldwide experience is that where communities have a sense of ownership of their own resources, they take care of them. To the citizen, these are not matters of returns on investments but instead investments in creating a more ecologically sustainable and safer world, a task which cannot be delayed to the future.

The views expressed are personal to the authors and do not reflect official positions.

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PUPs: Recent experiences

Diverse forms of PUPs have been introduced, creating new forms of partnership between public water operators, trade unions, communities, civil society groups and other key actors. The World Development Movement report, Going Public: Southern Solutions to the Global Water Crisis, records some of these.

Public-collective partnerships in Cochabamba (Bolivia), through democratic control of the public utility, SEMAPA, through election of citizens to the utility company's board and a determining role for local water committees in distributing bulk water supplied by SEMAPA to unconnected peripheral areas.

Public-workers Partnerships in Buenos Aires, Argentina. The water operator has created a foundation to advance low-cost technologies and provide advice to other utilities. The main water provider in Tucumán province, SAPEM, has benefited from this.

Public Utility Partnerships in Indonesia, led public water utility, PDAM Tirtanadi, to support smaller utilities in Sumatra through an "Operational Co-operation Contract".

Communitarian water delivery. In Venezuela, the local communities, the water utility and elected officials work together in Water Councils. Swedish, Japanese, French and Dutch public water companies also support public utilities in central and Eastern Europe.