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### Participatory Models of Water Management (Appendix 1)

(Acknowledgement: CEO, TNI & WDM for information in this Matrix)

Cities	Participatory Water Management	User & Environmental Costs
<p><b>Porto Alegre, capital of Rio Grande do Sul, Brazil</b></p>	<p><b>Departamento Municipal do Agua e Esgoto (DMAE) Public Water Company</b></p>	
	<p>Water has been under public control in Porto Alegre since the Workers Party gained power in the city 15 years ago (Partido dos Trabalhadores, PT). DMAE is <b>publicly owned, but financially independent</b> from the state and fully self-financed through the water bills paid by the 1.4 million inhabitants. It is a <i>not-for-profit</i> company that re-invests profits into improving the water supply.</p> <p>DMAE stimulates and operates a high level of <i>public participation and democratic control</i> over its operations and investments. Not only are its daily work and operations controlled by a council of local civil society representatives, but DMAE's operations and investment decisions are subject to a participatory budget process – a unique and profoundly democratic process in which the budget priorities and investments are decided by community representatives.</p> <p>This participatory model is one of the main reasons that <i>poor communities in Porto Alegre have gained access to clean drinking water</i> through direct participation in deciding new projects, their right to safe drinking water can be prioritised.</p>	<p>Some 99.5% of the residents of Porto Alegre have access to clean water, far more than anywhere else in Brazil.</p> <p>The 'secret' of the DMAE success is based on actual cost recovery but matched with its very differentiated payment structure and cross subsidisation which makes its <i>water price among the lowest in Brazil</i>. Water use <i>above a basic level</i> - such as for swimming pools - <i>is relatively expensive</i>.</p> <p><i>New investments</i> are financed through efficient payment collection. No disconnections. DMAE's environmental information campaigns and the progressive price structure has lowered <i>overall consumption</i>.</p>
<p><b>Companhia Riograndese do Saneamento (CORSAN) which provides water for the rest of Rio Grande do Sul</b></p>	<p>After the Worker's Party won the state elections in 1998, CORSAN was re-organised to give participatory budget assemblies a strong role in the company. Partly due to the involvement of around 80 'committees of users citizens', <i>CORSAN is now considered one of the top-five most effective water companies in Brazil with an excellent record in expanding access to water</i>.</p> <p>Participatory water management in Brazil is by no means limited to the state of Rio Grande do Sul.</p>	<p>Supplies around 6.5 million people</p> <p>The future of CORSAN however currently looks uncertain after the state election in October 2002, where the PT was defeated by the centrist PMDB.</p>
<p><b>Recife, Bahia</b></p>	<p>Community organisations successfully campaigned against privatisation of the <i>State Water Company</i>, which was a very badly functioning public-owned company. Following an <i>extensive process of popular consultations</i>, the <i>Recife Municipal Council of Water and Sanitation</i> was set up to improve water delivery. The results of the restructured company have improved dramatically over the course of only a few years which is attributed to the active involvement of community representatives and NGOs.</p>	



Cities	Participatory Water Management	User & Environmental Costs
<b>Santa Cruz, Bolivia</b>	<b>Santa Cruz a Consumers Co-operative</b> Cooperativa de Servicios Publicos Santa Cruz Ltda (SAGUAPAC)	
	The experience in the Bolivian city of Santa Cruz proves that co-operative models can also be very successful in major urban centres. The city's water utility has been run by a <b>consumer co-operative</b> since <b>1979</b> . All customers are members of the Cooperativa de Servicios Publicos Santa Cruz Ltda (SAGUAPAC) and have the right to vote in the co-operative's General Delegate Assembly. The assembly elects part of the utility's administrative board and the supervisory board. <b>SAGUAPAC is financially independent</b> and ensures that all costs are recovered from the water users (full-cost recovery). After studying the Santa Cruz experience, even the World Bank has admitted "that cooperative solutions can be superior to either public or private approaches to utility management." The Bank's Operations Evaluation Department compared the three major Bolivian cities La Paz, Cochabamba and Santa Cruz, and concluded that the Santa Cruz model has delivered the best results.	Estimated as one of the best-managed water utilities in Latin America. Full cost recovery- socially responsible approach Based on a lower price for first 15 cubic meters of water consumed per household each month. No disconnections. Co-op's achievements: <b>an increase in household connections from 70 to 94% between 1988 and 1999</b> . Even the World Bank is impressed!! A WB study praises Santa Cruz for its "efficient and transparent administration that appears to have virtually eliminated corruption."
<b>Cochabamba, Bolivia</b>	<b>SEMAPA- La Coordinadora del Agua (Difficult Transition )</b>	
	In the spring of <b>2000</b> , the population of Cochabamba, Bolivia, mobilised against the disastrous <b>water management of the US Bechtel corporation</b> which had raised prices dramatically (and made even the collection of rain water illegal!) after privatisation awarded in a 40 year contract. After massive protests forced Bechtel to leave, community groups organised <b>in La Coordinadora del Agua</b> to tackle the development of <b>a fairer and more democratic system of water supply</b> . La Coordinadora has rewritten the statutes of the local water company <b>SEMAPA</b> to include <b>direct popular participation in the Board of Directors</b> . In May 2002 three out seven members were elected by the inhabitants of the southern, central and northern areas of the city. La Coordinadora has the support of a large majority in Cochabamba, but fears that many will lose their patience if improvements in access to drinking water are not achieved in the short-term.	Inherited <b>serious debt the previous owners</b> makes the <b>SEMAPA</b> dependent on international financial institutions :Inter-American Development Bank (IADB). Like the World Bank, the IADB is pro-privatisation and instinctively hostile to the kind of changes envisaged by La Coordinadora. Also the local and national economic elite throwing up many obstacles along the way.
<b>Dhaka, Bangladesh</b>	<b>Dhaka: DWASA - Trade Union Co-operative</b>	
	Threat of privatisation in <b>1997</b> of the water supply in a part of Dhaka (imposed by the World Bank) was met with strong trade union opposition. In response, the Dhaka Water Supply and Sewerage Authority (DWASA) decided to contract out one zone to the <b>DWASA Employees Union</b> , while another zone was given to a private water company, also on a trial basis of one year. After this first year's experiment, the union co-operative's results were so much better that DWASA handed over the private sector's contract to the union.	The union co-operative's achievements included a considerable expansion of the number of people with access to running water as well as a sizable reduction in water losses.
<b>Others:</b>	Botswana, Chile, Tunisia,	



Cities	In search of Participatory Water Management	
<b>Manila, Philippines</b>	<b>Bantay Tubig Campaign! Water Watch Campaign!</b>	Privatisation TNC
	<p>Manila's Water system was divided in two privatised concessions in 1997 under the prescriptions of an IMF programme. The concessions were joint ventures under involving Suez in the western part of the City and International Water and United Utilities in the East. Tariffs came down in the first year of operation, but since 2001, the price of water has tripled the levels in 1997 in both zones. Further substantial price increases are also predicted.</p> <p>There was a cholera outbreak in the West Zone under Suez, due to coroding pipes and sewage leakages, which resulted in 6 deaths and the hospitalisation of 600. The last outbreak of cholera was in the 19<sup>th</sup> century.</p> <p>Suez has now threatened to pull out leaving the infrastructure worse than when they took it over, and unfulfilled promises for extension of services. Suez is now suing the Philippine government for loss of profits.</p> <p>Meanwhile the multisectoral Bantay Tubig campaign network is seriously pursuing feasibility studies on Participatory Alternatives.</p>	<b>SUEZ International Water and United Utilities</b>
<b>Conakry, Guinea</b>	<b>Government</b>	
	<p><b>Vivendi and Saur</b> were granted privitisation of Water utilities in 1989. As a result the price of water rocketed from US\$0.14 per cubic meter in 1988 to US\$ 0.83 in 1996 – 500 % increase in five years. The government has now decided not to renew the original ten year contract in view of the unacceptably high water rates.</p>	Vivendi and Saur
<b>Tucuman Argentina</b>	<b>Tucaman Province and Trade Union OST</b>	
	<p><b>Vivendi</b> won a 30-year water concession in 1995 and introduced an immediate tariff increase of 86% on all customers. Despite this increase, the company failed to accomplish the planned investment and the water supply turned brown. A successful non-payment campaign forced the government to terminate the contract after 3 years.</p> <p>In 2001, the Argentine government scrapped plans for another privatisation deal and now a national company, SAPEM, has been set up, 90%owned by Tucman province and 10% by the workers Trade Union OST.</p>	<b>Vivendi</b>
<b>Jakarta, Indonesia</b>		
	<p>Jakarta's water system was privatised in 1997 – with <b>Thames Water and Suez</b> taking over the utilities responsible for the city water supply. In the first 5 years of operation, prices have increased by an average of 82%. In January 2003, students took to the streets to protest the crippling price hikes and demanding an end to the privatisation contract.</p>	<b>Thames Water and Suez</b>