

Institutional framework for improving the performance of water operators

UNDESA capacity building workshop on
partnerships of water utilities in the Asia-
Pacific region

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Good performance is...

- Efficiency
- Effectiveness
- Transparency
- Accountability

...in a sustainable way

“Sustainabilities”

- Environmental
- Social
- Institutional
- Political
- Financial
- Economic

Relationship between operator and citizens – new requirements

- Water services: essential
- Gradual, growing understanding about governments' obligations
- Gradual, growing awareness of the media
- Stronger connection with health care and environment protection
- More understanding about the roles of the different actors
- A new civil society is emerging in developing and under-developed countries: new demands

Performance of the operators: problems on...

- Objectives; goals of the operator
- Short-, medium-, and long-term planning
- Financial/economic feasibility
- Budget for operation/maintenance as well as for expansion
- Appropriate staff policy

To resolve the problems:

- Many approaches
- For a sustainable result, it is possible to make it on six basic steps

1st step: accurate diagnosis

- Visible problems
 - Financial

- Their causes
 - Reviewing goals, planning etc.

2nd step: to see through the citizens' eyes

- Immense cultural changes:
 - Openness to criticism
 - Self-criticizing
 - Vocabulary – citizens, not clients
 - Operational standards
 - Citizens as allies for solving problems

3rd step: to set up clear goals

- To consider the MDG on water
- Having citizens as allies:
 - 100% coverage on water (annually? monthly?)
 - 100% coverage on sewerage (annually? monthly?)
 - W&S education programs
 - Performance on operation
 - Performance on maintenance
 - Development of participatory processes

4th step: formulating alternatives for implementing the goals

- Tariff reform?
 - Progressiveness? Cross-subsidies?
- Operator's structure reform?
- Investments on management: reducing losses in general
- Raising public awareness for political support
 - Water services as an asset; not a liability

5th step: choosing the most appropriate option

- Work plan for implementation
- Task force

6th step: ensuring sustainability

- Preparedness to combat bad political influence
- Avoidance of discontinuity of an existing good process of reform
- External control: sunlight as the best control

Means of reform

- Internal willingness and commitment
- Knowledge on similar processes elsewhere: good and bad practices
- Democratization of the discussion – inside and outside
- Government commitment and support

External control mechanisms

- Civil society organizations in general
- Protection against misguidance and misdirection
- Many different formulas

Porto Alegre, Brazil

- Population 1.4 million
- Municipal council on water: established since 1961
- 13 member-organizations
- Permanent improvement process; surplus of 15-22% of the revenues

Recife, Brazil

- Population 1.5 million
- Municipal conference on water in 2002
- Stopped World Bank conditionality for privatization
- Started a process for continuous improvement

For institutional reforms

- To make it with efficiency
- With effectiveness
- To be transparent during the process, and turning and/or ensuring the operator transparency in the future
- Accountability: the same
- In a sustainable way: alliance with the citizens

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