

PRO-POOR
PUBLIC-PRIVATE
PARTNERSHIPS
IN URBAN WATER SUPPLY

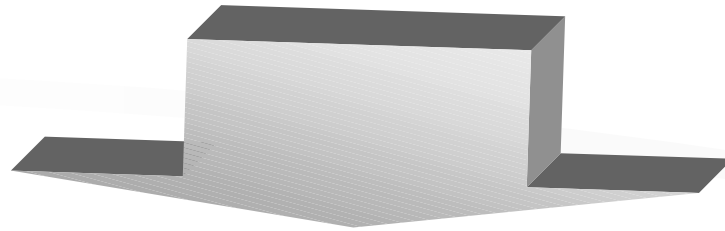
Andrew Nickson

International Development Department

University of Birmingham

10/29/2002

Public-Private Partnerships (PPPs)



**Greater
efficiency in
basic public
services**

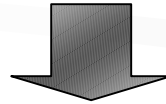
**But have they
promoted
concern for
urban poor?**

Two case studies in Urban Water Supply (UWS)

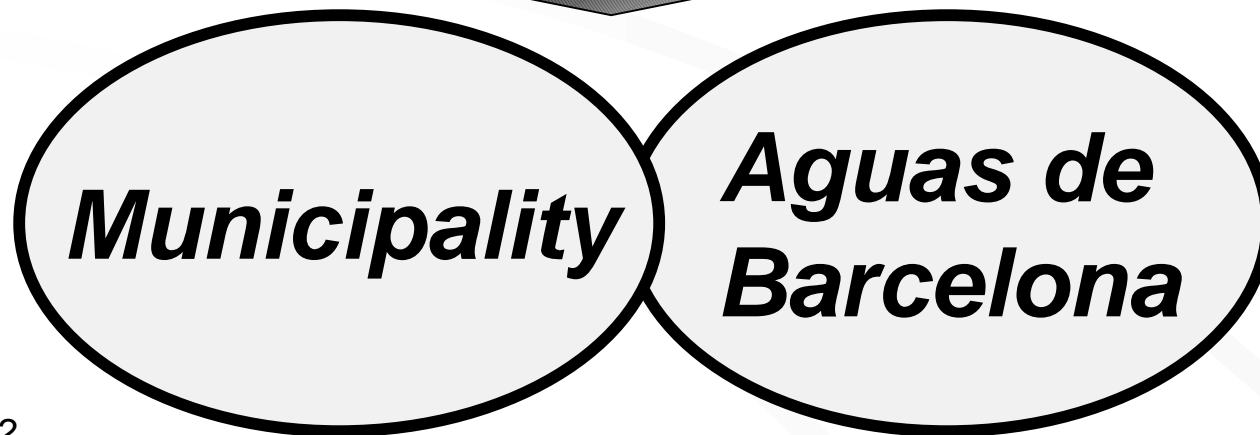
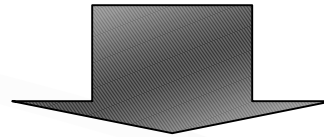
- ⇒ History of public sector inefficiency**
- ⇒ Urban poor vulnerable to natural monopoly**
- ⇒ Both promoted by World Bank**

**Cartagena, Colombia
(pop. 850,000)**

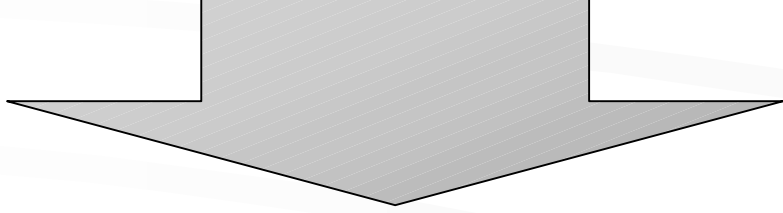
Aguas de Cartagena



Joint venture between



*Affermage contract
in 1995 for 26 years*



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Cordoba, Argentina

(pop: 1,350,000)

Aguas Cordobesas

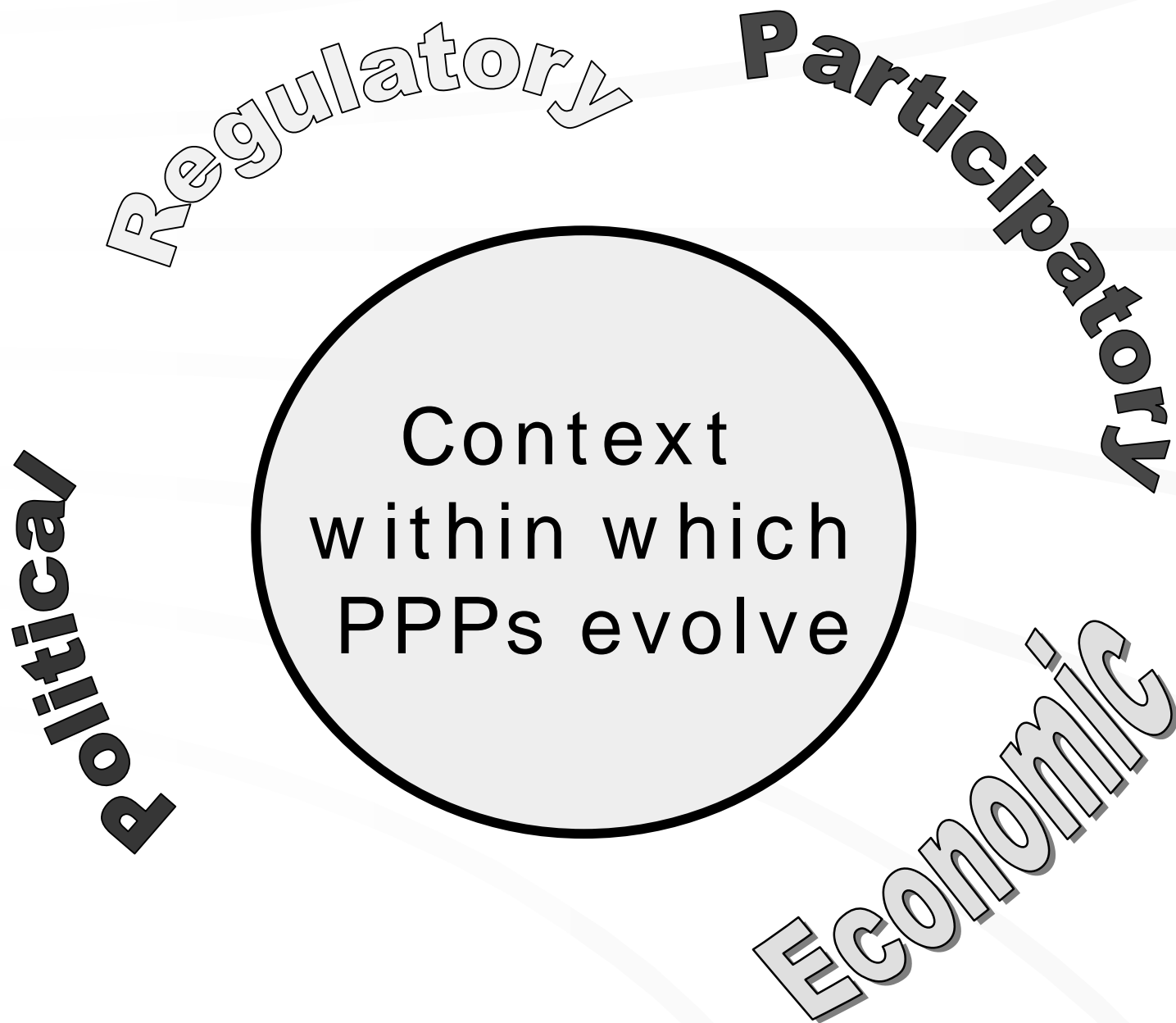
➔ **Subsidiary of Suez-
Lyonnaise des Eaux**

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*Concession contract
in 1997 for 30 years*

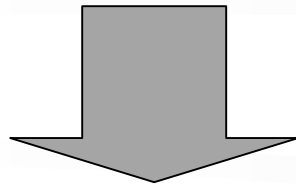


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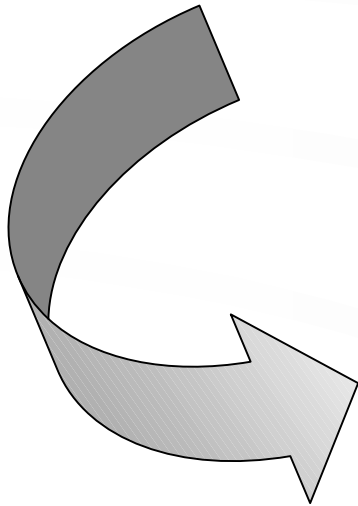


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Political context

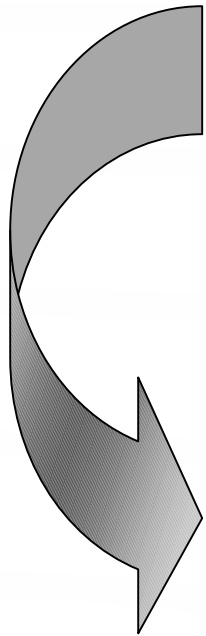


Traditions of



- **authoritarianism**
- **municipal corruption**
- **clientelism**

-are all negative for PPPs



- ⇒ administrative discontinuity**
- ⇒ lack of professional ethic in bureaucracy**
- ⇒ weak accountability to civil society**
- ⇒ limited performance evaluation**

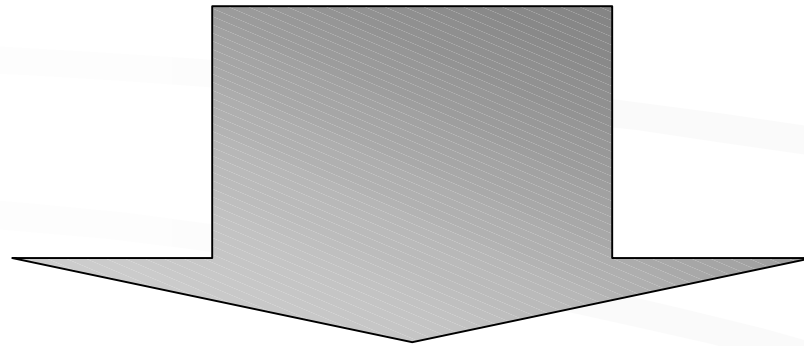


***Economic
context***

- **economic liberalisation**
- **economic recession**
- **rapid urban growth**

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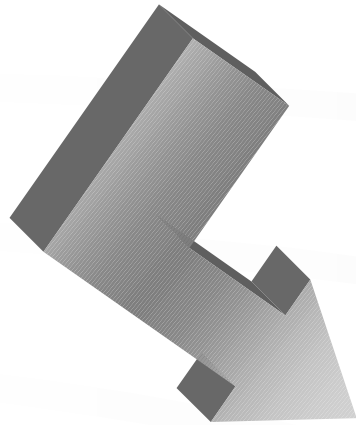
Regulatory context



**tightening of regulatory
legislation**

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Participatory context



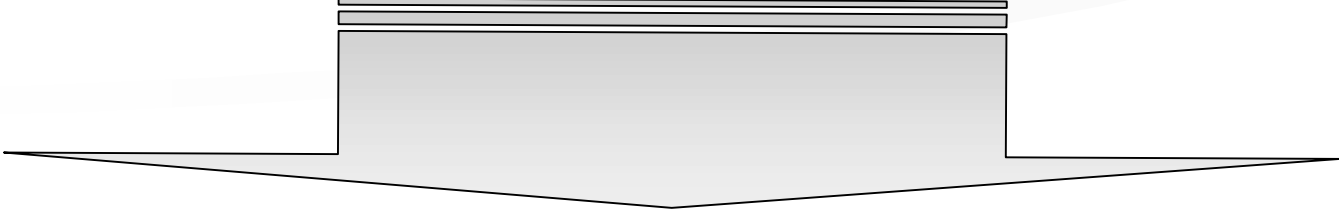
**rheterical use of
“participation”**

**clientelism means citizen
participation dominated by
political parties**

***Institutional responsibility
for UWS has major implications
for Pro-Poor initiatives***

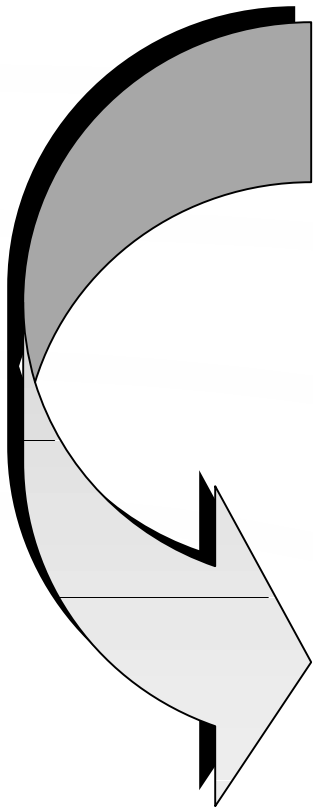
- **Cartagena: legal responsibility to provide UWS confined to “urban area” within municipality**

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- 
- **Cordoba: Province signed the PPP but jurisdiction is the municipality**
 - **Cordoba: no legal responsibility to provide water where there is no land title**
 - **So municipality meets water needs of squatters**

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Why should the major stakeholders be pro-poor?



Public sector: power of the “client” strengthened by democratisation

Private sector: the logic of network expansion

Who are the water “poor” ?

***Those not connected
to the network***

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graph TD; A["Those not connected to the network"] --> B["private providers"]; A --> C["clandestine connexions"]; A --> D["municipal tankers"];
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***private
providers***

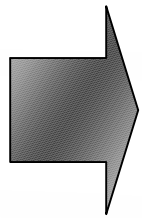
***clandestine
connexions***

***municipal
tankers***

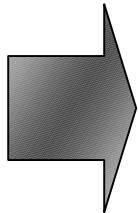
***Cartagena:
25% of
population***

***Cordoba:
14% of
population***

The water tariff and the poor

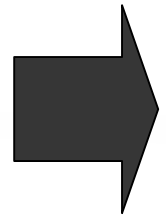


Cartagena: equitable volumetric charging, via progressive step tariff and geographical zoning

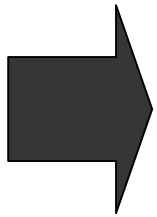


Cordoba: inequitable tariff structure, via highly regressive property based standing charge, which outweighs mildly progressive step tariff

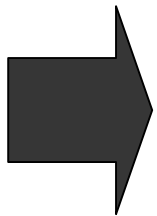
Private sector interest in pro-poor activity is limited by



**lower expected
household consumption**

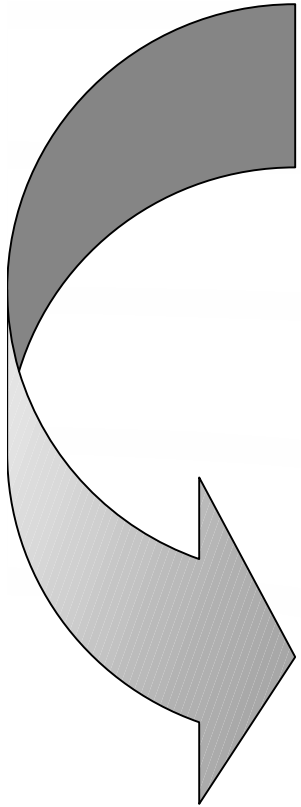


**higher costs of
billing and collection**



**higher incidence of overdue
bills and non-payment**

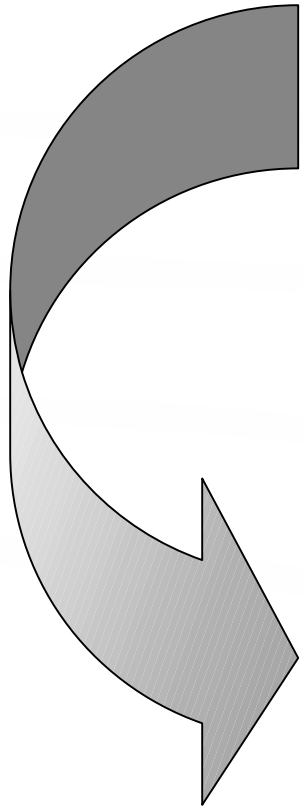
Pro-Poor initiatives in Cartagena



**Nelson Mandela: collective
payment system via macro-
meters**

**El Pozón: reduced financial
burden of connection charge
and weekly billing**

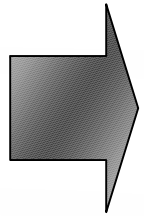
Pro-Poor initiatives in Cordoba



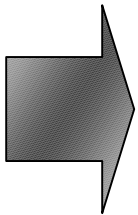
**Tripartite arrangements to
connect to network using
voluntary labour**

But with mixed results

Conclusions



Pro-poor rhetoric is far greater than the reality



Underlying agenda to inculcate a “payment culture” among the poor