

# **STRENGTHENING PUBLIC WATER IN AFRICA: SOUTH SOUTH NORTH NETWORKED MODEL OF PUBLIC-PUBLIC PARTNERSHIPS**

**THE CASE OF ONEP (MOROCCO) - SNDE (MAURITANIA)**

*by Samir Bensaid*

While both North–South partnerships and South-South Partnerships have strengths and limitations, linking these in networked models is an effective way to mobilise expertise and funding and achieve success. Such a networked partnership, involving six public water operators from Europe and two from Africa, was developed to improve access to water in Mauritania. The partnership rests on a solid basis of shared public service principles. A crucial factor in the partnership is the contribution of the Moroccan state water company ONEP, one of Africa’s best performing public water operators.

## **THE INTERNATIONAL CONTEXT:**

At the United Nations’ Millennium Summit held in September 2000, the world’s leaders adopted the Millennium Declaration aimed at reducing extreme poverty and setting the Millennium Development Goals (MDGs). One of the objectives of the MDGs aimed was to halve the number of people with no access to clean drinking water and sanitation by 2015. Various evaluation reports<sup>i</sup> have underlined the fact that the countries of the South are far from achieving the MDGs on safe drinking water and sanitation; for the most part they are not even on the road to doing so. This is particularly true for the Sub-Saharan African countries. Certain recommendations were made to support countries of the South; these included the involvement of the private sector (commonly Public-Private Partnerships (PPPs) or Private Sector Participation (PSP)), essentially by delegating the public services’ mission of providing drinking water supplies. This approach was emphatically presented for many years as the magic solution to all the problems.

## **THE LIMITS OF PPPs:**

It is now obvious that public operators generally continue to play a key role in providing water services. Private or service companies are responsible for fewer than 1 in 100 new connections to water mains’ systems<sup>ii</sup>.

This has led promoters of the PPP concept, such as the World Bank or the OECD, to conclude that the key players in the private sector have not been fully committed as they are unable to make enough profit or they do not have sufficient guarantees. This is because the economies of scale and the political and economic risks associated with the countries of the South have failed to reassure their shareholders. Another factor is that other, more profitable markets, such as China and Eastern Europe, are opening up. And the local private sector is relatively weak and insufficiently structured; there is almost no strategic vision that would encourage them to invest in a highly capital-intensive sector that would no doubt prove far less “profitable” than other, more enticing markets, for example property speculation.

As early as 2005, the World Bank concluded “the econometric evidence on the relevance of

ownership suggests that in general, there is no statistically significant difference between the efficiency performance of public and private operators in this sector".<sup>iii</sup> A more recent report<sup>iv</sup> by the Development Centre of the OECD in 2008, based on 22 empirical test and 48 case studies in the Southern Mediterranean Region, reached a similar conclusion: private management of water services is not per se synonymous with efficiency and performance.

#### **STRENGTHENING PUBLIC OPERATORS: A RECOGNISED CREDIBLE ALTERNATIVE**

The weaknesses and limits of the PPP solution have clearly demonstrated that investment aimed at improving the performance of public operators is a credible and relevant option to meeting the challenge of providing access to clean drinking water and sanitation.

#### **LESSONS LEARNT FROM EXPERIENCE IN PARTNERSHIPS BETWEEN PUBLIC OPERATORS**

To be as efficient as possible, we need to learn lessons from past or existing partnerships and build on the success stories in this field. The different forms of ONEP South-South partnerships in Africa since the 1990s (multilateral, bilateral or tripartite), clearly show that in spite of their positive impacts, they generally fail to meet the huge challenges facing those companies involved in water and sanitation partnerships. This is partially due to:

- Lack of a long-term strategy in the development projects of the sector in many African countries.
- Failure to secure sustainable technical and financial resources for public water and sanitation operators in these countries.
- Insufficient financial (and in certain cases technical) resources dedicated to cooperation and to helping those that are less developed, from those countries of the South that have a significantly more developed water sector.

North-South partnerships are essentially limited to occasional training, expertise, workshops and seminars. These are limited by their relatively high costs compared with both available resources and outcomes, as well as by the issue of adapting the solutions implemented in the countries of the North to African realities. The so-called WOP mechanism (Water Operator's Partnerships) launched by the United Nations Secretary-General's Advisory Board on Water and Sanitation (UNSGAB) and presented in 2006 in Mexico under the Hashimoto Action Plan<sup>v</sup>, particularly recommends introducing Public-Public Partnerships between operators on a non-profit-making basis, to help the operators in countries of the South to reach the MDGs on water and sanitation. However, it is worth noting that it is still difficult to implement the WOP mechanism at both global and regional levels. I believe this to be due to a lack of strategic vision on the added value of the mechanism.

#### **PROPOSAL FOR A NEW MODEL OF PUBLIC-PUBLIC PARTNERSHIPS BASED ON NORTH-SOUTH-SOUTH COOPERATION**

In light of the above-mentioned situation, it seems necessary, or even urgent, to examine new partnership models and to set aside any dogmatic approach to the subject. Given the limits demonstrated by the PPP projects in the countries of the South, strengthening public operators' performance by developing Public-Public-Partnerships (PuPs) is now a credible option.

The PuP model on offer needs to work on two kinds of objective:

- **A strategic objective:** Guarantee access to safe drinking water and sanitation for all citizens. To this end, the MDGs are an important landmark and a lever.
- **An operational objective:** Build capacity in the public water and sanitation companies in the countries of the South (specifically in Sub-Saharan Africa), so that they can reach a level in the medium-term (3-5 years) that will allow them to fully assume responsibility for their mission of providing water services in the above-mentioned strategic objective.

In order to achieve this, the partnership model should be based on the following principles:

- **A sustainable approach:** adopt a more integrated approach at institutional, technical and financial levels, all linked to a long-term strategic vision (set out above).
- **Rationalise** available financial resources by optimising the various actions and partnership programmes and improving the use of the potential expertise of the more experienced operators from the South, to help those that have less experience. This should be carried out in the spirit of the Paris Declaration on Aid Effectiveness<sup>vi</sup>.
- **Pool** existing resources in expertise in water companies from both the North and the South, and establish a network of experts.
- **Non-profit.** Water is VITAL for humans and other living species and the environment. Water management cannot be purely commercial or speculative. Knowledge and experience need to be shared and considered as part of the universal heritage of humankind.

#### **A CASE OF PUBLIC PUBLIC PARTNERSHIP BETWEEN SNDE-ONEP**

Mauritania, like many countries signed up to the Millennium Development Goals (MDGs). Water and sanitation policies in Mauritania were established with the key objective to “improve universal access to water and sanitation in terms of both quantity and quality, with affordable prices, and in a sustainable manner”. Modernisation and strengthening of capacities in the major public operator in drinking water supplies (DWS) for Mauritania, called the Société Nationale d’Eau (the National Water Supply Company, SNDE) is an important step towards achieving these important strategic objectives.

The partnership agreement between the Moroccan National Drinking Water Supply Company (ONEP) and the SNDE provides a useful tool. This form of South-South cooperation between two public operators does not stop either operator from mobilising other partners, particularly those involved in public water and sanitation management in the North, or from developing a broad support network for the project. The aim is to share and pool resources and capacity in both companies of the North and the South, and to establish a platform of experts to support the implementation of a capacity-building programme in SNDE. This broad partnership network is built around the key issues as defined by the two partners of the South (ONEP and SNDE); it provides the necessary technical support, reduces the risk of knowledge gaps or other weaknesses in one of the partners; it also enables experience and knowledge sharing. The project is also a pilot project for a new cooperation model (North-South-South) in the water sector.

Through the partnership, ONEP wants to share the expertise it has developed through the successful public management of water in Morocco. Ninety-nine per cent of the production of drinking water is done by ONEP and local public authorities. Only 30% of the water mains

distribution in Morocco is carried out by private operators, the rest is public. The rate of access to safe drinking water is 100% in urban areas (of which 8% is via public water stands) and 86% in rural areas (approximately 1/3 via individual connections, the rest by public water stands). In all areas, a continuous provision of services (24h/24h) is secured.

#### **IMPLEMENTATION OF THE MODERNISATION AND CAPACITY BUILDING PROJECT IN THE SNDE:**

- **Phase 1:** Audit of the SNDE functions and design of a Pluri-annual Action Plan for modernisation and capacity building within the company.
- **Phase 2:** Presentation of the Pluri-annual Action Plan to the partners, the international cooperation agencies and potential donors, in order to raise the requisite funds.
- **Phase 3:** Implementation of the Pluri-annual Action Plan (3-5 years).

An initial round table was jointly organised by ONEP and SNDE on 24th March 2008 in Rabat, Morocco. Senior management of the various partner organisations participated: public water company Eau de Paris, Vivaqua (Brussels), SWDE (Belgium), ONEA (Burkina Faso), SIAAP (France) (later followed by SCP - Société Canal de Province/France and Amsterdam Waternet). Regional representatives of various technical cooperation bodies (Germany, Belgium, Spain and Japan) and donors (Islamic Development Bank, KFW-Development Bank of Germany, Asia Development Bank, DAF-Agence Française de Développement, World Bank) also participated.

One outcome was the important Declaration of Principles; this marked the beginning of the partnership and the capacity building project in SNDE. The partners committed to a “new partnership dynamic extending beyond conventional ‘North-South’ international aid and increasingly geared towards ‘South-South’ partnerships which, however, remain open to the North”. The principles agreed on include “operating on a non-profit basis, transparency, the pooling of know-how, sound resource management, and the sustainable management of drinking water and sanitation services.”

The first stage of the process consisted of carrying out an overall audit of SNDE; the objective was to build a pluri-annual cross-cutting action plan aimed at upgrading the technical, organisational and institutional skills within SNDE, and helping it to become a structure capable of implementing its public service missions. This audit was carried out by a dozen experts from ONEP, SCP and ONEA, as well as from other international structures. This stage, piloted by the International Institute for Water and Sanitation (IWS), affiliated to ONEP, was implemented between March and August 2010. The audit led to the design of an extensive Pluri-annual Action Plan to modernise and strengthen the capacities in SNDE.

A second round table was organised in Rabat on December 13th 2010 to present the results of the audit and the Modernisation Action Plan of the SNDE to all the potential partners (public operators, UN Agencies, international cooperation agencies and international financial institutions). This round table was organised by the IWS and jointly chaired by the managing directors of the SNDE and ONEP.

Many of the participants made a commitment to support and take responsibility for specific aspects of the Action Plan. Key elements in the action plan are a capacity building programme that includes training and coaching, but also bringing in expertise and technical assistance from the partner utilities to boost SNDE's managerial and technical functions. Organisational restructuring inside SNDE is foreseen in order to overcome structural

deficiencies and modernise the water services. Investments will be made, notably in setting up a water training center. Among issues identified where progress is needed are strengthening rural water as well as the environmental protection of water resources, leading towards integrated management of the whole water cycle.

## RECAP CHART OF THE MODERNISATION PLAN FOR THE SNDE

### K E Y F I E L D S

	MANAGEMENT	TECHNICAL	FINANCE	TOTAL (Euros)
TRAINING	1 300 000 €			1 300 000 €
TECHNICAL ASSISTANCE	220 000 €	820 000 €	360 000 €	1 560 000 €
SUPPORT AUDITS	1 500 000 €	300 000 €	700 000 €	2 500 000 €
INFRASTRUCTURE /EQUIPMENT	4 000 000€			4 000 000 €
PROJET MANAGEMENT				1 000 000 €
<b>TOTAL (in Euros)</b>				<b>10 360 000 €</b>

### CONCLUSION:

The success of an initiative of this scope essentially depends on political support at the highest level from the government of the recipient country. Institutional aspects and governance of both the quality of human resources and their organisation are also important, even more so perhaps than the financing and implementation of the investments and infrastructure for water and sanitation.

Successful implementation involves setting clear strategic and political objectives to mainstream access to safe drinking water and sanitation, and thinking outside the box rather than opting for ready-made solutions. It involves creating tailor-made solutions that are concrete and designed for each specific situation.

The ultimate aim is to upgrade the level and develop capacities of public operators specifically in countries of the South, so they can deliver efficient, high-performing services that make general access to safe drinking water and sanitation a reality. This can be achieved by promoting South-South Public Partnership models that are supported by a broad network from the North and managed according to principles of shared know-how and solidarity.

*Samir Bensaid* is a Managing Director of the International Institute for Water and Sanitation (Institut International de l'Eau et de l'Assainissement: IEA). IEA was established by ONEP(ONEP: Office National de l'Eau Potable) to promote capacity building and R&D.

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<http://www.tni.org/tnibook/reclaiming-public-water-2>

Notes

<sup>i</sup> For example, the excellent Report on Human Development published by the United Nations Development Programme in 2006.

<sup>ii</sup> “After 15 years, the investments agreed by private operators have only enabled 600,000 homes in Sub-Saharan Africa and South and East Asia to be connected to water mains (excluding China); this is less than 1% of those which should have been connected to meet the MDGs”.

*The United Nations Water Operator Partnerships initiative, Emanuele Lobina, PSIRU, Business School, University of Greenwich, 2007*

<sup>iii</sup> Infrastructure performance and reform in developing and transition economies: evidence from a survey of productivity measures. A. Estache, S. Perelman, L. Trujillo World Bank Policy Research Working Paper 3514, February 2005.

[http://wdsbeta.worldbank.org/external/default/WDSContentServer/IW3P/IB/2005/03/06/000090341\\_20050306101429/Rendered/PDF/wps3514.pdf](http://wdsbeta.worldbank.org/external/default/WDSContentServer/IW3P/IB/2005/03/06/000090341_20050306101429/Rendered/PDF/wps3514.pdf)

<sup>iv</sup> “An extensive review of 22 empirical tests and 48 case studies on the effect of private sector participation in water services has been conducted. This survey shows that private sector participation per se, in water supply does not systematically lead to gains in efficiency.”

*OECD Development Centre - Working Paper No. 265: Private sector participation & regulatory reform in water supply: Southern Mediterranean experience, 2008.*

<sup>v</sup> United Nations Secretary-General’s Advisory Board on Water and Sanitation (2006) *Hashimoto Action Plan - Compendium of Actions*, March 2006.

<sup>vi</sup> The Paris Declaration, endorsed on 2 March 2005, is an international agreement to which over 100 ministers, heads of agencies and other senior officials committed their countries and organisations. They agreed to continue to increase efforts in harmonisation, alignment and to manage aid with a set of monitorable actions and indicators.