

Workshop: UN support for PUPs? How to ensure that Global Water Operator Partnerships Alliance (GWOPA) stays on track to support not-for-profits PUPs?

Present: David Boys, Steeve Bloomfield, Dieter Wartchow, Guillermo Amorebieta, Eloi Badia, Marcela Olivera, Victor Chiong, Karen Ruiz, Aoi Horiuchi, Takafumi Tsujitani, Jeff Conant, Emmanuel Petrella, Ge Yun, Satoko Kishimoto(facilitator), Martin Pigeon(note)

Working Group members: David Boys, Steve Bloomfield, Satoko Kishimoto, Victor Chiong, Aoi Horiuchi, Eloi Badia, Martin Pigeon, Dieter Wartchow, Guillermo Amorebieta

Existing WG member: Adriana Marquisio, Alhassan Adam, Antonio Miranda, Anil Naidoo, Bobet Corral, (Jerry van den Berge), Olivier Hoedeman, Vibhu Nayar, Philipp Terhorst, Suresh, Thomas Kane, (David Hall),(Emanuele Lobina)

[GWOPA] e-mail list serve posting address: gwopa@lists.tni.org

Summary

The participants discussed the serious concerns about the strong involvement of private firms and commercialised public water operators in both the both global and the regional WOPs processes. After the last International Steering Committee (ISC) meeting, our demand for a quarantine clause seems to have little space to be included in any form. Nevertheless, the workshop participants discussed how the Reclaiming Public Water network - with our allies - could keep engaged in the GWOPA, under which conditions, and how we could play a proactive role. After sharing views on this and analysis on where we are, we discussed concretely the possibility to improve the safeguard mechanisms through the 'integrity subcommittee' that was established at the last ISC meeting, as well through the Code of Conduct and the guiding principles of the GWOPA.

The workshop was also an opportunity to discuss the relation between the GWOPA process and civil society-led, autonomous initiatives such as the Platform for Public-Community Partnerships (Plataforma de Acuerdos Público-Comunitarios) in Latin America. The participants agreed to prepare well for next ISC (in Stockholm, September 2010) by preparing a good analysis of the existing WOPs, by developing concrete proposals for safeguard mechanisms, by communicating with our allies in advance to increase our combined pressure, and by demanding much more transparency on the GWOPA process and the specific WOP projects.

Strategies:

- strengthen the RPW GWOPA working Group
- prepare analysis on WOPs for the International Steering Committee during the World Water Week (5-11 September 2010 in Stockholm)
- develop new safeguard mechanisms via the integrity sub committee and a complaint mechanism
- demand transparency from GWOPA on existing WOPs projects

Action points:

- Satoko circulate the position of ASSEMAE on GWOPA; Dieter reworked with olivier (suggestion taking into account Victor's points)
- new members (Steve and Aoi) will be added to the GWOPA working group.
- communicate with the African Water Network representative to the ISC
- Dieter will send planning notes to prepare the next ISC in Stockholm
- discuss who will go to Stockholm on behalf of the RPW network

Discussions in the Workshop:

what is GWOPA? :

Preliminary presentation by David Boys: GWOPA is a UN-Habitat initiative to coordinate regional WOPs. This is a result of negotiations/fight within UNSGAB to block original terms of reference, designed around PPPs. The UNSGAB was created by the French government's pressures on Kofi Annan, and is composed mainly of bankers and government officials generally in favor of PPPs. Because of internal resistance by unions and civil society, also from threats to disclose manipulations by corporations, membership was enlarged to PSI, public operators and women movements. This led to a change of original terms of reference away from PPPs, private operators are not in a position to reach MDGs because they lack staff and capacity, public operators only ones able to do so.

Local public operators are blocked behind their political and geographical borders, often unable to work outside their municipal borders, so PUPs can play a role in providing political and financial tools to help municipalities to help one another in our concept of PUP.

The pro-private members of UNSGAB (in majority) tried to block this initiative, but when they saw they didn't have the intellectual resources to counter our arguments, they said that the UN couldn't set up a scheme that would exclude the private sector => compromise : "all operators can participate in this initiative on a not-for-profit basis"; academics, NGOs and other actors can participate, also on a non-profit basis => concept of Water Operator Partnership (WOP) approved by UNSGAB, recommendation made to Annan, but before he was able to implement, the chair of advisory board (Hashimoto) went back to Japan and freed up 2 millions dollars for PUPs for Asia Pacific region, but because not preliminary institutional set-up, this money went through regional development bank ADB, which has big water portfolio and a bias for PPPs. This has been the model followed since then.

About one year and half after, Annan asked UN Habitat to set up a WOPs office in their existing water office. UN Habitat is a UN agency responsible for working on cities, so it's a primarily urban focus. The person hired to run this office is a former Dutch civil servant, Bert Diphooorn, who has been outspoken in favour of market-based models and solutions. He hired as a manager a Lebanese man, FarajEl-Awar, who is sympathetic to public management and ownership, at least apparently. UN Habitat was pressured to set up a steering committee (ISC) that would include mainly public water operators + NGOs, unions... and private operators, UN agencies and donors. The international steering committee is meant to act in a form of oversight, with one meeting a year and a very loose supervision of what UNHabitat WOPs management team does. The NGO representatives were chosen from among the RPW network; trade unions include Guillermo Amorebieta (SOSBA Argentina), Dutch trade union Abvakabo FNV, Dieter Wartchow (ASSEMAE), Luis Padron Aguas Bonarenses for operators; NGOs have two seats (RPW and Africa Water Network). The Steering Committee meeting in Stockholm 2009 was very difficult, we tried to obtain the adoption of a quarantine mechanism, inspired from UNISON's work, to prevent privates from abusing the scheme (f.i. setting up a 2-years WOP then a 25-year concession contract after having collected all the info they need). We asked for a 5-year mechanism, which was massively resisted by pro-business, successfully. As a sort of consolation, they proposed to create an "**integrity sub-committee**" and that's where we are now. We still have to operationalise the sub-committee and regional WOPs are still driven by development banks and pro-private or pro-market operators.

Dieter Wartchow: It is very important to know what happened inside the SC. After the foundation meeting, the first ISC meeting in Stockholm and the Zaragoza conference (December 2009), emerged from the debates many questions and queries. One question is about the *code of conduct* related to the quarantine. How can we do cooperation projects when financial institutions

impose some conditions to such partnerships? They usually favor private operators or commercialised public. IADB funds only go to PPPs or the like, not projects involving NGOs, unions, public operators. **Guiding principles:** we can accept these, but not the inclusion of private water operators. NGOs, representative of CSOs. Another principle: transparency, fostering sustainable change, building culture of solidarity. There are other challenges than ones mentioned in paper: "clear information", what are the steps to call a PUP? Another challenge: pilot project with public participation, focus on poor and rural areas instead of big projects. We must break the conditions to finance PUP projects. We must open to real stakeholders. How can we invite others? Few public operator representatives. Is it possible to give money to our institutions with our conditions? We must highlight good examples on all continents to foster good and participatory PUPs. Involving only operators is a mistake, because operators mainly reach urban areas and are not able to reach rural areas and urban slums. Poor and rural communities must take part in the project so the program must be open to others.

Steve Bloomfield: GWOPA's idea is that projects are beneficiaries-driven, not donor-driven. GWOPA office role is match-making, so it's not our role to impose conditions.

Guillermo Amorebieta: my commentary will basically be political. My impression from ISC and other WOPs processes confirms my discussion with IADB and one Argentinean colleague, we also spoke in Nairobi, also with Agbar/Aquafed, I had the feeling that this process, that was born with good intentions, has been co-opted by a certain number of big countries to control the scheme. There are some prejudices and experiences we don't even know, there was a secret meeting last October in Colombia with bank representatives and private sector and para-public. They were supposed to push forward the WOPs process. Someone (Argentina / Aquafed) said that the Red Vida network was a "satanic" network. Also, through the Argentinean government, I know there is interest by some big countries and organisations to control. For instance, the WOP-LAC is a closed system and only people within this process can integrate it. Some members have an internal agreement to have an information management. This confirms the suspicions I had from someone in Buenos Aires water system that WOP-LAC was completely closed. These two are articulating the processes: at political level we are excluded from everything.

Victor : I attended two activities as an observer (Nairobi and Zaragoza) then as a union, the number of private sectors is increasing compared to us. In Zaragoza, there was no union, only RPW. We need to increase our presence in the process. Very hard to engage in this framework. My observations in Zaragoza: many private sector people presented their success, so it seems that GWOPA is now encouraging more private involvement. Faraj said that GWOPA had nothing to do/no control over regional WOPs. Suspicion that GWOPA is using this to market ? We want to continue our engagement in GWOPA, decided to not sign any GWOPA manifestation. ADB now engaged in twinning activities, for instance in Cebu, the twinning with CityWest (Australia) leads to ideas to reduce workforce. So we are now studying these WOPs as undertakings where private use them to access info.

Eloi : we must keep in mind if this system is corrupted or not (WOPs) we know they want us to play role of watchdogs; public always suspicious threats of corruption. We still live in this ambiguity but there is space. About quarantine; we asked Faraj what he thought about it in Zaragoza; his response was that we should dilute it, have it working but more discretely. I wonder what is the real power of this integrity sub-committee, and if we can design our own control mechanism. We could study the regional WOPs.

Steve : About quarantine, in UK, we negotiated a quarantine mechanism of two years in the similar program called PAWS (Partners for African Water and Sanitation). It is important to protect the recipient from business pressures from UK private companies. Recipients should be protected not only from businesses but also from NGOs (NGOs sometimes replace existing

public systems and are not accountable to the local population) so the quarantine applies to everybody. The negotiation was between civil society and other partners. There are no breaches of the quarantine as far as I am aware of.

Why aren't there more public operators in GWOPA? Usually, public utilities don't have the funding to enable them to do partnerships, and national authorities are not doing anything to promote this concept. How can we persuade our governments to help services?

Question: What is the Platform for Public-Community Partnerships' position on this?

Marcela: I cannot speak on its behalf the platform. We are still in the process of discussions. My point was that we as the platform have to have our autonomy. If we all get engaged with the GWOPA and things go wrong, where can we go? We want to keep the platform autonomous. And key members of the platform such as Dieter and Guillermo have engaged with the GWOPA actively. They have communicated with the platform. I think it is not necessary the platform would engage with the GWOPA as a whole but have good communication in between. Another view is that the GWOPA is too institutionalised. In the platform there are non-institutionalised groups and we don't want to exclude them.

Exchanges and discussions: what are our conditions to keep engaging with the GWOPA? What are our strategies to the next International Steering Committee (ISC)?

David: we track a number of WOPs and present the material back to UN Habitat, although they will say that they are not in control of regional WOPs. Bobet has sent information on ADB-led WOPs already.

Guillermo : UNASUR releases two reports every year. The last one was on Brazil, and there was a chapter saying that there were organisations participating in UN events that were directly controlled by US secret services - USAID, NED...- straight link with coup in Honduras and Chavez. Because they have identified the GWOPA as key to their interests.

Steve : we might have a final opportunity with next SC meeting, we have to be very pro-public, a further attempt to convince quarantine, pressure national governments to release their utilities participation.

Dieter : we must come up with projects directly to Faraj and/regional WOPs and see if they can support our initiatives.

David: I suggest that those people who can go to the SC need to be armed with analytical material prior to the meeting to be able to prepare pressure. RPW must increase its presence, lobby other members ahead of time. That's about the global process. But at the same time, regional processes that are independent must be pressured as well.

Satoko : not only analytical material, I suggest we start discussing our proposals. As far as the Integrity sub-committee is concerned; there is a space for us to come up with proposals. Also the complaint mechanism should/could be proposed. The complaint mechanism has a potential to safeguard WOPs even more effectively than the quarantine if local activists have an official place to complain about a violation of non-profit principals in WOP projects. And I want to demand transparency to GWOPA ; the GWOPA must have a clear website where all WOP projects' information are found. We don' have to do all research (we can not!) but the GWOPA must ensure good transparency on WOP projects including regional ones.