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# Social efficiency and the future of Water Operators' Partnerships

Madeleine Bélanger Dumontier, David A. McDonald,  
Susan Spronk, Catherine Baron and Dieter Wartchow

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### **ABOUT THE PROJECT**

The Municipal Services Project (MSP) is a research project that explores alternatives to the privatization and commercialization of service provision in electricity, health, water and sanitation in Africa, Asia and Latin America. It is composed of academics, labour unions, non-governmental organizations, social movements and activists from around the globe who are committed to analyzing successful alternative service delivery models to understand the conditions required for their sustainability and reproducibility.

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## Introduction

Measuring and comparing the performance of water operators is a relatively new phenomenon. Benchmarking, as this practice is called, was first popularized in the private sector in the 1970s and adopted by the public sector in the 1990s. It is now widespread in water services, with most water operators around the world using some form of standardized performance evaluation.

Much of this benchmarking is concerned with improving ‘efficiency’ (broadly defined as the ability to obtain the greatest benefit out of available resources), but with an overwhelming focus on financial and technical indicators (Boelens and Vos 2012; McDonald 2014). This is an important and understandable focus: without efficient operational processes and the wise use of finances it can be difficult to improve and expand water services, especially for the poor. Benchmarking can help water operators track their performance over time and compare themselves across jurisdictions, potentially leading to the emergence of ‘best practices’.

But what happens if too much emphasis is placed on technical and financial efficiency? We argue in this paper that much of the benchmarking that takes place in the water sector today marginalizes indicators such as equity and affordability, making it difficult for water operators to pursue broader social, political and environmental objectives.

As an alternative we introduce the concept of ‘social efficiency’ to widen the scope of performance evaluation in water utilities. This revised form of benchmarking takes questions of finance seriously while at the same time adjusting the way performance is measured and adding new evaluation criteria that emphasize equity and promote ‘publicness’.

With this revised performance framework utilities can be judged by the impact they have on public welfare more broadly (Spronk 2010). The more a water operator contributes to the well-being of citizens by improving health outcomes, equitable access and affordability, the more socially efficient it is. Such results do not necessarily require lean management, financial surpluses or the best technology. A plan to address inequality, a strong commitment to worker health and safety, and good intergovernmental coordination may have more impact on improving overall utility efficiency than a narrow focus on non-revenue water or maintenance costs.

This alternative form of performance evaluation is relevant to Water Operators’ Partnerships (WOPs) in particular for several reasons. First, most WOP participants use benchmarking systems, and much of the priority setting in WOP agreements has been driven by technical and financial performance criteria, such as reducing losses on non-revenue water. Second, the Global Water Operators’ Partnerships Alliance (GWOPA) was mandated with improving social outcomes, making alternative benchmarking frameworks essential to advancing equity-oriented forms of knowledge transfer (while still contributing to technical and financial efficiency). Third, many WOP participants already

take questions of social efficiency seriously, and have made it an important part of their operations at home (if not in name, at least in practice).

WOPs could therefore serve as an excellent platform for experimentation with new forms of performance evaluation. In fact, promoting social efficiency could be the most important contribution the GWOPA makes to knowledge transfer in the water sector, given the relatively small budgets it can leverage. WOPs may be the proverbial drop in the bucket when it comes to improving water and sanitation services around the world, but they could be a significant 'social' drop in that bucket.

We begin the paper with a reminder of growing water inequalities in the South, underscoring the need for improved methodological tools for evaluating equity, quality and sustainability. We then briefly review the history of GWOPA and its mission of "provid[ing] a better service to more people, especially the poor" (2013a, 10).

The main body of the report is an examination of two WOPs – one in Africa, one in Latin America. The African partnership is between Morocco's *Office National de l'Électricité et de l'Eau Potable* (ONEE) and Burkina Faso's *Office National de l'Eau et de l'Assainissement* (ONEA). The partnership in Latin America is between Uruguay's *Obras Sanitarias del Estado* (OSE) and Porto Alegre's *Departamento Municipal de Água e Esgotos* (DMAE) in Brazil. These cases were chosen because they involve utilities that have demonstrated excellent performance relative to their regional peers (using mainstream benchmarking indicators) while at the same time effectively pursuing social mandates at home.

The research shows that both of these partnerships reflect the general trend of prioritizing technical and financial efficiency. Despite having innovative social programs at home, neither WOP has formal pro-poor objectives or evaluation mechanisms to assess social outcomes, highlighting the untapped potential for knowledge sharing on this type of expertise. Platforms such as GWOPA could provide the necessary guidance and incentives to match water operators interested in pro-poor initiatives and prioritize social efficiency in partnership activities.

Finally, we offer a series of recommendations. First, public operators need to recognize and promote their own social achievements; GWOPA should work to identify water operators with social expertise and seek to match them with suitable partners. Second, concerted efforts to design, implement and evaluate projects with explicit pro-poor goals are also called for, which will require new tools to measure performance on social indicators. And third, GWOPA should encourage broad-based discussion among stakeholders, including workers and citizens, in the development of such alternative benchmarking systems. These will not be easy changes to make, but they provide opportunities to better engage with water operators on matters of social objectives and to advance GWOPA's mandate of poverty alleviation. Pilot projects that focus on social indicators could contribute to expanding performance evaluation techniques and to developing new ways of matching the knowledge-sharing needs and capacities of public water operators based on pro-poor goals.

## Unequal water

Water access targets set by the Millennium Development Goals (MDGs) were met in 2012 when it was reported that 89% of the global population were using an improved source of drinking water. Nonetheless, “[s]harp geographic, sociocultural and economic inequalities in access persist and sometimes have increased” (WHO and UNICEF 2014, 7). Indeed, global coverage figures hide persistent obstacles in least developed countries, where 37% of the population remained water-deprived in 2010 (Boussichas, Coudert and Gillot 2013, 41).

Important inequalities exist within countries as well, with city slums and rural areas trailing behind or seeing deteriorating access (WWAP 2015, 43). As a result, methodologies used to assess progress on the MDGs have attracted wide criticism (Coalition Eau 2014). Significantly lower coverage rates for marginalized groups are rarely accounted for in national statistics due to the MDG indicators’ focus on ‘aggregate outcomes’ (Baron 2015; UN-Water 2013).

Further, the MDGs’ sectoral focus was said to contradict the integrated approach essential for sustainable development and poverty reduction (Baron 2015; WWAP 2015). Hence, negotiations on the post-2015 development agenda took a more systemic approach, proposing a dedicated Sustainable Development Goal (SDG) for universal access to water and sanitation by 2030 and related targets on water quality, efficient use, protection of ecosystems, etc (UN-Water 2014). Interlinkages with issues such as food, energy, education, health and gender, and even peace and security, are also explicitly recognized (Baron 2015). In this regard, methodological challenges in measuring improvements have been brought to the fore (UN-Water 2015), making our discussion of social indicators in this paper all the more timely.

UN member states adopted the SDGs in September 2015, but the jury is still out on their potential to bring about real change. Given the importance of water and sanitation for development it is imperative to better understand the role that water operators have played in extending and improving services, and how their cooperation in WOPs may better advance these goals in the future.

## What role for WOPs?

In March 2006, the United Nations Secretary General's Advisory Board on Water and Sanitation presented the Hashimoto Action Plan, launching WOPs as one way to accelerate progress on the MDGs. Recognizing the key role of publicly owned and managed water operators worldwide it was hoped that a "structured programme of cooperation...based on mutual support and on a not-for-profit basis" would help improve water services for the neediest (UNSGAB 2006, 3). UN-Habitat took the lead in supporting this initiative, and in January 2009 the Global Water Operators' Partnerships Alliance (GWOPA) was established with a general assembly and an international steering committee to advise a secretariat, which would coordinate all activities.

A WOP is defined as "a peer-support exchange between two or more water or sanitation operators, carried out on a not-for-profit basis with the objective of strengthening capacity, enhancing performance and enabling the water operator to provide a better service to more people, especially the poor" (GWOPA 2013a, 10). All GWOPA members agree to adhere to a set of guiding principles and a code of conduct in partnerships, based on values of solidarity, inclusiveness and transparency.<sup>1</sup> Steering committee members are elected from public and private water operators as well as labour unions and other civil society organizations, while financial partners are considered permanent members as long as they remain active within the alliance (e.g. development banks and bilateral aid agencies).

GWOPA's discourse has remained in line with Hashimoto's original intent. The current five-year strategy stresses that the main goal of WOPs is to help partners achieve universal access to sustainable, high-quality water and sanitation services, with continued focus on supporting public operators as *mentees*, although private sector utilities can act as *mentors*, on a not-for-profit basis (GWOPA 2013a). Alliance members assembled at its 2014 global congress were reminded that "WOPs make the greatest contribution through capacity enhancement, while helping to catalyse the change required to increase access to the poor" (GWOPA 2014, 6).

GWOPA strategies prioritize "processes that will result in *increased efficiency*, leading to greater financial sustainability and the eventual ability to improve and extend services" (GWOPA 2013a, 10, emphasis added). The objective here is to advance a broad range of performance objectives, but the promotion of technical efficiency and financial sustainability leaves unquestioned the assumption that operational upgrades and fiscal prudence will necessarily enhance social outcomes. Who are the target beneficiaries of these improvements exactly? In what ways will social impacts be monitored and measured? How will knowledge on the efficiency–equity nexus be transferred? There are no formal mechanisms within the GWOPA framework for such evaluations, beyond an admirable, but vague, commitment to focusing on "transfer of expertise around pro-poor service delivery, extension into informal settlements, fair tariff setting, and so on" (GWOPA 2013a, 10).

Case studies released by GWOPA to date<sup>2</sup> have documented knowledge transfer between water operators in the following areas: training personnel in the use of new technologies and specialized

equipment (e.g. metering, treatment, IT systems and GIS), improving operational planning (e.g. reducing non-revenue water, managing assets) and streamlining management (e.g. billing, revenue collection, human resources). Demonstrated impacts for target populations are the exception, while engineering and technical achievements improving utility capacity and new management tools boosting financial performance are touted as proof of 'success' because those were the formulated goals. As a case in point, WOPs have routinely included objectives linked with obtaining International Standardization Organization (ISO) certifications, but with no clear articulation of how these might benefit the poor or how progress on this front would be monitored.

Part of the problem appears to be the way that WOPs are financed and decentralized regionally. Multilateral and regional development banks have the greatest organizational capacity and resources to influence the objectives of water operators' exchanges, resulting in the disproportionate promotion of efficiency-focused benchmarking. By way of example, WOP-Africa was created in 2007 and managed by the African Water Association and the International Water Association (IWA – East Africa), with support from GWOPA, the World Bank and later from the African Development Bank and USAID. The first round of WOP-Africa partnerships centred on Performance Improvement Plans<sup>3</sup> in customer service, and financial and technical performance (GWOPA 2010). A study of the program highlighted worsening coverage rates and urged utilities "to extend services to the urban poor" (WSP et al 2011, 4). Yet, one of the measurement tools promoted in the same report, the Municipal Benchmarking Initiative for Water Services,<sup>4</sup> makes no mention of equity, pro-poor strategies or how to evaluate whether there has been adequate coverage extension to low-income households. Years later WOP-Africa activities continue to focus on similar financial benchmarking goals (e.g. Benin, Mauritania, Nigeria in 2014), although there have been recent efforts to introduce guidelines that encourage utilities to look at social components of their work as well (GWOPA and OFID 2014).

Similar trends can be observed in Latin America. Launched in 2007, the WOP-LAC platform was coordinated and financed by the Inter-American Development Bank (IDB). The first round of partnerships covered a range of areas including energy efficiency, water loss reduction, e-procurement, asset management and customer-oriented service, all related to key benchmarking indicators that had no explicitly stated links to pro-poor mandates. According to Terhorst (2012, 4), these WOPs "appear as a tool by which the IDB promotes its own policy agenda and fosters pre-existing projects." The regional platform was later transferred to the Latin American Association of Water and Sanitation Operators (ALOAS) in 2012, addressing this kind of criticism, but concrete pro-poor objectives have yet to materialize within WOPs in the region.

In sum, the widespread reliance on measurement tools with a focus on financial and technical indicators, with few if any links to pro-poor objectives, seems ill-suited to the social objectives of WOPs and the needs of many water operators. In 2011, GWOPA congress participants were already warning that "there is no systematic linkage between efficiency and equitable access" (GWOPA 2011, 12). Therefore, there is much work to be done on integrating a social component to WOP activities to ensure that efficiency goals lead to improvements for underserved populations.

## Case studies

Given this background, the purpose of our research was to investigate how WOP partners are measuring efficiency improvements in practice, and whether these indicators are appropriate for advancing social development. We selected two South-South WOPs. One was between Burkina Faso's ONEA and Morocco's ONEE; the other between Uruguay's OSE and Porto Alegre's DMAE in Brazil. ONEE and OSE are active members within GWOPA, and ONEA has been involved in many WOP-Africa projects.

These partnerships were chosen in part because their agreements are typical of WOP activities, with a focus on metering, water treatment technology, laboratory analyses and resource management. The ONEA-ONEE partnership is the most formalized, including an external donor (Islamic Development Bank), while the OSE-DMAE case illustrates the potential for more independent, horizontal WOPs in contexts where combined technical capacity is greater and financial resources are available, albeit limited.

For each WOP, we conducted a general background study of each water operator, reviewed partnership objectives as set out in the formal agreements, examined concrete knowledge transfer activities and evaluation methods, and documented innovative social practices to highlight the potential for knowledge sharing on different types of 'social' expertise. Four researchers with prior knowledge of the utilities took part in separate week-long field visits, conducting one-on-one interviews with participating staff and key managers using a common semi-structured questionnaire. Several focus group discussions were held as well. We also interviewed GWOPA coordinators to get a better sense of the international funding context for these WOPs.

### **WOPs in Africa: The case of ONEA and ONEE**

Africa's urban population is expected to double over the next 20 years and demand for water will more than triple (GWOPA 2014, 41), particularly affecting urban 'slums' where planning is weak. A regional comparison of water operators warned that "fewer than 20 percent of utilities had pro-poor strategies" (WSP et al 2011, 11) while "urban water security is at risk because of increasing pressure on water resources, poor or no wastewater management and exposure to extreme events" (African Union 2014). In this context the Islamic Development Bank is facilitating a water operator partnership focusing on water quality between Burkina Faso's national provider for urban water and sanitation services, ONEA, and Morocco's national water, sanitation and electricity public utility, ONEE (BiD, AMCI and ONEA 2015).

Acting as a 'mentor', ONEE is building on experience as a 'mentee' with numerous partners from the North as well as other South-South initiatives with African and Middle Eastern partners (Cameroon, Jordan, Lebanon, Mali, Mauritania, Palestine, Senegal, Sudan and Tunisia). ONEE has had the capacity

to manage a great number of partnerships over the past 15 years thanks to the dynamic capacity-building role played by its own International Water and Sanitation Institute (IEA), which dedicates roughly a third of its budget to regional training.

ONEA is also emerging as a leader in WOPs in the region, having signed agreements to act as a mentor with Benin, Togo, Guinea and Chad over the last four years. The fact that the former executive director of Burkina Faso's water utility was (and remains) vice-president of the African Water Association (AfWA) helped to raise its visibility. ONEA's key role in promoting partnerships in the region was also recognized at a March 2015 Abidjan workshop where it was asked to present a survey of WOP-Africa activities to date.

During our field interviews, it was repeatedly explained that most WOPs in the region emerge from pre-existing working relationships built through AfWA and constitute an "institutionalization" of this collaboration. Such was the history of the Burkina Faso–Morocco twinning: throughout the 2000s ONEA staff were trained in Rabat and frequently met with their ONEE peers at AfWA events. The idea for a formal, longer term partnership emerged in 2013 when the Islamic Development Bank asked ONEE if it would partner with a sub-Saharan country, and the Moroccan operator suggested Burkina Faso's water utility.

## Burkina Faso

According to the latest statistics, Burkina Faso achieved its MDG targets for drinking water in urban areas in 2014, with an access rate of 87% (64.1% in rural areas; MAHRH 2015). These figures represent a considerable achievement considering that Burkina Faso falls into the Least Developed Countries category, even though the methodology behind the indicators remains in dispute (Coalition Eau 2014). This success has made ONEA a leader in the region's water sector and has attracted many donors, as well as leading to the creation of several WOPs to showcase its expertise.

As a Sudano-Sahelian country, Burkina Faso is faced with constraints in terms of availability of water resources, notably in the central plateau where the capital, Ouagadougou, is located. With a population of 2.3 million people, the city is experiencing one of the largest urban growth rates in West Africa (roughly 7%, Artelia 2013). Urban sprawl is linked to the development of informal settlements where access to basic services is especially problematic (up to 35% of city residents according to some studies, see Boyer 2010).

ONEA is responsible for the production, treatment and distribution of water, as well as the sanitation component in towns of over 10,000 inhabitants, but only where they anticipate being able to cover their operational and maintenance costs. This cost recovery requirement explains why many informal settlements were not serviced until recently.

### *Technical and managerial efficiency as drivers of partnerships*

It is in this context that the WOP was launched with ONEE, with a focus on improving raw water quality in catchment areas. A "diagnosis visit" was conducted by ONEE in April 2013, leading to a joint assessment of needs. A two-year work plan was developed and approved by all partners in January 2014. The Islamic Development Bank, ONEE and ONEA each committed roughly one third of the budget, for a total of US\$939,000. The framework agreement was signed in January 2015 – although one interviewee noted that funds had not been transferred yet. These delays did not prevent ONEA from investing time in partnership activities and resources for the purchase of materials, given the high level of trust between the utilities.

The WOP Action Plan's first objective – the most important according to our interviewees – is to improve the quality of water in the Ziga and Loumbila dams by reducing eutrophication, which manifests in algae blooms. As early as 2005, ONEA environmentalists "had noticed this problem in the dams, due mainly to market gardening and silting," according to one interviewee. The Action Plan aims to "reduce the cost of treatment" and improve "watershed management related to the dams." There is no formal social goal associated with these cost reductions, but interviewees did informally link these activities to their aim of keeping the costs of water down, especially for the poor.<sup>5</sup>

It is also noteworthy that the Action Plan only lists "taste and smell," "dissolved oxygen" and "algae concentration rates" as performance indicators, and does not actually provide tools to monitor the broader environmental impact of WOP activities or their effect on farmers living in the area. This flaw in the WOP's social and environmental monitoring mechanisms could be explained in part by the view raised during our interviews that these partnerships, in general, constitute an "accompanying mechanism in terms of *means*." Consequently, what are perceived as "results" can be limited to the purchase of equipment, such as rubber boats and sampling instruments, as we discovered during our visit to the Ziga laboratory in June 2015. This may also reflect the pitfalls of a WOP approach that involves very few social actors, leaving 'experts' to select performance indicators and outcomes.

A second objective of the WOP Action Plan is to "optimize" the operation of water treatment plants serving Ouagadougou – although it appeared less important to the WOP from our interviewees' standpoint. The desired impact is "improved consumer satisfaction" but, as with the first objective, it is unclear how "turbidity" and "saturation index" indices will account for the quality of service in a context of concerns with availability and "increasing needs in terms of water volume" (ONEE 2013).

The third objective of the Action Plan is "upgrading water quality control at the central laboratory" to ensure efficient use of equipment and to put in place a better quality assurance system required for ISO 17025 certification. Many at ONEA were keen to meet these international standards, but it was not clear how ISO certification would help meet the needs of the local population, especially the poor. Lastly, the fourth objective of the Action Plan is about "improving the monitoring of water

quality at the distribution network level," a task that was not mentioned as a key element during interviews despite it being the most directly related to user satisfaction.

In sum, our interviews revealed that the WOP objectives have not adequately highlighted social and environmental questions, a weakness reflected in the choice of indicators used to measure their impact. This is despite an internal commitment to socially responsible water service improvements, and the ability of many interviewees to explain the links between WOP activities and ONEA's social mission.

During our fieldwork, most interviewees linked the concept of efficiency to technical and financial performance, referring to the more than 30 indicators published every year by ONEA under its performance contract with the state. In particular, low levels of non-revenue water (16.5% in 2013), staff productivity (3.4 employees per 1,000 customers in 2013) and high cost-recovery rates (about 98% for private customers and standpipes in 2013) are the pride of its managers (Baron 2014a, 13). These indicators also largely reflect the expertise delivered through other ongoing WOPs (e.g. in Chad and Togo).

As Baron (2014a, 2) has demonstrated, the performance indicators measured by ONEA "pay marginal attention to indicators of poverty reduction and water access rates by the poorest, though it is repeatedly raised as a concern in speeches" and tackled to some extent through the existing pro-poor policy. Moreover, no indicator explicitly takes into account aspects relating to health and the environment, or to gender dimensions of water services (Ballance and Trémolet 2005).

According to an ONEA employee closely involved in partnerships, the limited resources allocated to WOPs, both in terms of time and budgets, could explain why the world of possibilities has narrowed over time. He recalled that, at the inception of the WOP process, the list of issues to be addressed was indeed very long but operators gradually focused on their areas of expertise: "While originally WOPs encompassed a wide range of issues that could be related to the environment, etcetera, it soon became necessary for operators to focus on improving their results and thus on performance indicators for water, sanitation and management."

### *Social inclusion at the heart of the Ziga dam project*

Ironically, the pro-poor policies being developed within ONEA, as well as its environmental expertise, are barely considered in WOPs, even though they constitute "added value" in the West African context. Of particular note here are the steps that ONEA has taken to ensure the social sustainability of infrastructure at the Ziga dam by establishing the Alliance of Management Groups in 2002. According to respondents, ONEA recognized the need for a credible interlocutor on-site and this innovative participatory mechanism was developed to maintain dialogue with diverse representatives from the 16 surrounding villages that had to be evicted and compensated for the dam's construction. The Alliance was based on a "self-policing framework" (ONEA 2013).

However, farmers coming from nearby provinces have gradually reoccupied the site, attracted by “the permanent availability of water in the Ziga dam basin and the chance to grow off-season crops” (ONEA 2013), even though the frequent turning of the soil for vegetable cultivation along the banks and the use of fertilizers and pesticides are harmful to the environment. Consequently, in 2013, a new agreement was developed between ONEA and the Alliance to set up regular meetings with all of the regional representatives involved (one interviewee pointed out that many informal meetings are also held in the field between farmers and ONEA staff).

From an environmental standpoint, it is worth noting that an innovative reforestation policy has been established to protect the Ziga dam. Trees were chosen that are accepted by all soils and can be spread by animals, ensuring prompt reforestation of the area without human intervention after the first trees have been planted. This work, which is financed by ONEA, has been delegated to the Alliance, much like other maintenance activities in the area that generate income for the local population (e.g. construction of fish ponds for the fight against eutrophication, maintenance of the banks of the dam and the dike, plumbing activities, etc.). Likewise, ONEA, through the Ministry, authorizes fishing in specific areas thus allowing households to feed their families and generate income.

It is surprising that this type of social expertise was neither integrated into the WOP process nor mentioned spontaneously by interviewees during our field visit given the clear link with its primary objective of improving water quality and watershed management. This omission probably underscores the extent to which awareness building is necessary to allow ONEA's experts in water system operation to value existing and potential social work by the utility, especially if they want to return to the foundations of WOPs in terms of improving service for precarious populations.

## Morocco

ONEE has been Morocco's national water and electricity utility since 2012, when the *Office National de l'Eau Potable* (ONEP, established 1972) merged with the *Office National de l'Électricité* (ONE) in order to rationalize expenditures. It has also been one of the most dynamic actors within GWOPA and a long-time promoter of South-South cooperation.

As a public entity with financial autonomy, ONEE operates on a four-year, performance-based contract negotiated with the government. The water branch takes charge of resource management nationally, production (on a quasi-monopoly basis) and distribution in some 680 municipalities, serving a total of 5 million inhabitants, mostly outside of the main urban centres. Local authorities are legally responsible for water delivery in Morocco and can decide to manage the services themselves, to delegate to private providers, to ONEE or to user associations (pS-Eau 2014). Hence, the bulk of ONEE's work is on the production side, with expertise in the quality of raw water and treatment processes – as reflected in the WOP with Burkina Faso.

### *Universal water versus technical efficiency*

Understandings of 'efficiency' at home have guided the way WOPs are conceptualized and operationalized in the region and beyond. Based on our interviews, ONEE's decentralized structure strongly influences performance evaluation: 10 regional directorates in charge of local services report to headquarters through action plans, annual reports and quarterly updates on indicators linked to their "internal performance contract." This creates a legal obligation to meet set criteria inspired by traditional benchmarking that sometimes detract from pressing social goals. Performance on distribution is assessed based on indicators such as billing and collection ratios, non-revenue water, energy efficiency and rehabilitation of infrastructure, while "micro-metering is the basic indicator" in commercial areas. On the supply side, one interviewee explained that efficiency is measured on three key aspects: energy, quality and quantity. Increasingly, the focus is on security in the production *process* rather than only looking at output, which might explain the fixation on working toward ISO accreditations on themes such as quality assurance.

These indicators are in line with mainstream benchmarking approaches, which, according to one interviewee, reflects ONEE's "inclination to reproduce the model of the French water multinationals." Another interviewee with expertise in water quality control noted that "social considerations fall outside of the benchmarking tools" used by ONEE and that even when talking about technical performance such an approach may be misleading because "technically speaking benchmarking is often devoid of meaning as apparently contradictory data can be easily explained when visiting the site."

Some ONEE managers went as far as to say that the commercial bias of most benchmarking systems means that protection of water resources and sanitation efforts are unduly aimed at reducing treatment costs rather than fulfilling environmental and public health goals. This prioritization may help explain the paucity of indicators to account for social improvements. The fact that impact studies for infrastructure development have been outsourced for many years may also help explain the lack of more holistic environmental indicators according to two of the experts interviewed for this research.

Overall, despite the deep commitment of many staff to principles of local governance, participation and solidarity, ONEE formally evaluates efficiency largely on technical and financial terms. It is not surprising, then, that this vision has been reproduced in its WOP activities, due in part to the lack of resources for longer term planning. According to one interviewee: "We rushed into project execution mode without taking the time to think it through. We started too quickly, hoping to have an impact but we did not take into account mentees' capacity to integrate this new knowledge." Sometimes projects are "very strong technically speaking, but do not meet local needs." As noted by another expert who participated in a WOP on water safety plans: "The problem is that there is no parallel work on awareness raising, even though we know such projects must include participants with expertise in communications to have an impact."

*Bringing water and sanitation to rural areas*

If ONEE has not promoted social objectives in WOPs it is not for lack of interesting initiatives at home. There is a wealth of documentation on pro-poor activities in slums for example.<sup>6</sup> Among others, ONEE and private operators jointly implemented social connection programs to reduce reliance on standpipes in peripheral areas of Casablanca, Tangier, Marrakesh and Meknes from 2005. Nevertheless, these initiatives have been criticized for focusing on cost recovery, prioritizing those households closest to the network (De Miras 2007, 359).

ONEE's most significant role in extending water coverage has been carried out in rural areas since 1995, with major state investments to accelerate progress from 2004 (Iraki 2014). Access is now officially reported at 94% (ONEE 2014),<sup>7</sup> up from 14% in 1994. The rural extension strategy was guided by the vision of a "right to water for all citizens," the need for a participatory approach in rural communities, and a new partnership with local authorities (Iraki 2014). "Social animation" teams were mobilized to identify needs with communities, decide on service modalities (e.g. standpipe, location, etc.), guide implementation, set up management units and ensure monitoring. Public health awareness campaigns were also rolled out – a novelty in water access universalization efforts in Morocco (Iraki 2014). There was also popular education on how to save water and reduce contamination.

One interviewee criticized this approach as too "narrow," however, amounting to little more than an exercise in "preparing people to accept tariffs." Another employee felt that these campaigns were more about creating "buy-in" than genuinely aiming to raise awareness on water quality issues, often involving "technical" staff that were ill-equipped to liaise with these communities. The current rural strategy also appears unsustainable to some because technology is inappropriate for remote villages, with standpipes connected to long regional pipelines that are costly compared to wells or boreholes. "They treated rural areas like cities," commented one interviewee. In rural communities used to accessing water at no cost, or with a tradition of community management of the resource, some investments in treatment plants have proven problematic because people are unwilling or unable to pay. According to one interviewee, a better approach might have been to focus on capacity building for already existing user associations and training them on how to ensure quality water using their own installations.

Since 2012, a similar service extension drive on rural sanitation has been in the pipeline, involving multiple national actors and international funders. The success of the program will depend greatly on social communication efforts: "[it] cannot focus strictly on building infrastructure, it must first raise awareness to get people on board, take their concerns into account and make them see the health and environmental benefits of improved sanitation" (pS-Eau 2013). A communication professional from ONEE further explained that "sanitation is more complicated [than water] because people do not know its cost and value; we have to convince them to go ahead with projects."

Another interesting aspect of ONEE's social communication work on water and sanitation has been the involvement of women and children in dialogue. However, based on our interviews one could question their inclusion as a means to getting heads of households on board rather than as primary "targets." Critics have indeed deplored this narrow understanding of participation, which one interviewee described as limited to "customer relations."

Shortcomings aside, it is clear that ONEE has a rich experience with 'social efficiency.' Sharing this knowledge could help other operators improve on social indicators as well, helping to move closer to the original intent of WOPs.

## **WOPs in Latin America: The case of OSE and DMAE**

In general, water services in Latin America are more widespread than in Africa, with a robust tradition of participatory democracy and a broader range of accountability mechanisms in place, as our case studies illustrate. Nevertheless, countries in the region suffer their own "water crises," largely of an institutional nature (WWAP 2015, 83).

Commercial influences in the water sector are also strong and have been reproduced within the WOP-LAC platform, which has been criticized by some for promoting "a commercialised model of public sector management, especially by fostering public utilities that seek international business opportunities. It also does little to support those public utilities that seek democratisation, participation and a progressive public sector ethos" (Terhorst 2012, 2). As a result, there has been concern in the region with WOPs brokered by the regional platform, with the Brazilian National Association of Municipal Sanitation Services (ASSEMAE) withdrawing from WOP-LAC in 2011 when another Brazilian utility (SABESP), known for its commercial orientation, was selected to the steering committee.

### **Uruguay**

OSE is the sole water and sanitation provider in Uruguay, a small country tucked under Brazil on the Atlantic coast of South America. With plentiful water supplies and a population of only 3 million people (half of whom live in the capital city Montevideo) OSE is one of the best-performing water utilities in the region by any measure. Over its 63 years of service, it has managed to achieve nearly 100% coverage in high quality, affordable water services and is making gains on household sanitation. Since the election of a left-coalition government in 2005 the utility has piloted special programs in rural areas and in informal settlements.

#### *Commitment to 'social efficiency'*

The OSE managers who were interviewed for this study are deeply committed to the principle of social efficiency. For example, the mission statement for the utility makes direct reference to the importance of public health and welfare: "We aim to contribute to public health and quality of life

improvements by delivering drinking water services nationally, and by bringing collective sanitation networks to rural areas, in an efficient manner, with sustainable management practices and respect for the environment." In addition, "social solidarity" and "equality with equity" are named among the organization's corporate values. In short, OSE has a much more explicit social orientation than many water operators in the world today.

In at least two respects it is difficult to compare OSE with any other public utility in Latin America, or in Africa for that matter: the first has to do with politics; the latter with geography. First, Uruguay is a social democracy with a strong, interventionist state and a commitment to public welfare that has been crossing party lines for a century. In the water and sanitation sector, this has allowed massive public investment in infrastructure, particularly relative to other countries in the region (Spronk, Crespo and Olivera 2014). In 2011 the *Frente Amplio* government mandated the utility to extend the sanitation network to every citizen in the country. In a round of cuts announced by the government in July 2015, OSE's budget was protected while other utilities were cut: water and sanitation were declared a national priority.

Second, Uruguay is blessed with plentiful, (fairly) clean water supplies, located on the Guarani aquifer, one of the world's largest. Hence, it has not faced the types of water quantity and quality challenges that many utilities face, although intensification of agricultural production and the threat of mining are changing this scenario, as evidenced by the recent crisis in OSE over the issue of water quality that triggered changes in top management in July 2015.<sup>8</sup>

The idea for the WOP between OSE and DMAE originated in a regional conference on non-revenue water organized by OSE, which took place in Montevideo in November 2011. The WOP agreement that was signed outlines a number of objectives to achieve "operational and technical efficiency" but includes a broad range of social goals as well (OSE and DMAE 2012):

- a) Exchange knowledge, information and conduct visits in the areas of metering in order to strengthen and compare work processes in both enterprises.
- b) Technological development, training in and implementation of new technologies in the areas of water and sewerage treatment.
- c) Send and/or exchange professionals and technical specialists in processes related to metering, production, distribution and management of water and sanitation services.
- d) Transfer technology in order to improve and modernize service infrastructure.
- e) Share information; build the capacity of workers, users and social organizations.
- f) Exchange knowledge, conduct technical studies and make proposals to improve the enterprises in general (technical, operational capacity and administration).
- g) Identify unmet needs in access to drinking water and sanitation.
- h) Promote access to drinking water as a fundamental human right.

Initially, it was the metering agenda that drove the development of this WOP “from the bottom up.” However, according to one interviewee, the political will was not there to get it off the ground. Thus, the WOP plans lay dormant until a political crisis precipitated by water quality problems in the city of Maldonado<sup>9</sup> inspired OSE’s top management to investigate new water treatment techniques. Hence, in June 2013, a site visit was financed by OSE for three of its engineers to see DMAE’s installations in Porto Alegre to learn about an oxidation technology for drinking water treatment. As a direct result of the exchange, OSE is building a new treatment plant in Aguas Corrientes. According to the engineers from OSE who participated in the visit, there was horizontal exchange of knowledge rather than a relationship between a ‘mentor’ and a ‘mentee’.

When asked about whether the WOP aims to achieve the goals of “social efficiency”, the OSE engineers who travelled to Porto Alegre commented that any achievements to this effect thus far have been indirect. The goal of the WOP has been to improve water quality to avoid further crisis by enhancing operational and technical capacity; it was not to expand services or even lower the costs of treatment since the new process may prove more expensive. As a side benefit, however, this oxidation process should have positive health impacts for workers employed in the new plant.

While the WOP is not *formally* focused on social efficiency, high levels of commitment to the concept are nevertheless evidenced by repeated comments from interviewees to the effect that “this goal is the overarching framework that guides everything we do at OSE.” This can be explained by several factors. First, there is a high level of politicization in the utility due to long decades of struggle. The utility workers’ union, FFOSE, has played a key role in defending the ‘publicness’ of the utility. In the early 2000s FFOSE waged a successful referendum campaign to make water a human right and return water services to public control. Many managers at the utility have worked their way up through the ranks and have at one time been a member of the union. Second, OSE is backed by the Uruguayan population, which has consistently supported the principles of social democracy and the interventionist role of the state. While there were a number of privatizations in Uruguay at the height of neoliberalism in the late 1990s (including the concession in Maldonado that was cancelled in 2004), the population voted for public water in the national referendum. These values have become further institutionalized since the arrival of the *Frente Amplio* in 2004, which has remained in office since then.

Due to its high level of performance, OSE was selected as a participant in the *Aquarating* benchmarking exercise, sponsored by the Inter-American Development Bank and the International Water Association. Although OSE participated in the first phase of the pilot study, according to one interviewee it has not been very active since, once it became clear to OSE management that they had little in common with the other 12 pilot utilities, which primarily served urban areas and/or were run by private, for-profit providers.

#### *Working in informal settlements*

In terms of social innovation, OSE has much to offer other utilities in the region that face a common challenge of providing services in informal settlements. As the director of “strategic clients” for OSE

notes, measuring efficiency in his work poses certain challenges:

“First, one has to define what efficiency means. OSE has two kinds of ‘strategic clients’. For the big clients [e.g. bottling plants, hospitals, schools] ‘efficiency’ means client satisfaction, and that they pay their bills. Unconnected households are the other kind of client. Here we can only measure ‘efficiency’ based on the impact of water and sanitation services on public health.”

OSE’s goal in attending to the latter ‘clients’ is to formalize the services in the informal settlements by integrating them as paying customers of the utility. It is assumed that the majority of the population in informal settlements have connected themselves illegally.

Regularizing services in informal settlements outside of Montevideo poses several logistical challenges that OSE has been working to overcome. Many of the permanent employees of OSE are middle class and fearful of entering informal areas for security reasons. In order to confront this challenge, the Uruguayan government received a loan from the Andean Development Corporation that is sponsoring a project to support the creation of cooperatives that work with OSE on a contractual basis to connect water systems, install meters and bill new customers. To qualify for the program, potential coop workers must be considered “permanently unemployed.” Take, for example, the president of the Albonada cooperative. Before joining the cooperative, he was an unemployed textile and metallurgical worker with no paid employment since the early 2000s. He participated in the training programs on how to start a cooperative, sponsored by the new Ministry for Social Development. As he noted in an interview, most of the members of the cooperatives come from the informal settlements and are therefore comfortable providing services in these zones.

Nevertheless, OSE has much work left to do. Its emphasis thus far has been on regularizing connections and expanding the network rather than changing the culture of water use, which demands working with communities to reduce unnecessary consumption, to prevent water lost by leaky infrastructure and shoddy construction, as many of the households have built their own networks without technical assistance or financing from OSE. As one interviewee put it: “Logically, to deliver water to all of these households has a significant cost.” The poorest households pay a minimal fee (a social tariff) for up to 15 m<sup>3</sup> of water, after which they pay the same rate as any other household. As one interviewee notes,

“OSE is trying to regularize this situation... We assume that to have potable water has a positive impact on public health, also on the macro economy of the country [and therefore it is worth the investment]. Debates about efficiency in OSE have been about non-payment. We decided that if we do not have a social tariff, these individuals will connect clandestinely, which ups the amount of non-revenue water.”

He adds that the goal is “to have no one in the informal settlement who is not a regular client of OSE.” The main indicator of ‘success’ of the program is the number of connections by new clients.

While increasing coverage to achieve universality is a laudable goal, OSE managers were interested in exploring other ways to measure the impact of their actions based upon social criteria. At this time, there is no cooperation between OSE and other utilities in the region facing similar challenges in informal settlements, although there is interest.

## Brazil

In Brazil, water provision is the responsibility of large regional state water companies and municipalities. DMAE is the municipal water and sewerage department created in 1961 to manage services in Porto Alegre. By 1981, DMAE was delivering water to 98% of city dwellers and sewerage services to half of the population.<sup>10</sup> Today it brings water services to 100% of the population (roughly 1.47 million inhabitants) and sewage collection to 87.7%. Most residents enjoy household connections while people in irregular settlements, geographically high risk or environmental preservation areas are served by free shuttle tanker trucks. The city has one of the highest human development indexes in the country,<sup>11</sup> thanks in part to excellent water and sanitation coverage.

### *Public ethos and efficiency*

Notions of efficiency and social engagement are closely knit at DMAE. The institutional mission statement says its purpose is to “provide public water supply and sanitation services of quality that are socially and environmentally responsible.” The aim is to achieve universal access to all services by 2030 by ensuring “the efficiency of all its processes and a transparent relationship with society.” Among the core values cited are quality, participation, transparency, professional development, sustainability, low tariffs and ethics (DMAE 2015). As such, financial efficiency remains a secondary goal, instrumental to achieving priority social goals.

DMAE’s finances are ring-fenced and the company prides itself on this autonomy. It operates with surplus while maintaining some of the lowest tariffs among public sanitation utilities in the country, including a very progressive social tariff.<sup>12</sup> Hence financial efficiency contributes to affordability for residents. There are strong accountability mechanisms in place as well, including the participatory budgeting process that applies to all the activities of the municipality of Porto Alegre, a form of direct democracy allowing citizens to contribute to the prioritization of goals annually. During these public meetings DMAE explains work completed during the year and hears concerns from the public. Citizens then signal their priorities for investments, which are analyzed by DMAE based on their technical feasibility and financial implications. Final decisions are then made and approved by members of the Participatory Budget Council. Commissions are established to monitor implementation until completion.

The Brazilian National Sanitation Law and related regulations have further reinforced monitoring, requiring the creation of a joint committee for social control as a condition to access public funds. Porto Alegre is now approving laws for their implementation, which analysts believe will introduce an important mechanism to improve water and sanitation services.

Indicators used by DMAE to measure operational and commercial efficiency are released annually as part of its activity report. They include standard benchmarking metrics such as water loss rates and metering ratios. A customer satisfaction survey is prepared every two years as well, with 89.6% satisfaction in 2014. DMAE also takes quality of the workplace seriously and periodically conducts an organizational survey to assess overall employee satisfaction, looking at aspects such as motivation, leadership, work environment, quality of life and wages.

As part of this research we asked key DMAE staff involved in WOPs what they think “efficiency” means. Participants generally associated it with four objectives: reducing water losses and energy consumption; collecting and treating sewage above the national average; universalizing health with safe water; and providing financial surplus to secure investments and cover costs. A few respondents also mentioned achieving good coverage rates and ensuring quality. Also notable is that when asked about criteria to evaluate *public* operators, respondents immediately focused on criteria of accessibility, quality, equity and accountability.

DMAE managers interviewed for this research see the best opportunities to learn from other operators in events organized by the national association ASSEMAE and the Brazilian Association of Sanitary and Environmental Engineering (ABES). The reverse is also true, with various national and international public service providers having approached DMAE to request information about its technological advances and management model. Participants in this research saw potential for scaling up exchanges with operators from the region, such as the collaboration with OSE, but the current formalization process means it is more complicated to engage beyond borders than nationally. DMAE’s “university” (Unidmae), created in 2007 to reinforce knowledge management and work with employees to implement their “individual development plan,” is seen as a good anchor to develop new WOPs focused on capacity building.

### *Community monitoring and emergency services*

DMAE made major investments in sanitation from the 1990s, raising coverage from 46% in 1989 to 89% today. Interviews with staff made clear the importance of community participation in monitoring the works and services of DMAE. An example of a pilot project that relied on communities to improve the social efficiency of infrastructure investments is that implemented in the north of the city. It grew from the realization that households were not connecting to the sanitation network being built and that unregulated connections were causing network failures. To address these problems, citizen integration, mobilization and health and environmental education became a key addition to more technical work. A total of 65 community meetings were held, monitoring

committees were created to oversee work, 56 visits were conducted at water and wastewater treatment plants, 262 workshops and theatre performances on environmental preservation were organized, and 8,302 home visits were made.

Commitment to serving zones considered out of reach of the network is demonstrated by DMAE's temporary water supply arrangements. Four tanker trucks are in operation to serve households in irregular and high risk areas that do not have access to the formal water network. DMAE distributes water to 95 families in that manner, amounting to a volume of approximately 2,317 cubic meters. These trucks are also used when the municipal social welfare office identifies families in emergency situations and requests support from the Brazilian Army, mostly during droughts. They also deliver water in case of shortages or emergencies to hospitals, health clinics specializing in hemodialysis and prisons.

## Next steps: Promoting social efficiency in WOPs

Three main recommendations emerge from our analysis if WOPs are to more effectively integrate social objectives into their mandates: public operators need to recognize and promote their own social achievements; poverty alleviation must be at the centre of partnership design, implementation and evaluation, calling for new social efficiency evaluation tools; and WOPs should encourage broad-based participation among stakeholders, including workers and citizens.

### 1. Recognizing social achievements

Our case studies demonstrate that all four operators have rich experiences to share with regard to socially oriented initiatives at home: from the extension of rural sanitation in Morocco, to dialogue on environmental protection with communities in Burkina Faso, to social work in informal settlements in Montevideo and Porto Alegre. OSE and DMAE's social visions appear more institutionalized, while committed individuals within ONEA and ONEE face more acute internal tensions when trying to integrate social goals, but in all cases there is a need to value this knowledge as much as technical, operational and financial expertise within the regional WOP platforms, and within GWOPA as a whole.

The cases also raise a related question: Could there be more South–South exchanges across continents? ONEE and DMAE would have much to learn from each other in dealing with drought and other water scarcity challenges, for example, while ONEA and OSE could share their experiences on bringing water to informal settlements. GWOPA could encourage water operators to share on this kind of social work by organizing regional or international workshops showcasing good practices

on topics such as: network extension in informal settlements; successful rural service initiatives; sustainable watershed management with affected communities; and equitable block tariff structures. Workshops like these could help make 'social expertise' an essential part of the WOP 'matchmaking' process. A workshop on corporate social responsibility co-organized by OSE and WOP-LAC in Montevideo in 2014 is an illustration of this potential, albeit future events could be more focused on the unique mandate of *public* operators.

## 2. Pursuing and measuring social efficiency

WOPs cannot be based on the assumption that financial, operational or technical improvements will trickle down to the poorest segments of society. Concerted efforts to design, implement and evaluate projects with explicit social goals are also required. This re-orientation will require a careful rethink of priorities. Every diagnosis WOP visit should include a social analysis component. Work plans can integrate activities directly related to improving services for target communities and indicators to monitor such advances. Final project evaluation should assess social outcomes even when activities are more technically oriented.

To do so, a new set of performance criteria may be required. Table 1 outlines a proposed framework with a more holistic view of public operators' performance than the benchmarking tools currently in use. The indicators combine quantitative measurement methods with qualitative aspects to highlight data that reflect how initiatives are impacting people's lives. The criteria are also intended to be flexible enough to reflect the fact that some social and environmental costs fall outside of neat cost-benefit calculations, and that prioritization of goals can differ from one place to another, based on cultural preferences and available resources. After all, our case studies illustrate how different understandings of efficiency emerge from different political processes.

Performance on social indicators can then be compared across operators, highlighting the most relevant and useful match-ups for knowledge sharing. For example, Figure 1 suggests that Operator 1 could share its expertise on equity-oriented initiatives while Operator 2 could transfer knowledge on environmental protection.

There must also be a debate within GWOPA about how to prioritize projects in line with SDG targets, as well as how SDGs could be used to attract more donor funds to focus on social issues. Concrete programs will need to be developed to support public operators who want to expand their social work and funding should go toward activities that have an explicit pro-poor component, in accordance with GWOPA's mandate. New performance evaluation tools can be developed to show how social considerations could better guide the WOP process, from design to implementation to evaluation. Regional WOP platforms must, in turn, be reminded of their social mission and encouraged to review their programming to support work in that area.

**TABLE 1:**  
Normative criteria for evaluating public service providers

Norm	Criteria	Definition	Examples of possible subcriteria questions	Examples of measurement indicators
Universality	Access	Physical availability of the service at a convenient distance from user's dwelling	<ul style="list-style-type: none"> <li>• Rural/urban divide?</li> <li>• Sufficient quantity?</li> <li>• Culturally acceptable service?</li> </ul>	<ul style="list-style-type: none"> <li>• Proportion of population with adequate access</li> <li>• Time-distance to service location</li> <li>• Hours/day that service is available</li> </ul>
	Affordability	Prices that ensure economic accessibility for all	<ul style="list-style-type: none"> <li>• Are poorer households disproportionately burdened?</li> <li>• Are programs in place for cross-subsidy pricing?</li> <li>• Is affordability a legal obligation?</li> </ul>	<ul style="list-style-type: none"> <li>• Cost as percentage of household income</li> <li>• Disconnection rates</li> <li>• Levels of subsidization by region</li> </ul>
	Quality	Reliable, satisfactory services that create positive relations with end users	<ul style="list-style-type: none"> <li>• Safe for all users?</li> <li>• Responsive to user needs?</li> <li>• Ongoing improvement mechanisms in place?</li> </ul>	<ul style="list-style-type: none"> <li>• Primary health outcomes</li> <li>• Level of service interruptions</li> <li>• Complaints by region</li> </ul>
	Equity	Equality of opportunity to access quality services for all	<ul style="list-style-type: none"> <li>• Equitable quantity of service across user groups?</li> <li>• Equitable quality of service across user groups?</li> <li>• Is equity formalized, legalized or institutionalized?</li> </ul>	<ul style="list-style-type: none"> <li>• Budget allocations by region</li> <li>• Levels of access by socially disadvantaged groups</li> <li>• Per capita consumption by region</li> </ul>

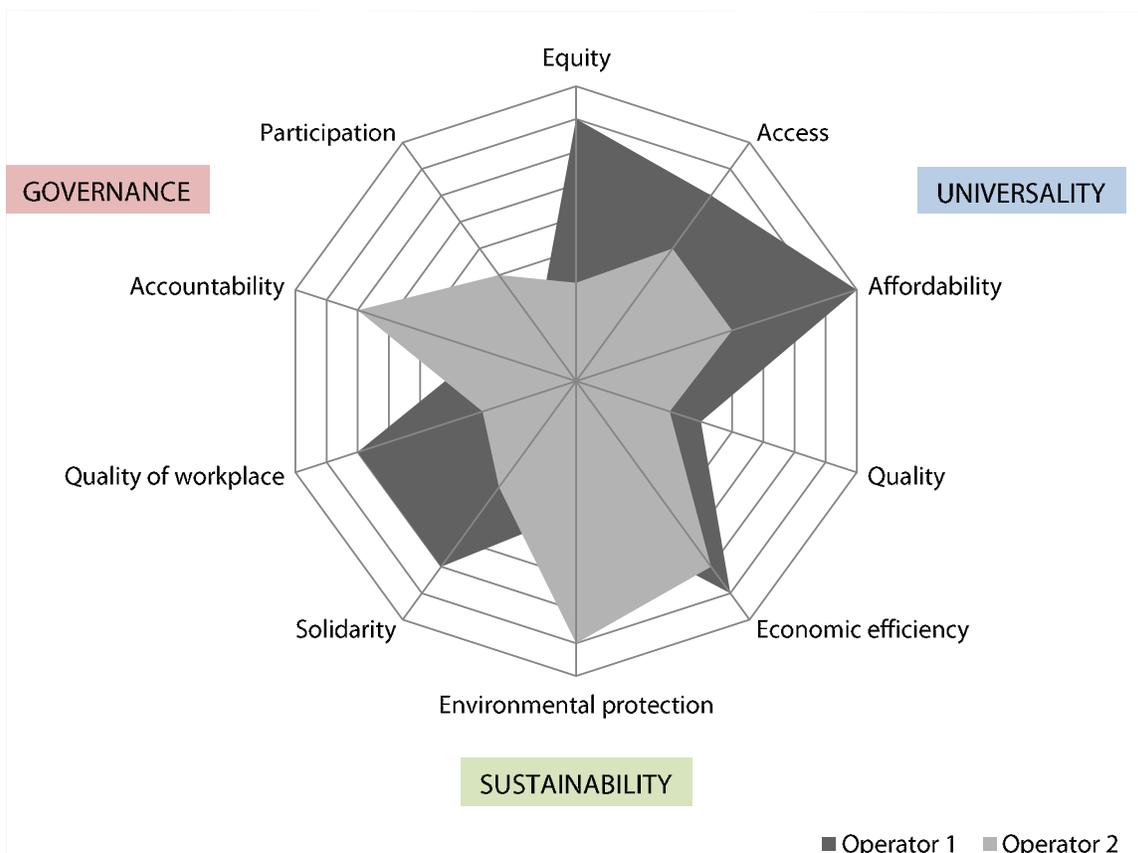
**TABLE 1 (CONTINUED):**  
Normative criteria for evaluating public service providers

<b>Sustainability</b>	Economic efficiency	Ability to obtain the greatest benefit out of available resources to meet service mandates	<ul style="list-style-type: none"> <li>• Are current infrastructure investments helping to meet the social goals of the service?</li> <li>• Is the capital intensity of investments appropriate?</li> <li>• Do short-term cost reductions undermine long-term efficiency gains?</li> </ul>	<ul style="list-style-type: none"> <li>• Financing as a proportion of overall operating costs</li> <li>• Cost per unit of service delivered by region</li> <li>• Employee turnover rates</li> </ul>
	Environmental protection	Meeting current service mandates without compromising future resource needs or undermining cultural environmental norms	<ul style="list-style-type: none"> <li>• Are programs in place to reduce demand on natural resources?</li> <li>• Does the service provider respect different cultural understandings of resources?</li> <li>• Are climate change mitigation plans in place?</li> </ul>	<ul style="list-style-type: none"> <li>• Levels of renewable energy use</li> <li>• Quality of wastewater treatment</li> <li>• Rates of respiratory infection</li> </ul>
	Solidarity	Cohesion among various producer and user groups and across sectors that builds economic, social and political commitment to a public service model	<ul style="list-style-type: none"> <li>• Does the model help to build a stronger 'public ethos' around services?</li> <li>• Is the service contributing to improvements in other sectors and at other levels of service delivery?</li> <li>• Does the service model explicitly oppose privatization and commercialization, with sufficient political support?</li> </ul>	<ul style="list-style-type: none"> <li>• Formal cooperation agreements between different levels of government and sectors</li> <li>• Measurements of inter-sectoral impacts (e.g. sanitation extension reducing diarrheal burden)</li> <li>• Legal mechanisms to prevent privatization</li> </ul>

**TABLE 1 (CONTINUED):**  
**Normative criteria for evaluating public service providers**

<b>Governance</b>	Accountability	Obligation to report on activities, accept responsibility for results and disclose them in a transparent manner, readily available to the public, and understandable.	<ul style="list-style-type: none"> <li>• Are there clear operational mandates and policy positions?</li> <li>• Are there transparent capital and operating budgets?</li> <li>• Are mechanisms of accountability available at appropriate scales (local, national, regional)?</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency of hiring processes</li> <li>• Access to mechanisms of accountability by region</li> <li>• Documentation openly available and verifiable, in suitable languages and formats for all users</li> </ul>
	Participation	Citizen involvement in policy making and implementation of service delivery	<ul style="list-style-type: none"> <li>• Is participation at appropriate scales and sufficiently representative?</li> <li>• Are there adequate resources for participation by a diverse range of society (transportation, time off work, etc)?</li> <li>• Is participation conducted in culturally appropriate ways?</li> </ul>	<ul style="list-style-type: none"> <li>• Number of people participating in formalized mechanisms of participation</li> <li>• Number of different processes of participation open to participation (policy making, budget decisions, etc)</li> <li>• Availability of participation by region</li> </ul>
	Quality of workplace	A place of work that provides a safe environment, trust between employees and management, fairness, and a sensible workload that contributes to quality service delivery	<ul style="list-style-type: none"> <li>• Are there adequate numbers of workers to ensure service quality?</li> <li>• Are there mechanisms for workers/unions to participate in the operation, management or policy making of the service?</li> <li>• Are there good feedback loops between frontline workers, managers and end-users of the service?</li> </ul>	<ul style="list-style-type: none"> <li>• Pay equity (job type, gender, race, ethnicity, etc)</li> <li>• Availability of health and safety equipment</li> <li>• Access to training opportunities</li> </ul>

**FIGURE 1:**  
Comparing performance by public water operators



### 3. Broad-based participation

Regional WOP platforms have been criticized for their lack of representativeness, both by water operators and civil society actors. WOP-LAC in particular has not been seen as a place where water operators and civil society groups with more socially oriented agendas can influence debates. When the regional secretariat was transferred from the IDB to ALOAS in 2012, it could have “presented an opportunity to open the platform up for representation of non-utility actors such as civil society organizations, following GWOPA’s guiding principle of inclusiveness” (GWOPA 2013b). But due to the lack of progress on that front, a social movement such as *Plataforma de Acuerdos Público Comunitarios de las Américas* decided not to join WOP-LAC because members felt that the inclusive, non-profit motive was being marginalized (2015). Efforts within GWOPA to encourage regional platforms to work on “social efficiency” may help to overcome these divisions.

Our interviews with WOP partners in Burkina Faso and Morocco confirmed a similar trend in the African region. Civil society networks and key international NGOs focused on water issues (e.g. Eau

Vive and WaterAid) have not been involved in WOP processes. Nor have the unions of these two utilities been brought on board. These dynamics persist despite reminders during a GWOPA congress that “all WOP (including donor-driven) projects must include workers and community members in the design and implementation” (GWOPA 2014, 25). While GWOPA’s capacity to ensure broad-based participation is limited by its own scarce resources, it does serve to remind funders that the GWOPA Charter promises “equal opportunities for stakeholders.”

Opening up the process to actors with an interest in achieving more direct benefits for the poor and with extensive ties with communities could go a long way to achieving the broader social goals of WOPs. GWOPA should prioritize the participation of utilities with the best track record on participation in order to diversify regional platform representation and invite unions and civil society actors to share their experiences on water and sanitation services as part of regional platform events. Public utilities entering WOPs should also consult communities and civil society actors to identify their needs in the WOP design phase, and encourage the participation of utility workers in partnership planning and implementation so that knowledge transfer does not only occur at the ‘expert’ level. Unions can be brought on board to generate multiplier effects among frontline workers too. Finally, WOP partners should engage communities and civil society actors in assessing the social impact of activities.

## Conclusion

There are no magic bullets for addressing the massive challenges of water service inequities. What is clear is that water operators themselves “will play a ‘pivotal role’ in realizing and monitoring the sustainable development goals” (GWOPA 2014, 6), and that WOPs can assist in this regard, facilitating information sharing and identifying ‘good practices.’

But information sharing is only as good as the content it communicates. The focus that many WOPs have had on narrow improvements in financial and technical efficiency do not necessarily address the broader social objectives that most public water operators have been tasked with. Nor have there been adequate ways to track and evaluate the impact that efficiency gains may have on poverty reduction or sustainability.

This paper has argued that a shift in focus to notions of social efficiency will better advance the goals of the SDGs, be more in line with the broader objectives of most public water operators and align better with the original mandate of GWOPA. We have also noted that like-minded water operators can potentially develop their own partnerships to address social efficiency goals, but that GWOPA can, and should, play a more catalytic role in identifying suitable linkages and promoting the prioritization of social objectives. Finding the right matches between water operators will not be easy, but the development of more explicit pro-poor guidelines and the use of more socially oriented performance indicators would be a step in the right direction.

## Endnotes

- 1 The GWOPA Charter is available at: <http://gwopa.org/en/about-gwopa/gwopa-charter>
- 2 Reports are available at: <http://gwopa.org/en/resources-library>
- 3 A PIP is "a comprehensive strategic work plan developed to address a variety of utility management issues, with the aim of improving utility performance" (GWOPA and OFID 2014, 2).
- 4 Municipal Benchmarking Initiative for Water Services. <http://www.munibench.co.za>
- 5 This view reflects ONEA's 2014 freeze on the price of water for low-income customers (Baron 2014b).
- 6 The UN-Habitat program "Villes sans bidonvilles" ("Cities without Slums") was piloted in Morocco starting in 2004.
- 7 Although one analyst interviewed for this research stressed that "there are no reliable data, while public policy on tracking water-related indicators is singularly lacking." There is a documented gap between official statistics and reality, as coverage is considered inadequate in many areas (ONEP and FAO 2005).
- 8 See: *El País*. 2015. Cae el gerente general de OSE por estado del agua. May 22. <http://www.elpais.com.uy/informacion/cae-gerente-general-ose-agua.htm>
- 9 See: Aguilar, M. 2013. El agua ni se enteró. Brecha, April 23. <http://brecha.com.uy/el-agua-ni-se-entero/> <http://brecha.com.uy/el-agua-ni-se-entero/>
- 10 For DMAE's mission, values and vision statements: [http://www2.portoalegre.rs.gov.br/dmae/default.php?p\\_secao=319](http://www2.portoalegre.rs.gov.br/dmae/default.php?p_secao=319)
- 11 See the Municipal Human Development Index ratings for Rio Grande do Sul (2010) at: <http://cidades.ibge.gov.br/comparamun/compara.php?lang=&coduf=43&idtema=118&codv=V01&order=dado&dir=desc&lista=uf&custom=>
- 12 The average tariff in July 2015 was R\$27.40 or US\$7.82 for 10 m<sup>3</sup> compared to R\$64.83 or US\$18.52 for 10 m<sup>3</sup> charged by the regional public provider CORSAN. The social tariff is R\$10.56 or US\$3.11 for 10 m<sup>3</sup>. See [http://www2.portoalegre.rs.gov.br/dmae/default.php?p\\_secao=370](http://www2.portoalegre.rs.gov.br/dmae/default.php?p_secao=370) and <http://www.corsan.com.br/upload/arquivos/201512/16095649-tabela-tarifaria-municipios-regulados-pela-agergs.pdf>

## Acronyms

<b>AFWA</b>	African Water Association
<b>ALOAS</b>	Latin American Association of Water and Sanitation Operators
<b>ASSEMAE</b>	National Association of Municipal Sanitation Services (Brazil)
<b>DMAE</b>	<i>Departamento Municipal de Água e Esgotos</i> (Porto Alegre, Brazil)
<b>IEA</b>	International Water and Sanitation Institute (Morocco)
<b>ISO</b>	International Standardization Organization
<b>GWOPA</b>	Global Water Operators' Partnerships Alliance
<b>ONEA</b>	<i>Office National de l'Eau et de l'Assainissement</i> (Burkina Faso)
<b>ONEE</b>	<i>Office National de l'Électricité et de l'Eau Potable</i> (Morocco)
<b>OSE</b>	<i>Obras Sanitarias del Estado</i> (Uruguay)
<b>WOPs</b>	Water Operators' Partnerships

## ABOUT THE AUTHORS

**Madeleine Bélanger Dumontier** is Project Manager for the Municipal Services Project.

**David A. McDonald** is Co-Director of the Municipal Services Project and Professor of Global Development Studies at Queen's University, Canada.

**Susan Spronk** teaches international development and global studies at the University of Ottawa, Canada.

**Catherine Baron** is a socioeconomist at the Studies and Research Laboratory in Economics, Policies and Social Systems (LEREPS), University of Toulouse 1, in France.

**Dieter Wartchow** lectures at IPH/Federal University of Rio Grande do Sul (UFRGS), Brazil.

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