

BEWOP

*Boosting Effectiveness in
Water Operators' Partnerships*



A Party of Many: The Drivers of WOPs Facilitation

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1. Introduction

Water Operator Partnerships

Water operators are critical players in efforts to achieve sustainable and universal water and sanitation access. However, many operators today are unable to provide universal access. They face a myriad of challenges including rapid urbanization, rising inequity, pressures on water resources, severe financial constraints and ineffective governance frameworks. There is a growing understanding that strong local capacity can provide the foundations to respond to emerging challenges with meaningful and lasting solutions. Supporting water and sanitation operators in their organisational development efforts to manage effectively over the long-term is the purpose of Water Operators' Partnerships (WOPs). WOPs are peer-support arrangements between two or more water service providers, carried out on a not-for-profit basis in the objective of strengthening operator capacity. They are based on the idea that capacity development supported by mentoring peers can accelerate and sustain water operators' ability to meet the challenges facing the sector. They draw on the fact that much of the knowledge and expertise to address water operators' challenges resides within utilities (not with consultants or other external experts). WOPs were identified as a high-potential solution by the UN Secretary General's Advisory Board for Water and Sanitation in their 2006 Hashimoto Action Plan to contribute achieving the Millennium Development Goals.

Although the main actors in a Water Operator Partnership are the two utilities involved in the partnering process, other organizations also have a motivation in developing water operator partnerships. In this sense WOPs function as 'instruments' that contribute to the achievement of objectives of organizations involved in the water sector. These organizations may be national water associations, international agencies, regional networking platforms, (inter)national non-governmental organizations, etc. The involvement of these organizations may steer the development of the partnership between two water utilities. In this document we focus specifically on these third party organizations and analyze their role with respect to WOPs and how they influence the nature of the partnership. In discussing third party facilitation, we hope to get a better understanding of the (institutional) context in which WOPs develop. It is not our primary purpose to provide guidelines about facilitation of WOPs.

The main questions guiding the research underlying this document are as follows:

- What are the organizations involved in facilitating WOPs and what are the interests of these organizations in the development of WOPs?
- How do these organizations contribute to the development of WOPs?
- How do these organizations influence the directions of these partnerships?

Method and Data collection

This discussion document is based on several sources. Interviews were undertaken with 14 resource persons during the IWA World Water Congress in Lisbon in 2014 on the topic of third party facilitation. A meeting of facilitators was attended in Barcelona in February 2015. Case studies developed under the BEWOP project were examined and interviews undertaken for the development of the financing report under the BEWOP project were studied.

Boosting Effectiveness in Water Operators' Partnerships (BEWOP)

BEWOP is a 5-year research and outreach initiative aimed at boosting the effectiveness of WOPs around the world. BEWOP, launched in September 2013, is a collaboration between the IHE Delft Institute for Water Education and UN-Habitat's Global Water Operators' Partnership Alliance, the organization leading the global WOPs movement.

2. Organizations and the type of facilitation by third parties

Different types of organizations are involved in the facilitation of WOPs. These include national and international associations of water utilities, international development banks, bilateral agencies, and networking platforms such as GWOPA, Waterlinks and WOP-LAC. These different organizations have diverse reasons for facilitating WOPs, different objectives they want to achieve through development of WOPs, diverse approaches towards WOPs and various mechanisms of facilitation. As such, there is a strong link between the type of organization (its mandate, philosophy, vision, etc.) and the way in which they facilitate the partnership.

Networking sector organizations

Several organizations exist that mainly facilitate WOPs by matching and bringing together different utilities. Examples of such organizations include the National Association of Water Utilities in Indonesia, PERPAMSI¹ or GWOPA's Regional Programme for Latin America and the Carribean (WOP-LAC).

For an organization like PERPAMSI, the role of facilitating WOPs is linked to it being an association to which 422 Indonesian water utilities belong. The fact that half of these utilities are poorly performing² has lead PERPAMSI to promote WOPs between Indonesian water utilities as a way of improving performance through capacity development of these weaker utilities. In promoting WOPs PERPAMSI facilitates in matching the mentor and mentee utility and provides limited seed money (US\$ 1,250 for each partner) for the WOP to take-off. This means that any additional costs (e.g. for infrastructure development) would have to be funded through other financial sources. The type of WOPs PERPAMSI pursues are national, usually involve a well performing utility and a poorly performing utility and last 18 months. The national focus on WOPs has both an administrative argument and a practical one. The administrative reason concerns PERPAMSI's mandate which essentially is limited to the Indonesian archipelago. As such both mentor and mentee utilities partaking in these WOPs are members of PERPAMSI. The practical reason is that PERPAMSI believes that the similarity in culture and language will facilitate the partnership between utilities and that these partnerships are cost-effective.

GWOPA's Regional Programme for Latin America and the Carribean (WOP-LAC), which has about 80 members³, is characterized by a somewhat different approach. With a regional mandate and membership many of the partnerships that WOP-LAC facilitates are mainly intra-regional partnerships. Since 2008, 44 WOPs have been initiated. Moreover, where PERPAMSI clearly distinguishes between a good

¹ *Persatuan Perusahaan Air Minum Indonesia*

² In Indonesia of the 347 utilities, 50% of the utilities are classified as 'healthy', 25% as 'less healthy' and 25% as 'unhealthy' by national authorities (Tutusaus 2015).

³ 63 water operators, 10 water operator associations, 4 government agencies, 1 education institute, 3 UN agencies, 1 International Aid agency and 2 NGOs. (REF?)

performer and a poor performer, WOP-LAC emphasizes bi-lateral learning and the solidarity between utilities. This is also apparent in the Spanish terminology used to refer to WOPs as *Red de Empresas Hermanas*. The WOP-LAC partnerships do not incorporate an element of infrastructure financing. Rather the WOPs focus on capacity development through exchange visits, classroom and on-the-job training, and follow-up communication. WOPs usually last between one year and 18 months and are formalized through a MoU with specific indicators. The costs of such WOPs usually amount to about US\$ 30,000-40,000. WOP-LAC essentially consists of a limited number of people and this also reflects how this entity operates. Funding does not go through the Platform and the Platform manager is not involved in the content of the WOP and also does not join visits of the partners.

WaterLinks was established in 2008 as a regional platform for Water Operators' Partnerships in Asia. It was founded by the Asian Development Bank (ADB), the International Water Association (IWA), and the United States Agency for International Development (USAID). Since then it has facilitated approximately 70 WOPs, which usually last between 12-24 months and cost between US\$ 20,000 for national WOPs and US\$ 35,000 for regional WOPs. Similar to WOP-LAC it has a regional mandate, but has a limited membership base and a different governing structure. Waterlinks is better staffed, with 3 full time staff, but also is more involved in the operational aspects of the WOP as they are also present during the first and last visits of the partnership (usually diagnostic and evaluation visits). For Waterlinks this 'on-the-ground' visibility is considered to be very important and necessary. Funding of WOPs goes through Waterlinks. Furthermore, having difficulties to mobilize financial resources, Waterlinks organizes master classes for utilities to generate income for its activities.

The facilitation of these organizations has certain elements in common. These shared elements are interlinked. First, these organizations are focused on facilitating interaction between utilities and aim to promote WOPs. In this sense the actual development of WOPs seem to be an important objective for these organizations. Second, these WOPs often have limited funding, which means that these WOPs tend to have a rather narrow, and often technical, focus (at least in the first stage of implementation). Dozci et al (2015:18) refer to this type of WOP as a "WOP for its own sake". The role of the facilitating organization in these WOPs particularly focuses on facilitating the interaction between utilities. The WOPs they facilitate have limited budgets and generally have no infrastructure investment component. Most of the funds will be allocated to travel and accommodation of participating utilities, covering the costs associated to capacity building activities. Apart from PERPAMSI, which has its own source of income through membership fees and which contributes relatively little to actual WOPs, the organizations require external funds to develop the WOPs. . In all WOPs analyzed, independently from the facilitating party, the partnering

utilities bear the cost of the staff involved, as an in-kind contribution based on the solidarity principle.

At the same time, the organizations also demonstrate differences in their approach. This different approach appears to partly be a result of cultural prescriptions, which allow a more distant facilitation in Latin America, but require more on-the-ground visibility in Asia. Both WOP-LAC and Waterlinks have a regional mandate, but both regions require different approaches. WOP-LAC is a relatively lean platform, which facilitates from a distance. Waterlinks is more present in the development and implementation of the WOPs.

Multilateral Development Banks

A second category of organizations that is involved in the development of WOPs concern International Development Banks such as the Asian Development Bank, European Investment bank, African Development Bank, Inter-American Development Bank and the World Bank. For these organizations facilitation is mainly in the form of providing funds for the WOP and in the form of steering the partnership through contractual arrangements.

For these organizations the WOP is not an objective in itself, but rather a tool to achieve a different objective. These organizations view the facilitation of WOPs as being a useful tool to achieve the following two objectives. The first concerns WOPs as an add-on to investment financing. The second concerns WOPs as a tool for getting better acquainted with water utilities and governments, who form the potential 'clients' of the International Development Banks.

For the Development Banks, objectives related to investment financing appear to be two-fold. First, the WOP is perceived as a way of generating enough capacity for the recipient utility to mobilize and absorb such funds. The Asian Development Bank, for example, increasingly appears to use Water Operators Partnerships as a condition for a subsequent loan or grant⁴. Similarly, the Caribbean Development Bank views WOPs "not as a project itself, but as a component of a loan"⁵. The idea is that a recipient utility first builds more capacity to manage and operate the utility and is then provided the funds through a loan or grant. WOPs then essentially "serve to prepare a utility for an investment. Like what the Asian Development Bank is doing: they use WOPs to improve the disbursement of loans, by increasing the knowledge and capacity with the loan-taker"⁶. Water Operators' Partnerships "in this context may serve as a diagnostic activity or 'feasibility study' in advance of a larger investment or to create a 'master plan' for a broader package of investment in the operator" (Doczi et al., 2015:12). WOPs may also take place alongside a substantial investment to ensure the

⁴ Interview RL2

⁵ Interview RL1

⁶ Interview RL3

efficient use of investment funds or after the investment in order to ensure sustainability of the investment (Doczi et al., 2015). Secondly, by preparing investment funding through a WOP, the recipient utility is more likely to be able to repay the loan. As highlighted by one informant: "the European Investment Bank realized that just giving the loan is insufficient guarantee that the loan will be repaid"⁷. The emphasis on linking WOPs to infrastructure investment is not entirely surprising. The International development Banks "live and breathe of the interest on their loans"⁸. In comparison with capacity development, which is relatively cheap, it is easy to develop large loans based on infrastructure development. For these organizations the investment loans are their main priority and WOPs are relevant for them only in so far as they can contribute to enabling the investment loan and its repayment.

A second reason for Development Banks to facilitate WOPs is that it forms a way for these organizations to familiarize themselves with the government and urban utilities that form the "clients" of these organizations. For example, the IADB's involvement in WOPs from 2008-2012 was not only perceived as a means of strengthening urban water utilities in Latin America. It was also a way for the IADB to touch base with its clients (the governments and urban utilities in Latin America). By "organizing many workshops, trainings and exchange meetings, they built up their expertise and extended their network" (Merme, 2014:11). Standalone WOPs are not the main aim of International Development Banks if they are solely framed in a non-profit scenario. In order for these Banks to put out loans, they need to build relationships with governments and water operators that will take these loans⁹.

The emphasis on linking WOPs to loans, also indicates a distrust of WOPs as an instrument in itself. This 'lesson' of being hesitant about not-for-profit and solidarity-based partnerships follows disappointing results of twinning arrangements in the 1960s and 1970s. As one respondent who adhered to the Development Bank philosophy on WOPs indicated: "a complementary WOP with a loan to invest can be great. If a WOP is an add-on to money from development banks to change pipes than it can be great. Most others have been a total waste of time"¹⁰. The 'total waste of time' is largely linked to the lack of incentives to develop capacity and perform under an arrangement based on solidarity. "You need an incentive structure for capacity building programs to work, to really build new capacity"¹¹. Without contractually defined performance targets partnerships are considered to be 'too soft' and will not provide the right incentives to the partnering utilities to produce the desired results¹². "The World Bank became rather cynical and disappointed in doing this cooperation

⁷ Interview RL4

⁸ Interview RL2

⁹ Interview RL2

¹⁰ Interview RL6

¹¹ Interview RL3

¹² Interview RL4

without a contract. They do not believe that a utility will change without pressure"¹³. "The AfDB is very much result and performance-oriented. They will look at every modality but there are a number of things they simply find too soft. Like technical assistance and mini-WOPs. They say, if you cannot show what it resulted in then why we should invest in it?"¹⁴. "Public-public cooperation is too soft. There needs to be more pressure on the utilities if you want them to perform"¹⁵.

In order to generate this incentive structure, the approach of the International Development Banks to WOPs is characterized by a relatively strong emphasis on the strong contractual arrangement guiding the WOP. This arrangement will have specific performance targets which the partnership has to achieve.

Bi-lateral Donors

A third type of facilitator concerns bilateral donors. For these donors, the establishment of WOPs is also not the main priority. Rather they are guided by the development aid policy and the objectives which are stipulated in that policy. WOPs for these organizations are vehicles to achieve the objectives as stated in their policy. This means that the WOPs that are facilitated are subject to conditions linked to the donor's policy. The donor may, for example, have certain preferences for countries, or may have a preference for the country of origin of mentor utilities, etc.

One of the main facilitators of WOPs is the Dutch Ministry of Foreign Affairs. The Dutch Government decided in recent years to 1) concentrate its development aid efforts to a number of selected countries, and 2) merge its development aid and international trade agenda. These decisions impact the type of WOPs that the Dutch government facilitates. By focusing development aid on a limited number of partner countries¹⁶, the Dutch government narrows the countries in which mentee utilities could benefit from WOPs funded by Dutch development aid. Though decentralized funding might be available through Dutch embassies and other countries may also access funds for WOPs, a clear priority exists for the partner countries.

The merging of the development aid and international trade agenda follows from the policy document entitled *A World to Gain: A New Agenda for Aid, Trade and Investment*. The revised Dutch policy on development aid and international trade¹⁷ explicitly underscores three aims. The first aim concerns the eradication of extreme poverty in a single generation. The second aim is that of promoting sustainable, inclusive growth

¹³ Interview RL4

¹⁴ Interview RL4

¹⁵ Interview RL4

¹⁶ Afghanistan, Bangladesh, Benin, Burundi, Ethiopia, Ghana, Indonesia, Yemen, Kenya, Mali, Mozambique, Palestinian Territories, Rwanda, Uganda.

¹⁷ The policy distinguishes three categories of countries. The first concerns countries with which an aid relationship is to be established. These are post-conflict countries and fragile states. The second category concerns low and middle income countries for which the combination of aid and trade is considered to be beneficial. The third category concerns countries with which only trade relationships are envisaged.

all over the world. The third aim concerns the "success of Dutch companies abroad" (Ministry of Foreign Affairs 2013:6). In line with this policy document, for the Dutch government, WOPs are instruments to achieve a twofold objective. On the one hand, it is a tool to address the urban water challenges facing many cities in the global South. In 2005, the Dutch government established its own national contribution to the MDG targets ensuring that 50 million people would obtain access to safe drinking water and adequate sanitation by 2018 through Dutch development aid projects. In these projects WOPs are to play an important role. At the same time, however, they are seen as a contribution to strengthening the position of Dutch water organizations and companies abroad. WOPs allow water organizations to explore markets where the project is located. Moreover, the WOP gives the participating partners (which includes the utilities, but also private sector organizations and NGOs) the opportunity to display their knowledge and expertise in the local market. As the deputy Minister for Economic Affairs explained: *"For the Netherlands the knife cuts both ways. We contribute to the development of vulnerable people in very poor regions and it offers international activities for [Dutch] water clusters in the slipstream of their projects"*¹⁸. What this means is that Dutch development aid funding for WOPs is likely to favor Dutch mentor utilities. Linking WOPs to policy objectives of donor countries means that WOP projects are often larger than those being financed by the sector organizations. Rather than a budget of US\$ 30,000-US\$ 40,000, these projects will usually have a budget of a few million US\$. This also means that the focus of these WOPs is likely to be more holistic and have a duration spanning multiple years (often 4 or 5 years). At the same time they are likely smaller than the infrastructure-oriented projects of the International Development Banks.

Facilitators and Accountability

The different categories of facilitators have different objectives they seek to achieve through WOPs. This is also visible in how the partnering utilities are accountable to the facilitating agency. Often reporting has to be in line with the main objectives that the facilitator is seeking to achieve. In the case of the development Banks it means that reporting has to be in line with the specified performance targets that have to be accomplished. In the case of bi-lateral donor facilitation emphasis is often on the contribution of the WOP to policy aid objectives of the donor country. In the case of sector organizations, the reporting requirements are, given the limited resources attributed to the WOP, relatively limited.

¹⁸ Authors' own translation. <http://www.rijksoverheid.nl/documenten-en-publicaties/toespraken/2009/06/10/nwp-waterpoort.html>, Accessed 7 August, 2015.

The WOP as Goal or a Means?

The discussion above also highlights that different facilitators have very different approaches to water operators' partnerships. For some organizations like GWOPA, IWA, national water operators associations, water operators' partnerships are considered useful instruments in themselves. The cooperation and exchange of experiences between utilities on a not-for-profit and solidarity basis is seen as a goal that does not require extensive funding. For other organizations, such as the Development Banks, WOPs are mainly a tool to achieve other objectives (putting out investment loans and networking). These different approaches have a number of consequences:

- 1) WOPs as a tool will likely limit the number of water operators that are willing and able to participate in such partnerships. The pre-requisites required to participate in WOPs which are add-ons to loans and the adherence to performance based contracts will likely result in fewer mentor utilities willing to partake in such partnerships.
- 2) The way in which the WOP is evaluated differs considerably between the three approaches. For the WOP as a goal the meetings and experience exchanges already present a result. How this translates to performance improvements is not the primary concern of such organizations. The assumption is that such exchanges lead to capacity strengthening and this impacts performance of the utility beyond the implementation of the partnership. As explained by a representative of IWA: "...and even though the results are not always clear to point out as they are informal and not, for instance, increased profit, that does not mean that they are not there. The IWA WOPs have shown that, though on a more informal basis than most WOPs, they can be a very good mechanism to exchange ideas on which steps to take as the utilities go through the same process. Practice-oriented knowledge exchange"¹⁹. For the development banks, the ability of the recipient utility to absorb loans and the resulting impact on performance improvement are the main objective. These organizations also evaluate the WOP in accordance with this objective and have to be clearly demonstrated as stipulated in elaborate contractual arrangements.
- 3) Both the Development Banks and the Donors do not appear to have a preference for non-profit and solidarity-based partnerships per-sé, but rather see it as one possible tool they can utilize to achieve their objectives. The choice of this tool appears more based on the broader (socio-political and institutional) environment in which an intervention takes place. This environment is at times more suitable for WOPs than other types of partnerships.

¹⁹ Interview RL1

Type of facilitator	Main Objective	Role of WOP	Budget	Focus of WOP	Reporting
Sector Organizations	Exchange of knowledge and expertise between utilities	'WOP for its own sake'	US\$ 30,000-40,000	Narrow focus	Limited reporting on WOP
International Development Banks	Support for Infrastructure development	WOP as an 'add-on' to prepare a utility for investment, to support the investment process and to ensure sustainability after the investment To	US\$ 10 - 50 Million	Broad focus in which infrastructure development is prioritized	Emphasis on contractual arrangements and performance targets
Bilateral donors	Priorities stipulated in (aid) policies	Means of achieving aid policy objectives	Ca. US\$ 2-5 Million	Broad focus with a few main focal areas	Reporting in line with aid policy objectives Often preference for mentor utilities of the donor country and specified countries with which the donor country has an aid relationship

3. Challenges of Third Party Facilitation

Based on interviews and case-studies a number of questions about third party facilitation and its impacts/influences water operators' partnerships can be raised. Below, these questions are briefly highlighted. It should be noted that considerable differences of opinion existed regarding these issues amongst the respondents. As such, it is not our intention to solve these issues, but rather highlight the different opinions regarding these issues.

The Added Value of Facilitated WOPs?

Throughout interviews with staff from utilities it was highlighted that WOPs have been taken place for many years without facilitation by third parties. These WOPs often develop and are implemented without outside organizations being involved or even aware of their existence. These 'micro-scale partnerships' are more like regular business dynamics. They are too small to track them down and measure results, but that does not mean they do not work²⁰.

This leads to the question why WOPs would need facilitation and particularly what the added value of such WOPs are? A few respondents were quite hesitant about facilitated WOPs arguing that facilitation essentially created a demand which may not actually be there. As one respondent highlighted: "If it is driven by utilities themselves, they have their own motivation behind it and they spend money and time in it...they see the value"²¹. In other words, WOPs develop because utilities see the value of such a partnership and finance and develop the partnership themselves. Facilitation is not required. Facilitation merely creates an artificial demand for a partnership. These partnerships are destined to have little or no impact as there is less buy-in from the participating utilities. "If donors are crazy enough to fund these partnerships, rather than utilities paying for it themselves, of course a utility will not say no. But it does not lead to sustainable partnerships"²². In this perspective the only role for facilitators is that of brokering, bringing partners together. They should not support anything else. The partners themselves should show their eagerness and commitment for everything else.

Other respondents indicated facilitation is crucial for WOPs. Two main reasons underlie this argument. The first is that many utilities do not know how to engage in WOPs. "Without facilitation only 20% of WOPs would happen. As utilities can be interested in WOPs but they don't know how they work, how to initiate them. With a

²⁰ One respondent indicated that Micro-scale partnerships operate under the radar as the research agenda is about understanding the role of the international community should play in facilitating partnerships and what value that has rather than about regular cooperation between utilities.

²¹ Interview RL1

²² Interview RL4

facilitator 9 out of 10 WOPs would happen"²³. The second argument is that external funding is crucial as one cannot expect mentor utilities to invest heavily in WOPs as this may be at the expense of their own mandate/responsibilities. This is particularly applicable to mentor utilities in the Global South. "There are serious opportunity costs. Especially considering that all African utilities still have work to do at home in terms of improving coverage and reducing costs. They cannot afford to continue to donate their knowledge. You can do that for 2 days, but they cannot do that for 100 days"²⁴. "Financial support is key. Of course, we participate in these partnerships for the greater good. But we cannot take our core mandate funds to support these partnerships. That is why you need external funders, so you do not sacrifice your core mandate"²⁵.

Matchmaking, personal relationships and contracts

Matchmaking by just putting organizations together rarely works, according to some respondents. Successful cooperation depends a lot on the personal relation between people "(...) and whether the managers of a utility have a bond. If that is not there from the start you see that cooperation dissolves, motivations disappears"²⁶. This suggests that during facilitation effort needs to be spent on managing the personal relationships between managers of the involved water operators. "The problem is that you cannot direct or steer relationships via contracts. Matchmaking now happens on the basis of a technical proposal, but whether the best technical partner is also the best match is not a given. The relational part is crucial"²⁷. In this perspective emphasis is placed on relational contracting.

Other respondents argued that it was naive to think a WOP can have an impact just on the basis of personal relations and solidarity between utilities. "We need clear contracts, with agreed upon deliverables. With a WOP things are more on a volunteer basis and therefore it is difficult to hold the partner accountable and responsible"²⁸. In this perspective a clear contract needs to exist to provide incentives for management of the utilities. The underlying idea is that such a contract can provide incentives without being dependent on the incentives stemming from personal relations of managers. In this perspective traditional contracting is seen as being complementary to relational contracting (see also Poppo and Zenger, 2002).

Evaluating Results

In the overview on different types of facilitators the point was raised that facilitators have their own interests that they pursue through WOPs. These objectives may conflict

²³ Interview RL7

²⁴ Interview RL5

²⁵ Interview RL10

²⁶ Interview RL7

²⁷ Interview RL4

²⁸ Interview RL8

with the objectives of the water operators, which are involved in the WOP. "Every owner has its own pet areas, its own priorities, defined usually at much higher levels than water per se"²⁹. Some parties may be focused on generating numbers of additional connections, whilst utilities may see very different main objectives (needs of mentees). Particularly with investment, utilities may be more interested in the investment funds rather than capacity development through the WOP.

Given the multitude of interests and objectives the question is how to evaluate WOPs? Different parties involved in the WOP not only have different objectives they are trying to achieve, but also have a different timeline by which such achievements have to be made. Moreover, WOPs are targeted at capacity development. Trying to evaluate a) the impact of a project on capacity development and b) the impact of capacity development on performance is very challenging. The question of how to evaluate WOPs and the results that they produce thus continues to be an issue of debate. "And now, after about 3 years, the donors don't really see what they have gained in funding WOPs. Whereas utilities see very clear what they have gained"³⁰. "The donors need results. So sometimes you need to move things faster than what you actually want for the project"³¹.

Reliance on donors

A few respondents highlighted that third party facilitation, particularly those involving significant funds, will lead to a situation where utilities become reliant on these third party facilitators. This issue is strongly related to the earlier discussed added value of facilitated WOPs. "The continuity of WOPs is also endangered by the limited external funding. Because if that would stop, the WOPs would stop too"³². Essentially, by creating demand for WOPs, facilitators also create a degree of reliance of the utilities on the involvement of the facilitator. By providing funding, to which utilities are unlikely to say 'no', the incentive structure for the utilities changes. These may then focus more on generating external funding from donors, rather than emphasize revenue generation through water service provisioning.

²⁹ Interview RL2

³⁰ Interview RL9

³¹ Interview RL9

³² Interview RL5

4. Conclusions

Apart from the more fundamental question if facilitated WOPs have an added value, different facilitators pursue different objectives they want to achieve by developing a WOP. As a result, facilitators have different approaches to WOPs and their development. This also translates in the way that facilitation occurs. This is dependent on a number of different factors:

- 1) The purpose of the WOP. It is a WOP 'for its own sake' or is it a tool to achieve a different objective? Important in this respect is the acknowledgement of what are the objectives of the facilitating party. These objectives will greatly steer the way in which the WOP is developed and implemented.
- 2) The cultural environment in which the WOP develops. In some regions, on-the-ground visibility is crucial. In others it is not required.
- 3) The ideological leanings of the organization. Facilitators have a certain ideology, which is reflected in the way they approach WOPs. Some organizations emphasize that WOPs are driven by a sense of solidarity. Other organizations find this approach too soft, and demand contractual performance targets to provide the proper incentive structure for the partners.

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