



Workshop Report

Promotion of Public/Private Partnerships in Municipal Solid Waste Management in Low-income Countries

22-23 February 1996

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SDC
Swiss Agency
for Development
and Cooperation



UMP/SDC Collaborative Programme on MSWM
in Low-income Countries

World Bank Conference Room GC1-800
1776 G Street, NW, Washington DC

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in Low-income Countries**

**World Bank Conference Room GC1-800
1776 G Street, NW, Washington DC**

Abbreviations and Acronyms

BOO	Build, Own and Operate
BOOT	Build, Own, Operate and Transfer
DSO	Direct Service Organisation
EAWAG	Swiss Federal Research Institute for Water Supply, Sanitation and Water Resources Management
EIA	Environment Industry Association of America
ERM	Environmental Resources Management
ESA	External Support Agency
GTZ	German Agency for Technical Cooperation
IBRD	International Bank for Reconstruction and Development (World Bank)
IFC	International Finance Corporation
ISWA	International Solid Waste Association
MSWM	Municipal Solid Waste Management
NGO	Non-Governmental Organisation
PAHO	WHO - Pan American Health Organisation
PSD	Private Sector Development Division (World Bank)
RFP/PFQ	Request for Proposals/Request for Quotation
SANDEC	Centre for Water and Sanitation for Developing Countries (EAWAG)
SDC	Swiss Agency for Development and Cooperation
SOD	Sector Operations Departments (World Bank)
SKAT	Swiss Centre for Development Cooperation in Technology and Management
SW	Solid Waste
SWANA	Solid Waste Association of North America
TWU	Transport, Water and Urban Department (World Bank)
TWURD	Urban Development Division of TWU (World Bank)
TWUWS	Water and Sanitation Division (World Bank)
UMP	Urban Management Programme
UNCHS	United Nations Centre for Human Settlement (Habitat)
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WHO	World Health Organisation

Executive Summary

The management of municipal solid waste is one of the major concerns of municipal management all over the world but particularly in cities in low-income countries. These cities generate about 40% of the world's total municipal solid waste and which is increasing rapidly under the combined forces of unprecedented high population growth and economic development. Most municipalities are unable to cope with the problem. Municipal Solid Waste Management activities typically consume 25-50% of municipal budgets but only one-third of the waste is normally collected - out of which less than 5% is properly disposed off. The impact of this poor performance on public health, the environment and economic growth of the affected cities are many folds and increasing.

Under a joint initiative by the Swiss Agency for Development and Cooperation (SDC) and the multi-donor Urban Management Programme (UMP), a collaborative programme on Municipal Solid Waste Management (MSWM) in low-income Countries was initiated in 1994. Participants at a recent collaborative workshop in Ittingen, Switzerland (April 1995) among other things, identified the continuous interface between public and the private sector as a key to the improvement of MSWM services in developing countries. Particularly missing are hands-on tools for decision makers. The Ittingen meeting subsequently recommended that through collaborative efforts a comprehensive package of operational and promotional tools be elaborated to guide the structured promotion of partnerships between the public and private sector in MSWM

The workshop on Promotion of Public-Private Partnerships in MSWM in Low-income Countries is a direct follow-up of the conclusions of the Ittingen collaborative meeting. The workshop brought together 35 professionals from both the public and private sectors, consultants, external support agencies, research institutions and international professional bodies currently engaged in the promotion of public-private sector partnerships or privatisation programmes in Municipal Solid Waste Management to share experiences and think through a structured strategy for enhancing sustainable public-private partnerships in the Municipal Solid Waste Management sector.

A 14 point summary of key principles and suggested actions was presented as the conclusions of the workshop. Running through the 14 principles, complementary action and suggested tools is the message that, MSWM is a public sector responsibility and that the involvement of the private sector is not a panacea but a proven strategy with the potential for ensuring efficient delivery of MSWM services, attracting additional investment and optimising the role of the public sector. The involvement of the private sector means an even stronger role for the public sector in maintaining its sovereign responsibilities of strategic planning, regulation and setting up the enabling environment for sustainable public-private partnership. The golden rules for success are however, **competition, transparency and accountability.**

Following two days of deliberation backed by informed presentations, the workshop agreed on three blocks of tools which are urgently needed to foster enduring public-private partnerships in MSWM and in low-income countries. These include a set of (i) planning and management tools, (ii) guidelines on establishing regulatory arrangements and (iii) model instructions for establishing contractual arrangement in collection services and MSW facilities management. The list of recommended priority tools is given below.

Planning and Management Tools

- Decision maker's Guide for Justification of Public-Private Partnerships
- Guide on Types of Partnerships and Processes of Involving the Private Sector
- Strategic Planning Guidelines and Procedures

Regulatory Arrangements

- Checklist on Monitoring and Performance Measures
- Financial and Payment procedures
- Guarantees and arbitration Guidelines
- Checklists for defining regulatory arrangements

Model Contracting Guidelines for Collection Services and MSW Facilities Management

- Announcement of intent and general instructions
- Pre-qualification dossier
- Model bidding documents
- Model contracts

The suggested tools and tentative plan of action will constitute the basis for a more detailed terms of reference for SKAT, the lead agency for the tools preparation. The tools development is scheduled to take a period of 24 months and will involve extensive field testing and collaborative efforts amongst the partners organised under the UMP/SDC Collaborative Programme for MSWM in Low-income Countries. Some case studies will need to be generated in support of the use of the tools and a capacity building component incorporated in the delivery strategy. This will require financing and further strategic linkages amongst the partners. The workshop also fixed the 14-18 October 1996 as the dates for the follow-up collaborative meeting in Cairo, Egypt. The meeting will focus on Micro-Enterprises Involvement in MSWM and offer an opportunity to follow-up progress on the preparations of the recommended tools.

Workshop Organisers:	Swiss Centre for Development Cooperation in Technology and Management (SKAT)
In collaboration with:	Urban Development Division, World Bank (TWURD) Urban Management Programme (UMP)
Credit for Financial Support:	Swiss Agency for Development and Cooperation (SDC)
Workshop Facilitators:	Advisory Group: Carl Bartone (TWURD) Sandra Cointreau-Levine (SWM Consultant) David Wilson (ERM) Graham Alabaster (UNCHS) and Jürg Christen/Ato Brown (SKAT)

The report was put together by Ato Brown of SKAT. All clarification and question are to be directed to SKAT. The contents are the observations of the author and does not constitute in any way an official position of SDC, the World Bank or the Urban Management Programme.

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1. Introduction

1.1 Background

The potential role of the private sector as the engine of growth in developing economies is widely recognised. Events over the last two decades confirm this reality. But in most developing countries the over-centralisation of administration and substantial involvement of the state in production, provision and management of all infrastructure and services (and in particular, Municipal Solid Waste Management - MSWM) have hampered considerably the realisation of effective participation of the private sector.

The private sector needs a clear signal for its participation but at the same time care should be taken in bringing the private sector in without dislocating complete economic systems. Changing the role of the public sector into that of a play maker or facilitator and the private sector as the supplier of goods and services will take time, and consistent efforts will be needed in developing or promoting a variety of public and private partnerships that fit the historical reality of a country or a city. Private sector participation does not mean the abdication of government responsibility. On the contrary, a significant role for the public sector is always necessary. The nature of MSWM as a "public good" make this role even more imperative.

- The municipality need to be capable of drafting, negotiating and monitoring contracts efficiently without imposing unnecessary burden on the private operators, not least so as to attract the best of private sector bids.
- Involvement of the private sector does not remove the need for training and technical assistance for institutional strengthening within the municipality, rather it reinforces the need but shifts requirements to new tasks..
- A useful step is to reorganise the MSWM service within the municipality into two or three separate but complementary functions; (i) the client function, responsible for providing the service, arrangements for fee collection and administering any contracts with private sector contractors, (ii) the regulatory function, ensuring environmental standards are met and (iii) the operational function, responsible for delivering the service. (i and ii are sometimes combined as the control function in practice)

Creating the enabling environment for these partnership arrangements or functions to be realised should be actively pursued through the sharing of information on best practices within the same geographical region and on a global basis. Participants at the recent Ittingen Workshop (April 1995) on Municipal Solid Waste Management (MSWM) clearly identified the continuous interface between public and the private sector as a key to the improvement of MSWM services in developing countries. Even a cursory review of literature on MSWM, shows that documents dedicated to operational aspects of private sector involvement are scant in developing countries. Particularly missing are hands-on tools for decision makers. The Ittingen meeting subsequently recommended that through collaborative efforts a comprehensive package of operational and promotional tools be elaborated to guide the structured promotion of partnerships between the public and private sector in MSWM.

1.2 Scope and Purpose of Workshop

The workshop was organised by the Swiss Development Cooperation (SDC) through the Swiss Centre for Development Cooperation in Technology and Management (SKAT) in conjunction with the Urban Management Programme (UMP) and the Urban Development Division of the World Bank. It was meant to bring together a number of professionals and institutions currently engaged in the promotion of public-private sector partnerships or privatisation programmes in Municipal Solid Waste Management to share experiences and think through a structured strategy for enhancing partnerships.

The workshop derives its strength from collaborative work and consultation currently on-going among the partners in the Urban Management Programme in several regions and many years of experience of some of the participants in private sector participation programmes in MSWM. Private sector participation is not new to the sector in general. Useful experiences are recorded in a number of developed countries but experiences in developing countries are relatively new. Comprehensive documentation of best practices in developing countries are rare or inadequate to convince or guide decision makers and municipal governments interested in involving the private sector in MSWM.

False starts abound as a result of inadequate understanding of enabling features (rules of the game) for private sector participation and inadequate preparation. This applies to both formal and informal private sectors participation. Also missing are interface arrangements between formal and informal sectors and instruments for courting the local private sector participation, particularly micro-enterprises. The need, therefore, for structured guidelines or management tools for promoting public-private partnerships in the MSWM sector cannot be over-emphasised. It was anticipated that the forum of experts coming together under the auspices of the proposed workshop would make a start in providing some structure for progress in this endeavour. In summary, the workshop objectives were as presented in BOX 1 below.

BOX 1:

Objectives of Workshop

- Enable participants share experiences and informally exchange ideas on the state-of-the-art in public-private sector partnerships and privatisation programmes in MSWM
- provide a forum for examining common issues and identify management gaps and needed tools for forging better public-private sector partnerships in MSWM
- detail a list of priority management tools and guidelines for supporting the promotion of private sector participation in MSWM in developing countries
- propose a work programme for joint action in the development of the management tools and agree on a framework for continued information sharing and networking on the subject

However, a number of management tools and procedures have been developed and are being applied in projects in a number of countries. One does not need to start from scratch but to study these experiences and turn these tools into generic guidelines that could be adapted to different coun-

try contexts. Based on a global assessment and a systematic analysis of various case studies, priorities for tools development could be established and additional instruments proposed for effecting transparency, competition and accountability in public-private sector partnerships. A strategy for further controlled testing of these tools may also be necessary. Some initial ideas on possible case studies should result from on-going work of the World Bank and other ESAs but the workshop was also to propose other potential projects or locations for structured learning about such partnership arrangements.

1.3 Workshop Participation

The workshop brought together about 35 professionals from both the public and private sectors, consultants, external support agencies, research institutions and international professional bodies. The full list of participants together with their brief profiles is attached as Annex 1. BOX 2 however gives the breakdown of representative groups. The workshop was moderated by an advisory group consisting of David Wilson and Sandra Cointreau-Levine (both private consultants) together with Carl Bartone (World Bank), Graham Alabaster (UNCHS) and Ato Brown/Jürg Christen (SKAT).

BOX 2:

Workshop Participants

Public Sector

- National Water and Sanitation Regulatory Commission, Colombia
- Ministry of Health, Malaysia
- Council Member, Metropolitan Lima

Private Sector

- Collection and Disposal Contractor (Gee Waste), Ghana
- Environmental Industries Association of America (EIA)
- MSWM Consultants

External Support Agencies

- World Bank (TWURD, PSD, IFC, TWUWS)
- UNDP (Public-Private Partnership for Urban Environment), Coordinators of the Urban Management Programme, WHO-PAHO
- SDC, USAID and GTZ, SKAT
- Inter-American Development Bank (IADB)

Professional Bodies

- International Solid Waste Association (ISWA)
- Solid Waste Association of North America (SWANA)

Research Institution

- SANDEC-EAWAG

2. Proceedings of the Workshop

2.1 Workshop Process

The workshop programme (see Annex 2) was structured according to the objectives of the meeting as well as to provide numerous opportunities for interactions among the invited specialists. The program was basically broken up into four (4) sessions with each session dedicated more or less to one of the workshop objectives. The format and proceedings of each session is summarised below.

2.1.1 Session 1: Overview and sharing of experiences

The session consisted of two introductory remarks by the co-sponsors (Louis Currat for SDC and Anthony Pellegrini for the World Bank/UMP). This was followed by a lead presentation-overview on public-private sector partnerships in MSWM by Sandra Cointreau-Levine. The rest of the morning was then focused on short statements of experience by selected participants or representative groups. The main elements are presented as part of the participants profile in Annex 1. Paper copies of such experiences are included in the folder Annex 3 or listed in Annex 4 and will be made available upon request.

2.1.1.1 Introductory Remarks

SDC-Louis Currat thanked participants for responding favourably to the invitation to participate in the workshop and moved on to define the context for the meeting. He pointed out that even though the subject matter for the workshop is focused on solid waste which is a growing problem in low-income countries (with negative impacts on costs, service delivery and health), the real challenge is sustainable development. Finding solutions in MSWM will in the long term contribute to more growth, help fight poverty (create jobs) and ensure sustainability and better governance. He outlined the conditions for success as a two-prong synergy between a strong regulatory framework and improved international networking. He ended his remarks by going over the objectives of the workshop and challenged participants to identify the priority tools needed for fostering stable public-private partnerships and a workable collaborative plan of action.

World Bank/UMP- Anthony Pellegrini began his remarks by underlying the fact that involving the private sector in public domain activities is not panacea. The important thing is to get the roles right and to balance private sector involvement with strengthening of the public sector. Based on the World Bank's experience in other sectors, the challenge is always how to get the roles properly defined, the need to separate regulations especially from environmental controls from operations, in order to ensure efficiency opportunities and allow for innovations. He ended his remarks by outlining the three key principles of public-private partnerships - Competition, Accountability and Transparency.

2.1.1.2 Overview of Public-Private Partnerships In Low-income Countries

Through a combination of overheads and slides projection, Sandra Cointreau-Levine took participants through an exposé on the state-of-the-art on public-private partnerships in MSWM in developing countries as well as in emerging economies. The set of overheads is attached as part of Annex 3. Areas covered include (i) aims for involving the private sector, (ii) advantages and disadvantages, (iii) types of partnerships and contracting arrangements, (iv) guidelines on how to initiate partnerships and (v) lessons from different experiences. The conclusions were that **competition** counts, there is the need for long term contracts to guarantee investments and that there is no single formula for success, good and detailed strategic planning on a case by case basis as well as political will and commitment to **transparency and accountability** are important to ensure success.

2.1.1.3 Participants Introduction and Exchange of Experiences

Based on a self introduction format, participants introduced themselves, gave a brief profile of their organisations and its activities in public-private partnerships in MSWM and enumerated issues that they think are critical for better partnerships. This session produced a variety of experiences (successes and failures alike) which generated very lively discussions. Some of the highlights of the experiences are covered below;

Colombia - establishment of a national regulatory and institutional framework for private sector involvement. All major cities have private sector contracting arrangements (including cooperatives formed from existing staff) which went through competitive bidding over the last 5-6 years, regulated tariff that allow for cross-subsidisation of poorer communities and national commission for monitoring of performance.

Malaysia - Based on a comprehensive master plan in 1988, landfill upgrading and contracting out of collection services were initiated with about 30-50% reduction in service cost. The programme is going through a new phase to be launched in 1996 involving the breaking up of the country into 4 zones and given them out on competitive bids. All planning and regulatory instruments and institutions are in place.

West Africa - a new wave of private sector involvement in collection services as well as the involvement of youth groups and informal sector pre-collection is underway in the region. There is however the lack of comprehensive planning and appropriate regulatory and institutional arrangements.

External Support Agencies - including the World Bank, USAID and GTZ are all involved in private sector involvement projects in a number of countries (Lebanon, Pakistan, Sri Lanka, Tunisia, Botswana, Ghana, Senegal, Guinea, Indonesia, Peru, Colombia etc.). Whilst the World Bank and USAID are focusing on the formal private sector, GTZ focuses on micro-enterprises. Even though ESAs experience in private sector involvement in MSWM is new and growing, there exist considerable experience, particularly within IFC in other sectors (water and waste treatment, power, telecommunication etc.) for which tools have been developed. SDC's role in initiating the collaborative programme for MSWM in low-income countries also received mention.

Professional Bodies - like SWANA, EIA and ISWA are at the frontline in capacity building in MSWM in the US and internationally respectively. They have evolved over time some briefing notes and documentation (including model contracts) to guide the public sector on privatisation issues. Their strong points are, however, continuous professional development and education of their members through structured meetings, conferences, thematic working groups and specially tailored courses.

2.1.2 Session 2: Identification of common issues and management needs

The afternoon session began with two presentations of best practices - describing the project/programme cycles adopted by two case studies (Bogota in Columbia and the United Kingdom experiences). A developing country and a developed country were selected for contrast - appreciation of the *different perspectives* - as well as to allow a reflection on the common features. The two cases studies outlined the various steps in building public-private sector partnership programmes, the background preparations involved, identification of common issues, gaps and needs. After a period of question time and clarifications on the presentation, participants broke up into working groups to discuss and isolate core issues and requirements for effecting sustainable public-private sector partnerships in MSWM. Three working groups were (public sector, private sector and community/informal sector). The conclusions of the working groups were presented in plenary thereafter and are summarised under Section 2.2

2.1.2.1 Case Studies Presentation: Bogota and UK Experiences

Both cases involved careful and painstaking planning - definition of the rules of the game, establishment of appropriate regulatory environment and separation of regulation from operations; a structured approach to cost recovery - responsibility rests with the municipality or local government using contracting out arrangements through compulsory competitive tendering, indirect contractual payment to private sector through a base tax; Stepwise contracting out with options for existing staff, availability of standard contracting document and vigilant performance monitoring. The differences are a *matter of detail* but as Bogota moves towards more direct private sector involvement, the UK is experiencing a growth of the private sector through existing Direct Service Organisations (DSO - re-constituted municipal unit acting as independent commercially units and capable of competing with private sector for municipal contracts). Cost saving in both cases are around 25% and with the main benefit being competition and not necessarily privatisation.

2.1.2.2 Terms of Reference for Working Groups: Key Issues and Needs

Arising from the discussions around the two case studies and suggestion from the exchange of experiences, the following terms of reference (BOX 3) were established for the 3 working groups;

BOX 3:**Issues and Needs - Proposed Terms of Reference for Working Groups****Public Sector**

- What is needed to assure performance for a reasonable price?
- What performance monitoring and methods of checking are required to assure performance?
- What can the central government do to facilitate private sector involvement efforts of municipalities?

Private Sector

- How can the private sector be assured that municipalities honour their contracts for a viable length of time in order to amortise investments?
- What type, size and length of agreements are most attractive for collection services and for facilities management?
- Should governments specify methods?

Community and Informal Sector

- How should service options be selected relative to community willingness to participate and pay for services?
- What is the role of the informal sector in pre-collection, recycling and neighbourhood composting?
- What community organisation is needed for monitoring and sustainable financing of systems?

2.1.3 Session 3: Balancing interests and priority management tools for effective partnerships

A panel consisting of representatives of four of the major actors (public sector, private sector, ESAs/financing agencies and researchers) led the discussion into how to balance the competing interests of the key stakeholders and the associated management needs and tools required for promoting effective public-private sector partnerships. The ensuing discussions narrowed down the priority management tools for further detailed discussions by four working groups. The working groups focused on one of the subjects (i) Planning and Management Tools, (ii) Regulatory Arrangements, (iii) Model Contracts for Collection Services and (iv) Model Contracts for MSW Facilities Management. The results of the Working Groups is summarised under Section 2.2.

2.1.3.1 Panel Discussions

Panellists, including Daniel Wilson (private contractor, Ghana), Khaza Sinha (public sector, Malaysia), Carl Bartone (World Bank), Christopher Voell (SWANA), Jonas Rabinovitch (public-partnership group in UNDP) and Roland Schertenlieb (SANDEC-EAWAG) reaffirmed the responsibility of the public sector (municipal authorities) to ensuring public health protection through the provision of MSWM services even where private sector is involved. Sovereign risks should at all time be assumed by the public sector.

The panellists agreed that municipalities and local governments need to make up their own minds about the advantages of involving the private sector in services delivery (see BOX 4). Tools should therefore not be prescriptive but come in the form of guidelines that could be adapted to specific local conditions. Clear rules and transparent processes as well as the strengthening of the capacity of the public sector to manage private sector

selection processes and performance monitoring are necessary conditions to balance the public interests against that of the private sector. A more structured dissemination mechanism as well as a supporting capacity building strategy must be considered as part of the tools delivery process.

BOX 4:

Decision Making Steps for Municipal Authorities

1. Decide on what you need/want and can afford
2. See if you have support behind you
3. Conduct a risk-benefit analysis (establish the base line)
4. Decide to do job with restructure municipal service (DSO) or Private Sector or mix
5. Strengthen municipal capacity for overall administration of services provision
6. Resolve cost recovery and flow control issues
7. Procure services using transparent RFP/PFQ methods
8. Put in place legal, technical, financial and social measure to monitor and ensure performance

2.1.3.2 Terms of Reference for Working Groups: Priority Tools

BOX 5:

Priority Tools - Proposed Terms of Reference for Working Groups

- List tools needed
- Describe briefly what tools should include
- Indicate available tools that could be adopted
- Prioritise the tools to be urgently developed
- Suggest the necessary processes for developing the priority tools
- Outline the delivery mechanism for the dissemination of the tools

2.1.4 Session 4: Conclusions and formulation of plan of actions

The last session was dedicated to summing up the workshop conclusions and recommendations, and obtaining agreement on a follow-up plan of action. Sandra Cointreau-Levine made a presentation on the key conclusions of the workshop which was followed by a an outline of a proposed plan of action by Ato Brown as starters to the concluding discussions. An open evaluation of the workshop was conducted and the closing remarks and acknowledgement delivered by Carl Bartone of the World Bank. The new dates for the follow-up Cairo Workshop on Micro-enterprises Involvement in MSWM were announced as 14-18 October 1996.

2.2 Results of Working Groups

As per the workshop agenda, two working group sessions were conducted - one on day 1 with a focus on the key issues and needs for public-private partnerships in MSWM and the other on day 2 focusing on priority tools. Three working groups worked on the issues and needs (public sector, private sector and communal and informal sector) whilst four groups worked on the priority tools (planning and management tools, regulatory arrangements, model arrangements for collection services and model arrangements for SW facility management). Working groups were formed on a voluntary basis with the moderators spread out amongst the groups to provide direction and ensure conformity with the group's terms of reference. Each working group was however given the mandate to select its chairperson and a rapporteurs as well as to add on to the terms of reference if they found it necessary.

The following sub-section cover the main conclusions of the working groups as presented by the group rapporteur in the plenary sessions.

2.2.1 Issues and Needs

Working Group 1: Public Sector

- Improve performance in the public sector
 - introduce incentives
 - introduce private sector contestability
- Need for a strategic plan
 - gradual approach - learn by doing
 - maintain government's role and strength as a back up in case private sector fails to deliver
- Planning, control and management are essential roles for government
 - roles should be adequately resourced
 - keep any role that the public sector is doing better
- Redundant labour questions should be addressed upfront
 - public sector could form cooperatives and prepare staff for the tender process after a gestation period
 - employ early retirement and attrition strategies
 - private sector be encouraged to take over labour for a guaranteed period
- Central government can play a significant supporting role to local government
 - financial support - shifting capital budget to recurrent budget
 - advance supporting policies - polluter pays, termination of subsidies, getting rid of unproductive services
 - transboundary legal provisions and inter district flow control
- Need for new and transparent charging policies

Level of privatisation should respond to the size of the problem

Working Group 2: Private Sector

- Minimise risks/ensure payment
 - prefer contracting out if payment is guaranteed or
 - franchise with payment via electricity or other utility system
 - franchise with compulsory registration of all households and properties in the service area
 - franchise but with subsidies for low income areas
- Good legislation with enforcement
 - set basic rules (fees, tariffs etc.)
 - enforce regulations
- Need well defined performance measures
 - level playing field
 - allow room for innovation
- Sufficient contract duration
 - minimum of 5 years for collection services
 - minimum of 7-10 years for facilities management
- Assistance in getting better access to the credit market

Working Group 3: Community, Micro-enterprises and Informal Group

- Applicability
 - where there is a need (no service)
 - physical and topological constraints permit
 - conventional services do not apply
 - is economically (not just financially) viable
- Process
 - identify problem
 - obtain political support (meetings and workshops with mayor, council etc.)
 - set up pilot programme (using government supervision and community surveys on quality of service)
 - evaluate results of pilot programme
 - identify larger area to work in
 - go through contractual arrangements
- Organisation
 - identify right people
 - provide on-the-job training in legal (contract), technical, social, financial (accounting and invoicing)
 - allow for technical assistance for a minimum of 2 years
 - define tariffs
 - carry out extensive public education, social awareness and promotion (including messages on public health, what service is being offered, cost of the service, who pays, benefits of the system etc.)
 - provide institutional strengthening and training for the public sector
- Informal sector
 - incorporate informal sector into SWM system
 - reduce negative impact on efficiency
 - use and/or improve existing informal arrangements that works

2.2.2 Priority Tools

Working Group 1: Planning and Management Tools

List of Potential Tools

- Decision maker's guide (pros and cons, definition of options, roles and responsibilities of public sector and institutional strengthening of public sector)
- Briefing notes for encouraging private sector participation (targets include small and medium sized local enterprises and financial institutions)
- Performance measures (macro indicators, evaluation criteria, data collection, analysis and management procedures)
- How to prepare national, regional and local strategic plans
- Processes for establishing private sector participation (including options for handling existing personnel and transfer of assets and liabilities)
- Cost recovery and user fee determination guide (advice on cost accounting)
- Tools for siting SWM facilities (negotiation techniques and involvement of communities)
- Social participation and informal sector briefing notes

Priority Tools

- Decision maker' guide
- How to prepare national, regional and local strategic plans

Recommended Format for tools

- Manuals
- Software
- Checklists
- Information network

Suggested Delivery Mechanisms

- International professional associations
- Bilateral and multilateral organisations
- National NGOs
- Association of municipalities
- SWM and environmental associations
- Government departments

Working Group 2: Regulatory Arrangements

Context

- Due to differences in conditions, tools must be local environment specific.
- Emphasis should be on process or the necessary steps local government can go through to develop the regulatory framework

List of Potential Tools

- Guidelines on formulation of national and municipal regulatory framework and arrangements
- Checklists on areas to be covered under national legislation and municipal bye-laws

Priority Tools

- ditto

Steps in Tools Preparation

- Comprehensive strategic plan
- Identify the political structures; national, SW district, municipality etc.
- Define the nature of the regulatory problem - identify existing regulations, identify gaps and constraints
- Define the regulatory roles at all levels and the resources to support them
- Evolve a consultative programme - involving all stakeholder - and at all levels

Recommended Format

- Checklists on all relevant aspects - Public health, environment, financial (financing, cost recovery, tariffs/fees etc.), contracting process and rules, enforcement (rules and resources), guarantees and arbitration rules, special conditions for micro-enterprises, informal sector and community interface)

Tools Delivery process

- Prepare draft of regulatory development process and checklist (using Colombia, Malaysia, Tunisia and Indonesia as examples)
- Peer review by collaborators
- Input revisions and prepare second draft
- Identify countries, cities, projects for field testing
- Revisions based on experience

Suggested Delivery Mechanisms

- Regional and country level workshops
- Professional associations
- Mayors associations
- Training and research institutions
- Sector networks
- Internet Homepage

Working Groups 3 and 4: Model Arrangements for Collections Services and Facilities Management

Key considerations

■ ***Collection services***

- Waste characteristics (dictates waste technology and frequency in low and high income areas)
- Standardisation of containers
- Criteria for charging fees (volume vrs weight)
- Community participation
- Training and human resources development of existing workers

■ ***Facilities Management***

- Risks and rewards of private sector involvement
- Issues, risk allocation and roles and tasks to be performed
- Definition of contract principles (dispute resolution, mutual guarantees, performance requirements, monitoring and sanctions)
- Definition of solicitation principles (definitions of accountability, competition and transparency)
- Principles of project financing

Steps in Tools Preparation

- Review of existing model contracts
- Prepare a summary of key clauses establishing roles and responsibilities of public and private sectors
- Prepare guidance notes on each clause
- Field test and make revisions

Recommended Format

- Guidelines in the form of checklists
- Case studies

Tools Delivery process

- Use consultants as much as practicable and necessary

3. Key Workshop Conclusions: Principles and Actions

3.1 Summary of Key Principles and Actions

The summary of the conclusions of the workshop as presented by Sandra Cointreau-Levine is presented in Annex 5: Key Principles and Suggested Actions. Running through the 14 principles and complementary action and suggested tools is the message that, MSWM is a public sector responsibility and that the involvement of the private sector is not a panacea but a proven strategy to ensure efficient delivery of MSWM services, attracting additional investment and optimising the role of the public sector. The involvement of the private sector means an even stronger role for the public sector in maintaining its sovereign responsibilities of strategic planning, regulation and setting up the enabling environment for sustainable public-private partnership. The golden rules for success are however, **competition, transparency and accountability.**

3.2 Recommended Priority Tools

Following two days of deliberation backed by informed presentation, the workshop agreed on three blocks of tools which would help to foster enduring public-private partnerships in MSWM and in low-income countries. These include a set of (i) planning and management tools, (ii) guidelines on establishing regulatory arrangements and (iii) model instructions for establishing contractual arrangement in collection services and MSW facilities management. BOX 6 below give a summary of the recommended priority tools.

BOX 6:

Suggested Management Tools for Enhancing Public-Private Partnerships in MSWM

Planning and Management Tools

- Decision maker's Guide for Justification of Public-Private Partnerships
- Guide on Types of Partnerships and Processes of Involving the Private Sector:
- Strategic Planning Guidelines and Procedures with checklists on establishment of baseline conditions, zoning and steps in restructuring of accounting system and determination of cost recovery options

Regulatory Arrangements

- Checklist on Monitoring and Performance Measures
- Financial and Payment procedures
- Guarantees and arbitration Guidelines
- Checklists for defining regulatory arrangements

Model Contracting Guidelines for Collection Services and MSW Facilities Management

- Announcement of intent and general instructions
- Pre-qualification dossier
- Model bidding documents
- Model contracts

3.3 Tentative Plan of Action

Based on the outline plan of action discussed, the following tentative plan of action was detailed by SKAT for review. The suggested tool and tentative plan of action will constitute the basis for a more detailed terms of reference for SKAT, the lead agency for the tools preparation.

No.	Priority Tool	Lead Agency/Partner(s)	End Date
1.0	Planning and Management Tools	Probable Case Study Areas: Colombia Malaysia	
	<ul style="list-style-type: none"> ■ Decision maker's Guide for Justification of Public-Private Partnerships ■ Guide on Types of Partnerships and Processes of Involving the Private Sector: ■ Strategic Planning Guidelines and Procedures 		
1.1	Assembly and review existing materials	SKAT/SWANA	Jun.96
1.2	Prepare concept paper /first draft	SKAT/PSD-WB/Consultant	Oct.96
1.3	Solicit responses	IFC/UNDP/UMP/GTZ	Dec.96
1.4	Propose and execute supporting case study	SKAT/UMP/UMP/World Bank	Jun.97
1.5	Prepare second draft	SKAT/UMP/World Bank	Aug.97
1.6	Arrange field Testing	SKAT/UMP/World Bank	Aug.98
1.7	Revise tools based on experience	SKAT	Dec.98
1.8	Dissemination and Monitoring	All Collaborators	>Jan 99
2.0	Regulatory Arrangements	Probable Case Study Areas: Colombia Malaysia Tunisia	
	<ul style="list-style-type: none"> ■ Checklist on Monitoring and Performance Measures ■ Financial and Payment procedures ■ Guarantees and arbitration Guidelines ■ Checklists for defining regulatory arrangements 		
2.1	Assembly and review existing materials	SKAT/Consultant	Aug.96
2.2	Prepare concept paper /first draft	SKAT/USAID/PSD-WB/Consultant	Dec.96
2.3	Solicit responses	UMP/IFC/ISWA/SWANA	Mar.97
2.4	Propose and execute supporting case study	SKAT/UMP/World Bank	Jun.97
2.5	Prepare second draft	SKAT/Consultants	Aug.97
2.6	Arrange field Testing	SKAT/UMP/World Bank	Aug.98
2.7	Revise tool based on experience	SKAT	Dec.98
2.8	Dissemination and Monitoring	All Collaborators	>Jan.99
3.0	Model Contracting Guidelines for Collection Services and MSW Facilities Management	Probable Case Study Areas: Colombia Malaysia Ghana	
	<ul style="list-style-type: none"> ■ Announcement of intent and general instructions ■ Pre-qualification dossier ■ Model bidding document ■ Model contracts 		
3.1	Assembly and review existing materials	SKAT/SWANA/Consultants	Jun.96
3.2	Prepare concept paper /first draft	SKAT/SWANA/IFC	Oct.96
3.3	Solicit responses	Core Collaborators	Dec.96
3.4	Propose and execute supporting case study	SKAT/UMP/World Bank	Jun.97
3.5	Prepare second draft	SKAT	Dec.97
3.6	Arrange field Testing	SKAT/UDMP/World Bank	Aug.98
3.7	Revise tool based on experience	SKAT	Dec.98
3.8	Dissemination and Monitoring	All Collaborators	>Jan.99

4.0 Workshop Evaluation

Based on a questionnaire format, the following observations were made by participants on the content and conduct of the workshop. The rating system was on an order of 6-1 (Excellent, Very Good, Good, Average, Poor and Very Poor).

No.	Item	Evaluation Results
1.	Achievement of stated workshop objectives	Very Good
2.	Rating of workshop delivery attributes	
	- structure and organisation	Very good
	- duration of workshop	Too short
	- workshop materials	Very Good
	- classroom facilities	Excellent
	- presentations	Very Good
	- pace of discussions	Very Good
3.	Areas participants found most useful	Interaction with a wide variety of participants Group discussions Open and frank information sharing Case Studies particularly the Colombian case Opportunities for future collaboration
4.	Areas participants found least useful	Breaks too long Some presentations were too general Focus on tools came too late
5.	Additional topics which should have been included	More detailed and additional case studies Types of contracts and contents Demand Assessment and Willingness to Pay Incentives to encourage more private sector investment More private sector inputs and active experiences
6.	Topics which should have been excluded	Micro-enterprises interface UK experience not very relevant to developing countries
7.	Suggestions on what could have improved the workshop	Duration was too limited Stronger representation by private sector and "client group" - municipal authorities Assign facilitators to working groups
8.	Overall ranking of workshop in relation to others	Very good

Annexes

Annex 1: List of Participants and Organisational Profile

No.	Name/Address	Personal/Organisational Profile
1.	<p>ALABASTER, Graham (Dr) Human Settlements Officer UNCHS (Habitat) P. O. Box 30030 Nairobi, Kenya</p> <p>Tel: +254 2 62 30 54 Fax: +254 2 62 42 65 Email: graham.alabaster@unep.no</p>	<p>Technical officer in UNCHS (Habitat) with special responsibility for urban waste management and pollution. He has 15 years international experience working in private sector and research & development. Before joining UNCHS he was public health engineering consultant with special interests in anaerobic treatment of wastes and waste stabilisation ponds. His current activities include tool development for solid waste management and the development of the informal waste management sector.</p>
2.	<p>AVENDANO, Ruben Water and Sanitation Division TWUWS, World Bank 1818 H Street, N.W Washington DC 20433, USA</p> <p>Tel: +1 202 458 7254 Fax: +1 202 522 3228 Email: ravendano@worldbank.org</p>	<p>Economist, currently is working as a fellow in a joint Duke University-World Bank study on regulation issues on the water and sanitation sector. Specialist in institutional economics and in water sector development programs at the national level. Before coming to the Bank, he worked for the Government of Colombia at the National Planning Department and at the Water and Sanitation Regulatory Commission. He implemented for the Colombian government the restructuring program of public utilities that included the preparation of a new private sector participation law, approved by the Congress in 1994. As a consultant, he has been involved in projects of institutional improvement in Honduras, Venezuela, Argentina and Colombia.</p>
3.	<p>BADIANE, Alioune UMP Regional Coordinator (Africa) Plot 146, Airport Residential Area P. O. Box 9698, K.I.A Accra, Ghana</p> <p>Tel: +233 21 772561 Fax: +233 21 773106 Email: c/o World Bank, Accra</p>	<p>A city planner by profession and currently the regional coordinator of the Urban Management Programme - Africa region. His office provides technical assistance and information on best practices to cities throughout sub-Saharan Africa. His personal strengths are in the area of institutional management, physical planning - including sanitary landfill siting and the promotion of informal sector participation in development processes.</p>
4.	<p>BARTONE, Carl (Dr) Principal Environmental Engineer Urban Development Division, World Bank 1818 H Street, N.W Washington DC 20433, USA</p> <p>Tel: +1 202 473 1301 Fax: +1 202 522 3232 Email: cbartone@worldbank.org</p>	<p>Environmental Engineer in the Transport, Water and Urban Department of the World Bank and specialised in urban waste management and pollution control issues. He has about 25 years of experience in the international field. And has published extensively in the fields of waste water and solid waste management. Prior to joining the World Bank, he was regional pollution control advisor and research Director with the Pan American Centre for Environmental Engineering and Sciences (CEPIS/PAHO) in Lima, Peru. He currently manages the environmental component of the Urban Management Programme, joint effort across UNDP/ UNCHS/World Bank.</p>
5.	<p>BLAKEY, Allen Environment Industry Association (ex-NSWMA) 4301 Connecticut Ave., NW Suite 300, Washington DC 20008, USA</p> <p>Tel: +1 202 364 3720 Fax: +1 202 966 4818 Email:</p>	<p>Designated participant from the Environment Industry Association (EIA) - formerly, National Solid Waste Management Association of USA. The organisation was chartered in 1986 but joined hands with other industrial actors in 1993 with the formation of EIA as the umbrella organisation for the predominately private sector solid and hazardous services and equipment industries in USA.</p>

No.	Name/Address	Personal/Organisational Profile
6.	<p>BROWN, Ato SKAT Vadianstrasse 42 CH-9000 St. Gallen Switzerland</p> <p>Tel: +41 71 2285454 Fax: +41 71 2285455 Email:100270.2647@compuserve.com</p> <p>(Workshop Secretariat)</p>	<p>Professional training in Infrastructure Planning and Management with about ten (10) years working experience with the World Bank and on UNDP/UNICEF projects; engaged on sanitation and solid waste management, urban planning and water supply projects in Ghana, Burkina Faso, Nigeria and Guinea and familiar with development processes in Uganda, Kenya, Tanzania and India. Experienced in strategic planning, networking and institutional reforms including institutional diagnosis, private sector participation in rural and municipal services, community management and innovative financing of services delivery in water supply and waste management. He is currently based in SKAT as MSWM specialist in the Urban Development Department.</p>
7.	<p>CHRISTEN, Jürg SKAT Vadianstrasse 42 CH-9000 St. Gallen Switzerland</p> <p>Tel: +41 71 2285454 Fax: +41 71 2285455 Email:100270.2647@compuserve.com</p> <p>(Workshop Secretariat)</p>	<p>Professional background in civil and environmental engineering with around 15 years of working experience with the private sector and in SDC/Helvetas programmes engaged as project manager and programme director and consultant in transportation, water supply, sanitation, urban and rural health infrastructure services, municipal and health care waste management and small enterprise involvement in shelter projects in Nepal, Bhutan, Lesotho, Cameroon, Kenya, Tanzania and Uganda. His strengths are in the areas of project appraisal and development, strategic planning and management and monitoring and evaluation. He is currently head of the Urban Development Department of SKAT</p>
8.	<p>COINTREAU-LEVINE, Sandra Solid Waste Mgt. Consultants 12 Church St. P. O. Box 241 Roxbury, CT 06783, USA</p> <p>Tel: +1 203 350 5965 Fax: +1 203 350 8512 Email:scointreau@AOL.com</p>	<p>A civil /sanitary engineer with more than 25 years of experience in waste management systems analysis and planning. She has performed over 90 SWM planning assignments in more than 30 developing countries including: Jamaica, Colombia, Paraguay, Mexico, Romania, Yugoslavia, India, Pakistan, Thailand, Philippines, Korea, Viet Nam, Indonesia, Tunisia, Turkey, Jordan, Nigeria, Guinea, Ghana, Tanzania, and West Bank/Gaza. She has conducted a number of studies into opportunities for private sector investment and service participation in SWM.</p>
9.	<p>CURRAT, Louis Technical Services Division Swiss Agency for Development and Cooperation (SDC) Eigerstrasse 73 CH-3003 Berne, Switzerland</p> <p>Tel: +41 31 322 3461 Fax: +41 31 324 8741 Email:</p>	<p>Economist by profession. He is currently the head of Technical Services Division of SDC in Berne with responsibility over all sectorial services feeding in to the operational/geographical divisions of SDC. He graduated from the University of Michigan - Centre for Research on Economic Development. His previous engagements include several years as economist for the Swiss Ministry of Economy in Berne and the World Bank in Washington DC.</p>
10.	<p>DIAZ, Luis (Dr) Chairperson, Developing Countries Working Group - International Solid Waste Association (ISWA) CalRecovery Inc 725C Alfred Nobel Drive Hercules CA 94547, USA</p> <p>Tel: +1 501 724 0220 Fax: +1 501 724 1774 Email:ldiaz@delphi.com</p>	<p>President of Cal Recovery, a dedicated environmental planning and engineering firm committed to MSWM practice in the United States, Asia, Africa and Latin America. He holds the chair of the developing countries working group in ISWA as well as serve as the managing editor of the ISWA's technical publication - Waste Management and Research. He has considerable experience in intentional MSWM practice - landfill planning and engineering, waste to energy schemes, composting, management of hazardous wastes and planning of MSWM systems.</p>
11.	<p>DOHRMAN, James 185 Crown Point Road Springfield, VT 05156, USA</p> <p>Tel: +1 802 674 2840 Fax: +1 802 674 6915 Email:</p>	<p>Designated participant and technical consultant for the USAID Office of Environment and Urban Programs. Professional engineer and managing partner of James Dohrman Associates which focuses on MSWM, water resources and planning studies. He has considerable experience in privatisation projects in Botswana, Swaziland, Morocco, Tunisia and Indonesia. and preparing to initiate work in Sarajevo</p>

No.	Name/Address	Personal/Organisational Profile
12.	<p>ESMAY, Jerry International Finance Corporation (Env. Division) World Bank 1818 H Street, N.W Washington DC 20433, USA</p> <p>Tel: +1 202 473 7954 Fax: +1 202 676 9495 Email: jesmay@worldbank.org</p>	<p>An environmental projects specialist in the Environment Division of the International Finance Corporation. This organisation of the World Bank Group specialises in project financing for the private sector. Since joining IFC in 1992, he has been instrumental in developing all IFC-supported projects in the water and waste management sectors. He has also participated in IFC advisory assignments to the Governments of The Philippines and the State Water Agency of Sao Paulo, Brazil to assist them to successfully implement private sector participation in public water enterprises.</p>
13.	<p>FERNANDEZ GIRALDO, Diego Coordinator General Commission Reguladora de Agua potable y Saneamiento Basico Avenida El Dorado No 46-80 Ofs. 203-204 Bogota, Columbia</p> <p>Tel: +57 1 616 7971 Fax: +57 1 218 1546 Email: coreagpo@uniandes.edu.co</p>	<p>Economist and newly appointed coordinator general of the national regulatory commission for water supply and basic sanitation in Colombia. His primary role is in establishing the general rules for the promotion of competition and monitor privatisation activities in MSWM across the country. His previous experience was in the privatisation of water utilities and sewerage systems.</p>
14.	<p>GARZON, Camilo Technical Specialist E-1005 Inter-American Dev't Bank 1300 New York Ave., N.W Washington D.C 20577, USA</p> <p>Tel: +1 202 623 1945 Fax: +1 202 623 1417 Email:</p>	<p>Designated participant from the Inter-American Development Bank. He is a technical specialist in the regional development bank for the Latin American and Caribbean region. The IADB focuses in project financing and technical assistance support in almost all sectors of development.</p>
15.	<p>GIESECKE, Ricardo 154 J. A. Roca Santa Beatriz Lima 1, Peru</p> <p>Tel: +511 433 0378 Fax: +511 433 6750 / 511 449 7494 Email:</p>	<p>Originally a physicist, he has over the last 15 year consistently developed a solid professional background in MSWM, specialising in the planing, implementation and strategic monitoring of micro-enterprises in MSWM in several GTZ projects across Latin America. His current appointment as a member of the metropolitan Lima councils gives him considerable strength in public administration and management and interface arrangements with the private sector.</p>
16.	<p>GROVER, Brian UNDP-World Bank Water and Sanitation Programme (TWUWS) World Bank 1818 H Street, N.W Washington DC 20433, USA</p> <p>Tel: +1 202 473 0693 Fax: +1 202 477 0164 /202 522 3228 Email: bgrover@worldbank.org</p>	<p>An engineer and manager with some 30 years of practical experience in water resources development in both the public and private sectors. Currently, he is the manager of the UNDP-World Bank Water and Sanitation Programme, a collaborative effort of the world Bank, UNDP and more than a dozen bilateral agencies that aims to improve the sustainable access of the poor to better water supply, sanitation and waste management services. The Programme facilitates water and sanitation activities in 5 regions and more than 30 developing countries.</p>
17.	<p>HUGHES, Jeff Centre for International Development Research Triangle Institute P. O. Box 12194 Research Triangle Park North Carolina 27709, USA</p> <p>Tel: +1 919 541 8841 Fax: +1 919 541 6621 Email:</p>	<p>Designated participant of the USAID Office of Environment and Urban Programs. Environmental engineer at the Research Triangle Institute and currently project manager for the USAID financed Tunisia private sector participation in environmental services project - Solid waste component.. This project include the preparation of a national strategy, market studies, landfill studies and management of the tendering process of a pilot project. Personal strengths are in institutional and financial arrangements and training.</p>

No. Name/Address**Personal/Organisational Profile**

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23.	<p>NEAMATALLA, Mounir UMP Coordinator - Regional Support Office, (Arab States) c/o Environmental Quality International (EQI) 3B, Bahgat Ali St., 7th Floor Zamalek, Cairo, Egypt</p> <p>Tel: +20 2 341 7879 Fax: +20 2 341 3331 Email: EQI@powermail.intouch.com</p>	<p>Has over 19 years of experience in the management of development projects in Egypt and the Middle East. He has served as a senior consultant to the World Bank, the Ford Foundation, the United Nations, and to numerous governmental agencies and private organizations, both locally and internationally. Mr. Neamatalla has directed major institutional development, environmental management, and urban service delivery projects in Egypt and the Middle East. Over the past decade, he has been actively engaged in the formulation and the implementation of urban development, enterprise promotion and poverty alleviation initiatives. As President of EQI, he provides overall guidance in the preparation, financing, and implementation of a number of infrastructure, industrial, and tourism development projects, servicing both government and the private sector. His experience with the informal sector has made him an active promoter of private initiative, firmly believing in the importance of capitalizing on local resources to realize the full potential of development programs.</p>
24.	<p>RABINOVITCH, Jonas Coordinator, Public-Private Partnerships for the Urban Environment UNDP One United Nations Plaza New York, NY 10017, USA</p> <p>Tel: +1 212 906 5780 Fax: +1 212 906 6973 Email: Jonas.Rabinovitch@undp.org</p>	<p>Architect and Urban Planner by profession with around 20 years of international urban development experience. He is currently a Senior Urban Development Advisor in the Sustainable Energy and Environmental Division at UNDP Headquarters with direct responsibility for the coordination of the Public-Private Partnerships for the Urban Environment Programme. Programme coverage currently include activities in Colombia, Czech Republic, Slovak Republic, Zimbabwe, Egypt, China, Vietnam, Thailand, and India. He is also credited with successful implementation of the Public-Private Partnerships in Curitiba, Brazil.</p>
25.	<p>SCHERTENLEIB, Roland (Dr) Water and Sanitation for Developing Countries (SANDEC)-EAWAG Ueberlandstrasse 133 CH-8600 Dübendorf Switzerland</p> <p>Tel: +41 1 823 5018 Fax: +41 1 823 5399 Email:schertenleib@eawag.ch</p>	<p>Professional background in civil, sanitary and environmental engineering with over 25 years experience with the private sector and research institutions. His particular areas of expertise are in municipal liquid and solid waste management in economically less developed countries. For the last 15 years, he has been the head of department "Water and Sanitation in Developing Countries" at the Swiss Federal Institute for Environmental Science and Technology (EAWAG) in Dübendorf, Switzerland. SANDEC (formerly IRCWD) is a research and teaching institution focusing on problems of water supply, sanitation and solid waste management in Africa, Asia and Latin America. Current or recent projects in MSWM include a review of practical experiences of non-governmental refuse collection schemes in low-income urban areas.</p>
26.	<p>SINHA, Kazal Engineering Division Ministry of Health 4th Floor, Wisma Sime Darby Jalan Raja Laut 50590 Kuala Lumpur, Malaysia</p> <p>Tel: +60 3 2949304 / 60 3 2949314/5 Fax: +60 3 2949327 Email:</p>	<p>Senior Public Health Engineer in the Ministry of Health with long standing experience in building public-private sector partnerships. He is currently involved in the privatisation of solid waste management nation-wide in Malaysia as well as engaging the services of the private sector in hospital support services including health care waste management. His previous assignments as Director of the Technical Division, Local Government Department of the Ministry of Housing and Local Government included assistance in the privatisation of sewerage services nation-wide, upgrading of landfills, recycling of solid wastes and the development of master plans for large urban centres and national action plans on MSWM.</p>

No.	Name/Address	Personal/Organisational Profile
27.	<p>TAYLOR, Robert Private sector in Infrastructure Group PPI/PSD World Bank 1818 H Street, N.W Washington D.C 20433, USA</p> <p>Tel: +1 202 473 1974 Fax: +1 202 522 3181 Email:rtaylor@worldbank.org</p>	<p>Principal Financial Analyst, has extensive experience in privatisation in Latin America, Mediterranean and North Africa, and Africa, including being the task manager for major World Bank loans supporting privatisation and regulatory reform in telecommunications, water, electricity, and transport. His experience has also included the review and hiring of investment bankers and legal advisors for privatisation, through Technical Assistance loans. Since joining the Private Participation in Infrastructure (PPI) Group, he has worked on infrastructure privatisation and regulation in Argentina, Peru, Venezuela, Guatemala and Turkey. Before joining the Bank in 1985, he worked in the Canadian Ministry of Finance, as well as the consulting firm of Peat Marwick (now KPMG).</p>
28.	<p>TRIVELLI, Pablo UMP Regional Coordinator (Latin America and the Caribbean) AV. Naciones Unidas 1084 Torre B, Ap.612 Casilla 17-17-1449 Quito, Ecuador</p> <p>Tel: +593 2 46 2132 Fax: +593 2 46 2134 Email: Lac@pgu.ec</p>	<p>Regional Coordinator for Latin American and the Caribbean of the Urban Management Programme, (UNCHS, World Bank, UNDP) located in Quito, Ecuador. Over 20 years experience in working on urban development topics for government, public sector and private sector in the national and international field. From 1990 to 1992, advisor to the Mayor of Santiago, Chile, and project manager at the Municipality. Also member of the Advisory Committee to the Minister of Housing and Urban Development. In previous years full professor of the Institute of Urban Studies at the Catholic University of Chile, consultant for national private firms and also international agencies. Author of multiple articles in national and international periodicals, co-author of several books, mostly devoted to urban land, municipal finance, informal sector and urban poverty, and urban development policy.</p>
29.	<p>VOELL, Christopher Director, Technical Services Solid Waste Association of North America (SWANA) P. O. Box 7219 Silver Spring MD 2009-7219, USA</p> <p>Tel: +1 301 585 2898 Fax: +1 301 589 7069 Email:</p>	<p>Director of Technical Services of SWANA, a non profit educational association made up of 5,500 MSWM professionals (75% public and 25% private) working in North America. SWANA's mission is to advance the practice of environmentally and economically sound MSWM management in North America. With his 10 years in SWANA, he has a handle on public-private partnerships and its practical challenges. His works covers training and certification and various aspects of professional development of SWANA membership. which include tailored courses, conferences and regional symposia.</p>
30.	<p>VON EINSIEDEL, Nathaniel UMP Regional Coordinator (Asia/Pacific) Wisma APDC Pesiaran Duta P. O. Box 12224 50770 Kuala Lumpur, Malaysia</p> <p>Tel: +60 3 651 2934/5 Fax: +60 3 651 2932 Email:umpasia@ump.po.my</p>	<p>Urban planner and regional coordinator of the Urban Management Programme - Asia /Pacific region. The UMP programme is currently involved in regional research on best practices. As a regional coordination office, his office is heavily involved in networking and facilitation of regional workshops and seminars in all aspects of urban development and management. As the programme manager of the Greater Manila project for several years before his current appointment, his experience in urban development and management extensive and multi-faceted.</p>
31.	<p>WILSON, Dan Gee Waste Limited P. O. Box C660 Cantonments, Accra, Ghana</p> <p>Tel: +233 21 223634 Fax: +233 21 226725 Email:</p>	<p>Managing Director of one of the first private waste management company in Ghana. The company has a collection and disposal franchise in the capital city, Accra of around 6,000 properties. With a background in mechanical engineering and 18 years experience in the supply of equipment and spare parts business in West Africa, he hope to see more private sector actors and investments in MWSM.</p>

No. Name/Address**Personal/Organisational Profile**

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| <p>32. WILSON, David (Dr)
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8 Cavendish Square
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United Kingdom</p> <p>Tel: +44 171 465 7251
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Email:DCW@ERMUK.com</p> | <p>Deputy Managing Director in the UK of a leading environmental consulting group. Over 20 years experience in working for government, public sector and private sector clients in the UK, Europe, the Middle East and the Far East. His particular areas of expertise are in policy and planning for waste management, in economic assessment and in hazardous waste. Current or recent projects include development of a national strategy for SWM in Turkey, a regional masterplan for SWM in Madras, a waste reduction policy and planning study in Hong Kong and a global waste survey for the International Maritime Organisation: in all of which, options for private sector involvement have been key issues. Since 1984, he has represented the UK on the ISWA Working Group on Hazardous Waste and chairs their developing country programme.</p> |
| <hr/> <p>33. ZEPEDA, Francisco
Basic Sanitation Programme
Coordinator
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525-23rd St., NW
Washington DC 20037, USA</p> <p>Tel: +1 202 861 3318
Fax: +1 202 861 8462
Email:zepedafr@paho.org</p> | <p>A civil engineer with a Master degree in Environmental Engineering. He is currently the coordinator of the Basic Sanitation Programme of the Division of Environmental Health in PAHO with responsibilities for strengthening national capabilities in the LAC region in the areas of evaluation and control of environmental risks to public health. The basic sanitation programme covers the proper management of water supply, waste water disposal, solid waste management and health in housing. He has been with PAHO for the last 10 year in Guatemala, Peru and Washington DC. Before joining PAHO he was Director of the National Solid Waste Programme in Mexico and a professor at the University of Mexico. He hold membership in ISWA and IAIDIS</p> |

Annex 2: Workshop Agenda

Morning Session	Afternoon Session
Thursday, 22 February 1996	
<p>08.00-09.00 Registration</p> <p>09.00-09.40 Opening Speeches</p> <p>1. Opening Remarks SDC - L. Currat UMP/World Bank - Anthony Pellegrini</p> <p>2. Objectives and Workshop Protocol</p> <p>09.40-10.40 Overview Presentation The State of Public-Private Sector Partnerships in MSWM in Developing Economies - S. Cointreau-Levine. (Moderator: C. Bartone)</p> <p>10.40-11.00 Break</p> <p>11.00-12.30 Participants Introduction and Exchange of Experiences</p> <ul style="list-style-type: none"> ■ Public Sector ■ ESAs: World Bank Group (IFC, PSD, SODs), SDC, GTZ, USAID, Others ■ Professional Associations ■ International and National MSWM Contractors (Moderator: D. Wilson) <p>12.30-14.00 Lunch</p>	<p>14.00-14.45 Presentation of: Best Practices Project Cycle of the Private Sector Participation in MSWM in</p> <p>1. Bogota, Columbia (Ruben Avendano) 2. UK Experience (David Wilson)</p> <p>14.45-15.15 General Discussions Core Issues and Needs - Lessons for Developing Countries (Moderator: J. Christen)</p> <p>15.15-15.30 Break</p> <p>15.30-16.45 Group Work Management Needs & Issues</p> <ul style="list-style-type: none"> ■ Public Sector ■ Private Sector ■ Community/Informal Sector <p>16.45-17.30 Plenary Presentations (15 minutes presentation by each group) (Moderator: A. Brown)</p> <p>17.30-19.00 Cocktail - End of day 1</p>
Friday, 23 February 1996	
<p>9.00-10.30 Panel Discussion: Balancing Interests and Priority Tools for Effective Partnerships</p> <ul style="list-style-type: none"> ■ ESAs - World Bank - (Carl Bartone) ■ Professional Bodies - (Christopher Voell) ■ Contractors - (Dan Wilson) ■ Researchers - (Roland Schertenleib) (5 minutes statement by each group and general discussion of Work Group conclusions) (Moderator: D. Wilson) <p>10.30-11.00 Break</p> <p>11.00-12.30 Group Work on Priority Management Tools</p> <ul style="list-style-type: none"> ■ Planning and Management Tools ■ Regulatory Arrangements ■ Model Arrangements for Collection ■ Model Arrangements for Facility Management <p>12.30-14.00 Lunch</p>	<p>14.00-15.00 Plenary Presentation of Working Group Reports and Discussions</p> <ul style="list-style-type: none"> ■ Work group Presentations (5 mins. per work group) ■ Discussions (Moderator: D. Wilson) <p>15.00-15.15 Break</p> <p>15.15-17.00 Workshop Conclusions</p> <ul style="list-style-type: none"> ■ Presentation of Consolidated Report of Workshop (Sandra Cointreau-Levine)- ■ Proposal for Collaboration and Plan of Action (Ato Brown) ■ Evaluation of Workshop ■ Wrap-up and Closing Remarks (C. Bartone) <p>17.00 End of Workshop</p>

Annex 3: Folder of Overview Presentation and Case Studies

3.1 Overview on Public-Private Partnerships in MSWM

Slide Presentation by Sandra Colntreau-Levine

1.0 WHY THE INTEREST IN PRIVATIZATION?

INVESTMENT

EFFICIENCY

1.1 REASONS FOR PRIVATE SECTOR EFFICIENCY?

CONTESTABILITY

CLEAR PERFORMANCE MEASURES

MANAGEMENT FLEXIBILITY

To Hire the Optimum Staff

To Pay according to Performance

To Terminate for Non-Performance

To adjust Work Hours for Need

FREEDOM FROM BUREAUCRACY

To Obtain Parts for Repairs

To Lease Vehicles as Needed

To Subcontract to meet Demand Peaks

FREEDOM FROM POLITICAL WHIM

To Optimise Ratio of Professional to Operational Staff

To Fully Apply Resources to only the Solid Waste Work

1.2 HIDDEN COSTS OF GOVERNMENT SERVICE

depreciation of assets

utilities and infrastructure services

replacement versus insurance

seconded staff

debt service on capital investment

administration

social benefits (pension, medical)

1.3 HIDDEN COSTS TO THE PRIVATE SECTOR

marketing, political manipulation

debt service on borrowing for capital and cash flow

customs duties and taxes

income taxes

insurance and registration

costs of corruption

1.4 CONCLUSION

PRIVATE MONOPOLIES ARE AS EXPENSIVE AND INEFFICIENT

AS GOVERNMENT MONOPOLIES

2.0 METHODS OF PRIVATE SECTOR PARTICIPATION IN SOLID WASTE MANAGEMENT

2.1 PRIVATIZATION DEFINED:

REDUCING GOVERNMENT OWNERSHIP

REDUCING GOVERNMENT ACTIVITY

2.1.1 REDUCING GOVERNMENT OWNERSHIP:

COMMERCIALIZATION

DIVESTITURE

PRIVATE/PUBLIC PARTNERSHIPS

2.1.2 REDUCING GOVERNMENT ACTIVITY:

CONTRACTING

FRANCHISE (EXCLUSIVE RIGHTS)

CONCESSION (BOOT, BOO)

OPEN COMPETITION (PRIVATE SUBSCRIPTION)

2.2 CONTRACTING

- FIRM GIVEN CONTRACT WITH SPECIFIED OUTPUTS TO ACHIEVE IN RETURN FOR A SPECIFIED PAYMENT FROM LOCAL GOVERNMENT
- PRIVATIZATION METHOD CONSIDERED MOST EFFICIENT FOR COLLECTION SERVICE — SAVINGS OF 20 TO 48 PERCENT REPORTED OVER PUBLIC SERVICE IF PROPERLY ARRANGED
- CONTRACT PERIOD MUST BE LONG ENOUGH TO ENABLE COST RECOVERY FOR INVESTMENT IN APPROPRIATE TECHNOLOGY

2.2.1 CONTRACTING OPTIONS

- collection service contracts for residents and/or establishments within a given zone

- maintenance and repair contracts not hampered by bureaucratic delays for buying supplies and parts
- operation of transfer stations or sanitary landfills
- management services, such as performance monitoring and management information analysis
- leasing of equipment and/or facilities address government inability to obtain finance for capital investment

2.3 FRANCHISE

- FIRM GIVEN MONOPOLY IN A SPECIFIED ZONE TO ARRANGE PRIVATE SERVICE AGREEMENTS WITH CUSTOMERS
- GOVERNMENT LICENSES QUALIFIED FIRMS AND RECEIVES A LICENSE FEE
- GOVERNMENT SPECIFIES SERVICE DELIVERY STANDARDS AND MONITORS PERFORMANCE

2.3.1 FRANCHISE OPTIONS:

- *collection service to commercial and industrial establishments*
- *collection service to residents*

2.4 CONCESSION

- FIRM GIVEN ACCESS TO GOVERNMENT OWNED RESOURCE (SOLID WASTE) FOR A GIVEN PERIOD OF TIME
- PRIVATE SECTOR FINANCES AND OWNS MSW FACILITIES FOR A LONG-TERM PERIOD
- LONG-TERM AGREEMENT ADDRESSES RISKS AND RESPONSIBILITIES OF GOVERNMENT AND PRIVATE SECTOR

2.4.1 CONCESSION OPTIONS

- build, own/operate, transfer (BOT) major facilities
- build, own, operate (BOO) major facilities
- informal sector recycling or composting

2.5 OPEN COMPETITION

- AND IMPOSE PENALTIES FOR INADEQUATE SERVICE MULTIPLE FIRMS LICENSED TO COMPETE FREELY FOR COLLECTION SERVICE TO CUSTOMERS THROUGHOUT THE CITY (PRIVATE SUBSCRIPTION)
- PRIVATELY OWNED AND OPERATED DISPOSAL OR RESOURCE RECOVERY FACILITIES
- GOVERNMENT MUST ESTABLISH SERVICE DELIVERY STANDARDS AND MONITOR PERFORMANCE
- GOVERNMENT RETAINS RIGHT TO REVOKE LICENSES

2.5.1 OPEN COMPETITION OPTIONS:

- not cost-effective for residential collection service, except in small communities, because of "lack of contiguity of routes"
- collection service to large commercial and industrial establishments
- disposal service, assuming all competing disposal sites meet environmental standards
- redemption centres for recyclables
- maintenance and repair workshops

3.0 WHAT ACTIVITIES CAN BE PRIVATIZED?

- OPERATIONS
- DATA COLLECTION AND PLANNING
- MANAGEMENT
- REVENUE COLLECTION
- ACCOUNTING
- PERFORMANCE MONITORING
- REPAIR AND MAINTENANCE

3.1 WHAT ARE SOLID WASTE OPERATIONS?

- street sweeping
- drain cleaning
- refuse collection
- transfer and transport
- resource recovery
- materials recycling
- sanitary landfill

4.0 GOLDEN RULES

COMPETITION

ACCOUNTABILITY

TRANSPARENCY

3.2 Bogotá's Private Waste Collection Management: a Strategic Journey

Slide Presentation by Rubén D. Avendaño and María C. Rincón

The case of Bogotá's public-private partnership for solid waste management is important because it provides important lessons:

As it has been demonstrated worldwide, private sector participation has an important potential for efficiency. However, potential efficiency does not directly lead to private sector participation. It is important to be aggressive, innovative, and over all, strategic.

The lesson we may learn from Bogotá, more than the technical features of the process of bidding concessions or the distribution of the collection zones, is the strategic planning process implemented to make a successful partnership.

That is why I have called my presentation "A Strategic Journey".

1. Bogotá: Basic Data

- Population 1995 (metropolitan): 7 million; 2,7% g.p.a.
- Other services coverage:
 - Water: 88%
 - Sewerage: 85%
 - Telephone Services: 34,3 lines per 100 inhabitants
 - Waste production: 0,5 kg/per capita/day

Briefly, some data of the capital of Colombia:

Bogotá is very similar to many cities in Latin-America. With a population of 7 million it concentrates 20% of Colombia's population, the richest and the poorest. Basic coverage of services include: w = 88%, s = 85%, p = 34,4, w = 0,5 kg/p.c./day.

2. Today's Solid Waste Management (Local Level)

- 100% coverage: 7 zones, with 4 private concessionaires (5 years)
- Concession includes waste collection and disposal
- Commercial activities in charge of one private firm owned by concessionaires
- Local regulatory Agency: Executive Unit of Public Services UESP.

Let's see the case at the local level: Today the city has full coverage of collection and disposal with private collectors.

Due to concession-contracts signed in 1993, the city has 4 different private companies associated with foreign utilities.

These companies not only have the responsibility for collection and disposal. They also collect tariffs from the public through a unique company in which all of them are stockholders.

These companies are controlled by a specialised Unit who directly depends from the Mayor of the city: The Executive Unit of Public Services. Today this Unit is public, in the near future the Unit also will be privately run.

3. Today's Solid Waste Management (National Level)

- New Constitution (1991) allows private sector participation
- Legal Framework (Law No. 142/94) general rules (tariffs, regulation, and private participation)
- Regulation: National Regulatory Waste and Sanitation Commission
- Control: National Public Utilities Superintendency

But what's going on at the National level? Here is important to say that Colombia since 1991 has a new and peculiar constitution.

Colombian constitution is the only one in the world that has a chapter dedicated to public services and public utilities. Especially important is the constitutional mandate to allow private sector participation in the provision of public services.

To complement this mandate and as a by-product of the constitution the country has a Public Services Law (L. 142/94), a general framework that contains the "rules of the game" for the players in the public services scenario, government, private sector, and communities. The responsibility for water, sewage and waste management is municipal. The Regulatory Commission regulates, and the SSPD control and punish.

4. How was it in the past? (I)

- EDIS responsibility: waste, cemeteries and public markets
- Public Utility EDIS: responsible for 100% of the city; however, it collected only 40%
- Cost per ton collected: US\$35 vs. US\$17 with private
- Annual deficit: US\$25 million (1994)

But this story is very recent. Only 6 years ago, the perspective was quite different:

EDIS, a municipal public utility, was responsible for 100% of waste management. However, it complied only with 40% on a quite irregular basis.

The cost in dollars of 1994 for providing the "service" was US\$35 per ton (double the price that the city paid to the first private collector 1989).

As a result of EDIS' performance, the annual deficit was of US\$25 million, all covered by the city central government.

4. How was it in the past? (II)

- Strong Labour Union tied to the Municipal Council
- Urban drainage systems clogged by indiscriminately dumped refuse
- Uncollected domestic refuse in streets and open areas
- Total discontent among Bogotá's citizens.

Moreover, EDIS was capable to build a strong labour union tied to some members of the Municipal Council. The labour contract even allowed to inherit the collector post.

Collectors on EDIS' trucks had the "right" (according to the labour contract) to run their own "business". They recycled the material collected, using EDIS's trucks, and then sold the recycled material to private buyers (obviously the money was for them, not for the company).

As a result, as in most developing countries' cities, the city was a mess: Urban drainage systems were clogged by indiscriminately dumped refuse. It was common to see uncollected refuse in streets and open areas, etc., etc.

The discontent among Bogotá's citizens due to EDIS' poor performance was evident; even though, considering that other utilities were relatively efficient. EDIS was families' black sheep.

4. How was it in the past? (III)

- No legal framework for private participation in the provision of public services
- Before the beginning of the process in the city (1989), there was no precedent of private participation

But this was not the whole picture.

At the same time, in 1989, there was a legislation that impeded the private participation in public services. Public services were considered "strategic" for the nation. As a result, it was crazy to think about private participation or, even worse, to think about public services in hands of foreign companies.

Also there was no precedent of private sector participation in the provision of services. It was interesting that private participation was not allowed, however 60% of the city's inhabitants had to collect and dispose their waste by their own means.

This is simply to say that the public-private partnership which began in 1989 was the pioneer of "formal" private sector participation in Colombia's recent history.

5. Available Options

- Complete liquidation of EDIS and privatisation
- Gradual process of privatisation without EDIS' liquidation
- Restructuring of EDIS
- Creation of a private-public utility: smaller EDIS and private

In this scenario there was little room for considering options. Then, the new Mayor of the city considered four alternatives to solve the problem. In his campaign he promised "to solve the waste collection problem of the city" but he didn't give any clue. The alternatives considered were:

- Complete liquidation of EDIS and privatisation
- Gradual process of privatisation without EDIS' liquidation
- Restructuring of EDIS
- Creation of a private-public utility: smaller EDIS and private

However, the main purpose was to search for efficiency with the participation of the private sector, but in the context of a comprehensive strategy.

6. Elements of the strategy

- Competition
- No liquidation
- Political impact
- Public visibility
- Vision of positive change

The elements of the strategy were:

- To favour competition, not privatisation per se.
- No liquidation. The idea was to avoid conflict. Liquidation will be evident in the process, not at the beginning. Attrition was the mandate.
- Political impact. The idea was to gain support even from members of the other party.
- To maximise public visibility of the results and the process.
- To give a vision of positive change.

7. The implementation (I)

- Competition among 2 private operators (concessionaires) and EDIS
- Zones to be chosen according to 2 criteria:
 - Where do Bogotá's rich people live?
 - Where has the political opposition party won the election in the last years?

OK. The importance of a good strategy is crucial, but how to implement it? The proof of the cake is eating it.

The city was divided in three zones. One was exclusive for EDIS (its 40%) and the other two were bid to get two different private operators in charge of collection.

There was no conflict with the Union because the Mayor said he was going simply to give service to the 60% of the city that was not attended by EDIS.

Then, a “Machiavellic” strategy (I think that to call it in this way is not an exaggeration) was implemented to select what zones to give to Private Sector: The Mayor simply asked: -

(i) Where has the political opposition party won the election in the last 10 years? -

(ii) Where do Bogotá's rich people live?

And the zones in which the answers were given were chosen as the first two zones to privatise. “We are going to clean the streets of the people who make the decisions in this country and the streets of the liberals”, said the Mayor.

7. The implementation (II)

- Gradual process of liquidation of EDIS by attrition (1993)
- Liquidation: not an imposition, but a “natural” result

Once the companies began to operate in 1990, Bogotá's citizens and the City Council (not the Mayor), as expected, asked for the liquidation of EDIS.

Liquidation: not an imposition, but a “natural” result. Therefore, the road for the private sector participation was clear.

8. Lessons

- Political will was critical
- Competition is the key issue (privatisation is not the panacea)
- Gradualism within an attrition context was key to success
- The process is not only political, technical or financial

What are the lessons?

(1): Political will was critical. It was necessary to use an important asset: people's non conformism with EDIS' poor performance.

(2) Competition means efficiency: The idea to call some private operators was not the objective. It was clearly efficiency. Every contractor has only a 5 years contract and has to prove his efficiency.

(3) **Gradualism:** May be powerful if considered within a strategic context. It is important to analyse pros and cons of all alternatives before the process is implemented.

(4) The process is **comprehensive:** Not only technical, but also legal, financial and, over all, political aspects are important, as in the case of Bogotá where there was a strong tradition of political ties with the Council.

Finally, **Innovative spirit and willingness to take risks**

3.3 Private Sector Participation in the Solid Waste Management in the UK

Slide Presentations by
David Wilson, Environmental Resources Management

Background

- Long public sector tradition
- Restrictive labour practices
- High quality, high costs
- New Conservative Government in 1979

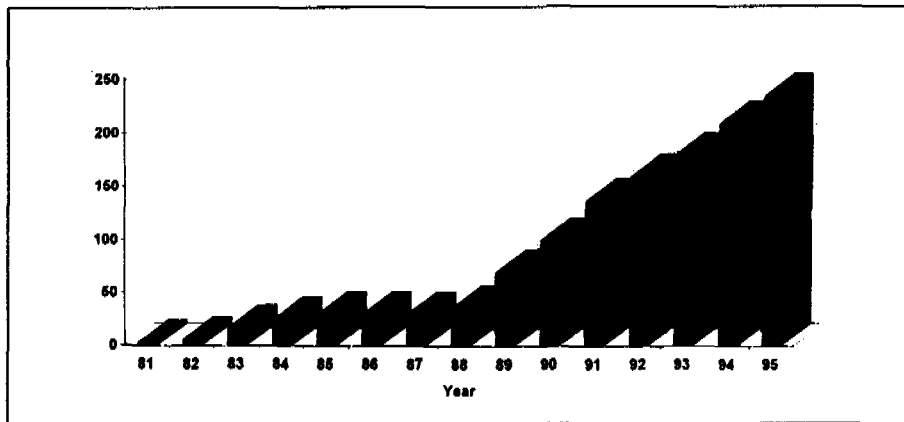
Approach to Cost Recovery

- Municipal solid waste management a local government responsibility
- Household pay via property tax
- Contracting out chosen as model for private sector participation

Stepwise Approach to Contracting Out

- Separate the Direct Service Organisation (DSO)
- Examples from 1981 of competitive tendering
- Compulsory Competitive Tendering under 1988 Local Government Act

Numbers of Private Sector Waste Collection Contracts



Separation of Functions within Local Authority

- Client
 - responsible for providing service
 - collect revenue
- Regulation
 - licensing/enforcement/control
- Operations
 - service delivery

Tools to Ensure Value for Money

- Standard contract documents
- Well defined performance measures
- Enforceable sanctions for non-performance
- Vigilant monitoring of tender procedures
- Cost accountability

Attracting Private Sector Investment

- Municipality collect fees from householders
- Compulsory competition
- Level playing field
- Decision on value for money
- Long contract periods

Overall Success - Waste Collection

- Cost savings of 25%
- DSO: Private Sector split 2:1
- Continuing growth of private sector through DSO sales
- Main benefit is competition, not privatisation

Extension to Waste Disposal

- 3-way split introduced in 1990
- New Local Authority Waste Disposal Companies (LAWDCs)
- LAWDCs must compete for contracts

Annex 4: List of Formal Papers and other Background Documents Submitted (available on Request)

Formal Case Studies and Papers Presented

1. The Role of the Private Sector in Developing Countries by Carl Bartone, Urban Development Division - Paper presented at ISWA Conference on Waste Management - Role of the Private Sector, Singapore, 24-25 September 1995.
2. Private Participation in Municipal Solid Waste Management in Colombia by Diego Fernandez, National Regulatory Commission for Water Supply and Basic Sanitation.
3. Partnership in Solid Waste Collection in Malaysia by Kazal Sinha, Ministry of Health
4. Summary of USAID Funded Public-Private Partnership Activities in Tunisia by Jeffrey Hughes, Research Triangle Institute.
5. Implementation Issues for Privatisation of Waste Collection Systems - Four Case Studies by James Dohrman or J. Dohrman and Associates.

Other Reference Documents Submitted

1. Study of Appropriate Solid Waste Management Practices - Republic of Turkey, (Supplementary Document, METAP/The World Bank/Ministry of Environment) by ERM, UK. (August 95)
2. Waste Management in Developing Countries: Moving to the 21 st Century by David Wilson (ERM), ISWA Handbook, 1994/5.
3. Guidelines on the Contracting out of Solid Waste Collection Service in Malaysia, Technical Unit, Ministry of Local Government. (March 87)
4. Elements of Solid Waste Private Sector Participation Strategy in Tunisia, Republic of Tunisia/USAID by Research Triangle Institute -RTI (October 95)
5. Tunisia Solid Waste Market Study, Republic of Tunisia/USAID by RTI (April 95)
6. Solid Waste Standards and Regulatory Measures in Tunisia, Republic of Tunisia/USAID by Research Triangle Institute. (October 95)
7. Sousse Solid Waste Private Sector Participation Project: Collection Feasibility Study, Republic of Tunisia/USAID by Research Triangle Institute. (January 95).
8. Privatisation of Solid Waste Management, Malaysia by Kazal Sinha, Ministry of Health, Malaysia. (February 96)
9. Public & Private: A Partnership for the Future - Proceedings of SWANA's 33rd Annual International Waste Exposition. (October 95)
10. Company Profile of geeWaste Limited - Private contractor in Ghana

11. List of Contracting Documentation Available in SWANA
12. Contracts and Marketing with the Local Authorities, National Association of Waste Disposal Contractors (NAWDC), UK Training Course (November 89)
13. Privatisation - Principles and Practice, Lessons of Experience 1, IFC (1995)
14. Brochure - Public-Private Partnerships for the Urban Environment (1995)

Examples of Guidelines Presented

1. Guidelines for Effective Privatisation in Low-income Countries by Sandra Cointreau-Levine
 - General Instructions
 - Schedule of Activities for Privatisation of Solid Waste Services
 - Selection Criteria for Private Companies Tendering for Solid Waste Collection Service Provision
 - Terms of Reference for Zoning Study for Privatisation of Collection Services
 - Guidelines for Conducting Demand Assessment and Willingness to Pay Surveys for Solid Waste Collection and Disposal Services.
2. NSWMA Model Municipal Contract - Model Contract for Residential Solid Waste Collection and Disposal (1985)

Annex 5: Key Principles and Suggested Actions

No	Principle	Actions	Suggested Tools
1.	People matter	Assess customer demand for service and affordability. determine labour redundancy and attrition potential. examine opportunities for NGO, micro-enterprise and informal sector involvement	<ul style="list-style-type: none"> ■ Demand assessment and willingness-to-pay survey instruments and guidance ■ Case examples and guidance on involvement of NGOs, micro-enterprises and the informal sector ■ Severance package, job networking and training guidance for redundant labour
2.	Efficiency comes from contestability	A mix of government and multiple private sector actors encourages efficiency when performance is comparatively monitored.	<ul style="list-style-type: none"> ■ Guidance on performance monitoring measures and procedures ■ Guidance on optimising public/private contestability ■ Separate government operations from privatisation management and strengthen local government capacity in the both functions
3.	Strategic planning helps	Comparatively analyse technology options. determine economies of scale. develop a phased program of public and private service actions to match demand, affordability, and labour issues. assess financing options.	<ul style="list-style-type: none"> ■ Guidance and software on technology options and how to do comparative cost analysis ■ Guidance on finance and cost recovery options ■ Guidance on facility siting and conflict management
4.	National policies support local initiatives	Encourage contestability in local government services. encourage multi-year arrangements, predictable cost recovery mechanisms, and shifts in capital development funds to recurrent budgets to support private sector participation.	<ul style="list-style-type: none"> ■ Cases studies on national policy development and methods to obtain high-level political commitment ■ Articulate principles for policy development
5.	Roles need to be defined	Decentralise pre-collection, collection, transport and disposal operations and cost recovery to appropriate neighbourhood and local governments levels. centralise research, concept development, environmental regulation and public education at provincial or central government levels.	<ul style="list-style-type: none"> ■ Model Organisational Structures and Job Descriptions
6.	Clear rules of the game level the playing field	Enact economic reforms and environmental regulations to support investment, minimise risk, and create equitable service requirements. balance the sovereign and commercial risks. develop dispute resolution procedures. assure flow control.	<ul style="list-style-type: none"> ■ Model laws, regulations and procedures

No	Principle	Actions	Suggested Tools
7.	Find the funds	Decentralise authority for revenue generation. augment general revenues with direct cost recovery. develop an investment climate for obtaining capital from the private sector.	<ul style="list-style-type: none"> ■ Case studies of replicable financial arrangements to support contestable private sector partnerships and government services ■ Describe private sector partnerships guarantees for non-commercial risk ■ Describe the principles of project finance for private sector partnerships
8.	Become visible	Accountability and transparency in performance enhances productivity and minimises corruption. place all solid waste operations under one local government umbrella agency, use a segregated account and implement full cost accounting procedures.	<ul style="list-style-type: none"> ■ Private sector partnerships and government performance monitoring and accounting guidance and software
9.	Learn by doing	Gradually introduce private sector participation by pilot testing of potentially replicable models. maintain a contestable government role in comparable operations until the private sector is well developed.	<ul style="list-style-type: none"> ■ Case studies of replicable private sector partnerships models ■ Step by step decision makers guide on private sector participation
10.	Procurements must be competitive	Generate investor interest through communication. develop attractive investment opportunities. in tendering, specify measurable outputs, define evaluation criteria for bidders, advertise, pre-qualify, conduct transparent selections based on qualifications and proposals.	<ul style="list-style-type: none"> ■ Model private sector partnerships contract, franchise and concession agreements
11.	Waste reduction saves money	Create income incentives for neighbourhood waste reduction which minimise collection service requirements (including neighbourhood recycling and composting).	<ul style="list-style-type: none"> ■ Case studies of replicable private sector partnerships waste reduction actions ■ Technical guidance on small-scale recycling and composting enterprises ■ Financial guidance for small-scale enterprises
12.	Without public cooperation, no City Can be clean	Government education, vigilance and enforcement must support public and private sector operations. balance voluntary efforts with willingness to pay.	<ul style="list-style-type: none"> ■ Case studies of education campaigns and volunteerism ■ Generic health education materials ■ Case studies on developing enforceable sanctions
13.	Every city is unique	Develop and test local innovative solutions to match local needs.	<ul style="list-style-type: none"> ■ Case studies on innovative solutions which are useful to a wide range of country conditions ■ National and regional workshops to share ideas ■ Creation of national and regional professional networks
14.	Responsibility always rest with the Public Sector (Municipality or Local Government)	Reinforcement of notion in internal collaboration, consultancy practices and meetings with governments	<ul style="list-style-type: none"> ■ Decision makers guide on public-private partnerships