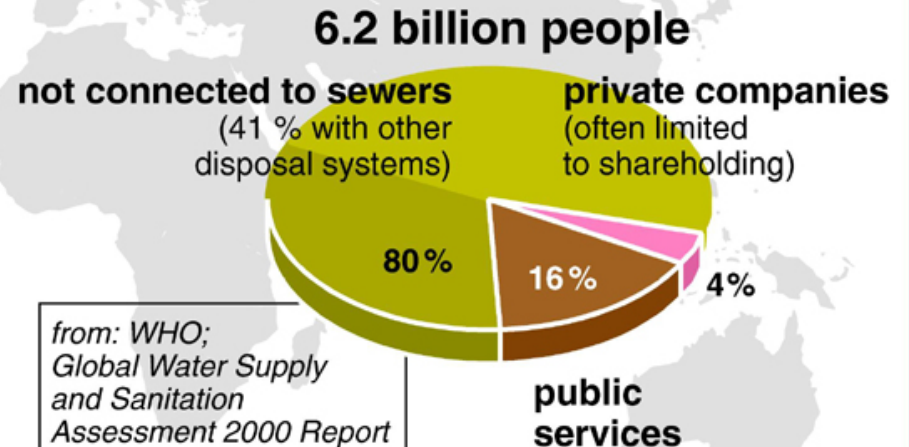
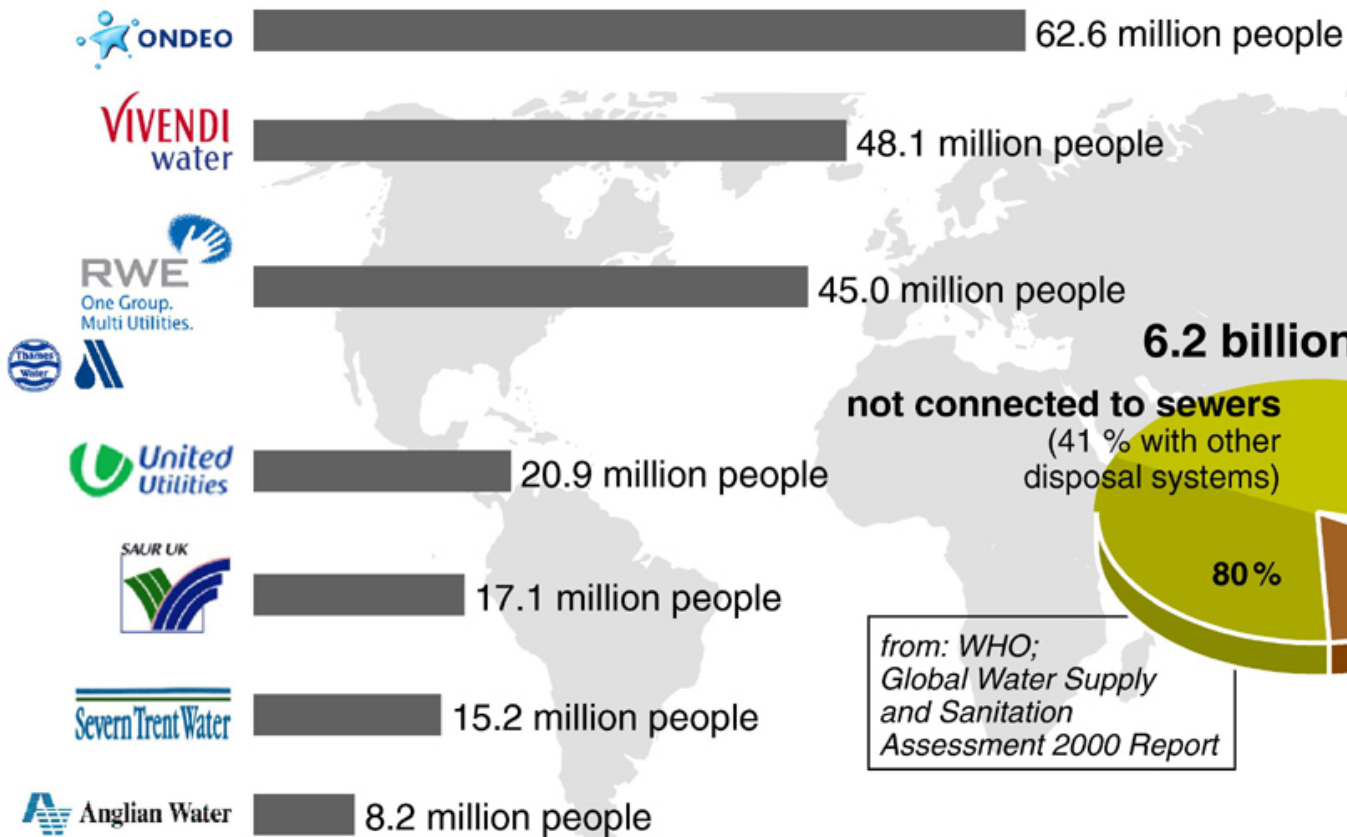


9<sup>th</sup> IWA Specialists Conference on Large Wastewater Treatment Plants  
September 1<sup>st</sup> – 4<sup>th</sup>, in Prague

# The effect of public or private structures in wastewater treatment on the conditions for the design, construction and operation of wastewater treatment plants

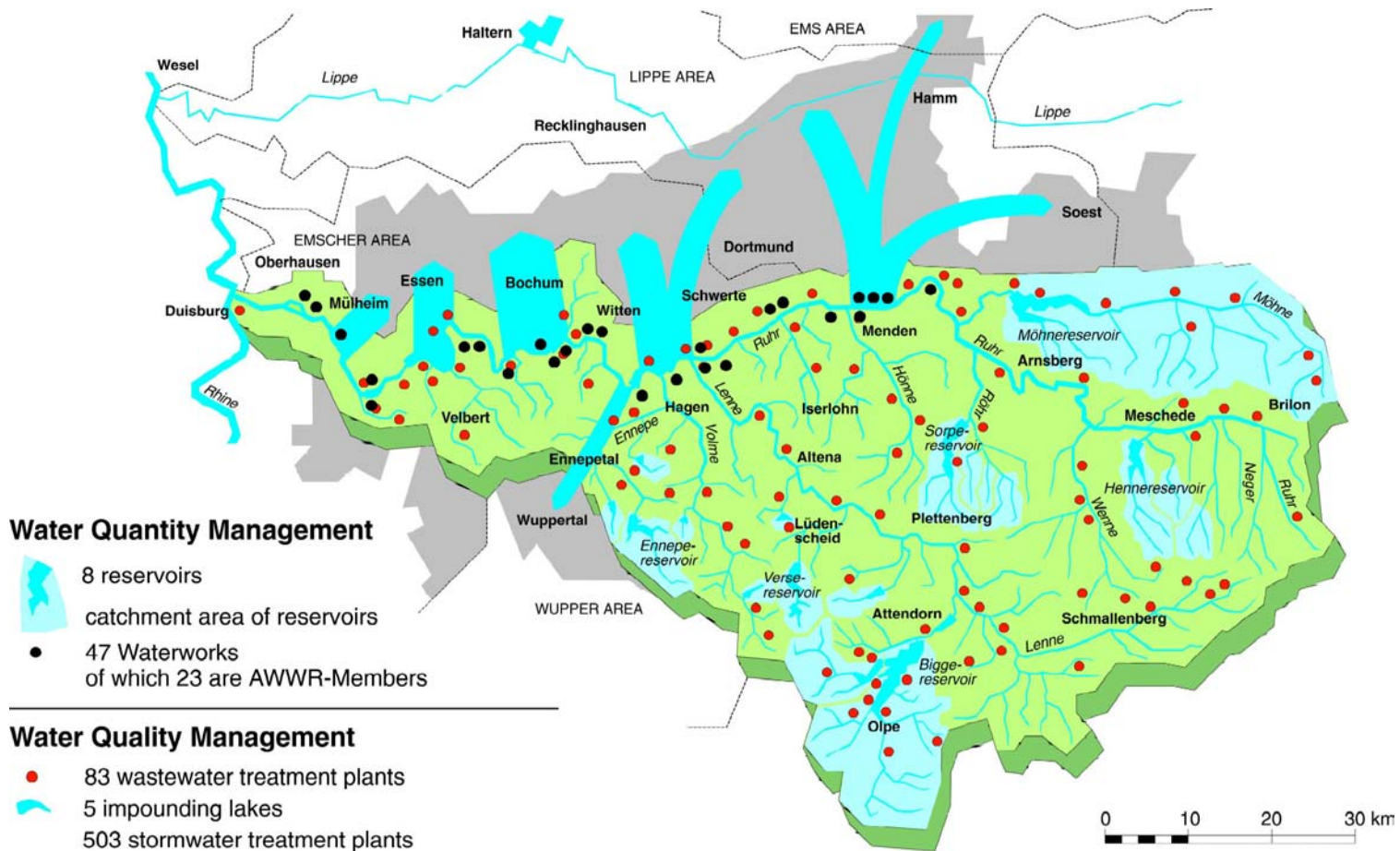
Harro Bode und Thomas Grünebaum  
Ruhrverband (Ruhr River Association)  
Kronprinzenstraße 37  
45128 Essen  
Germany

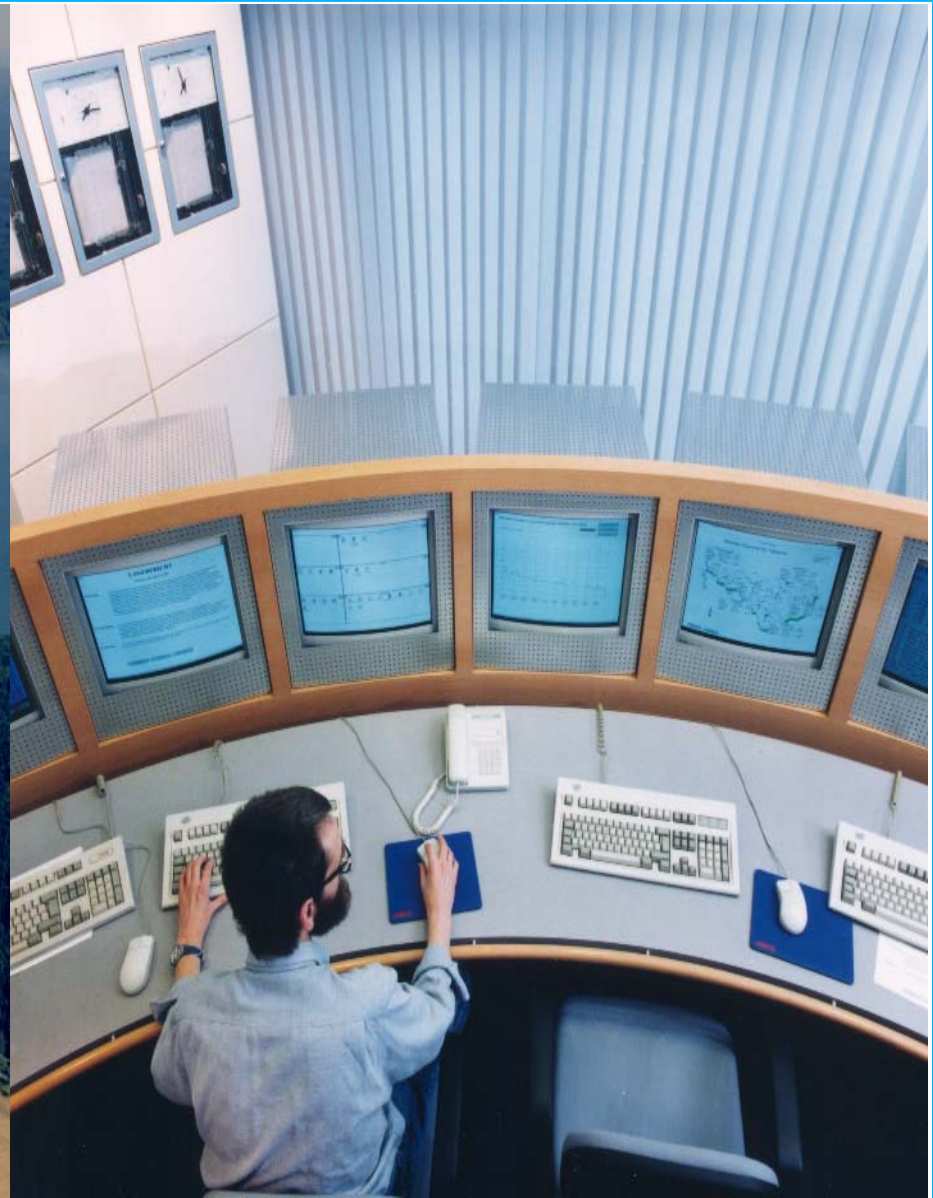
# Operators of wastewater utilities in the world



from: estimation by data from "WestLB 2001" Wirtschaftswoche Nr. 39 / 2001 and David Owen, European Water Company Profiles; Financial Times Energy 1998

# Comprehensive Water Resources Management in the Ruhr River Basin







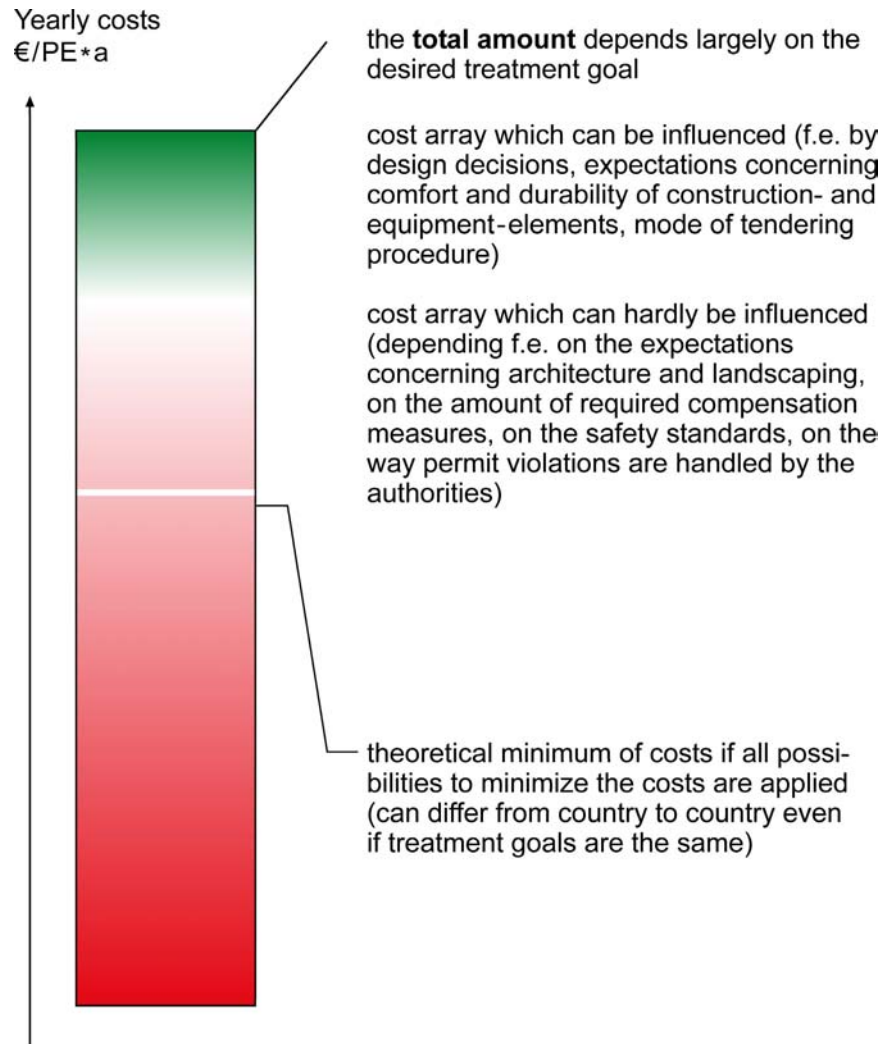
## Some features of wastewater treatment

- \* vital to human life and health and the environment
- \* monopolistic by nature (local ties)
- \* no real 100 % deregulation possible
- \* Prerequisites for success:
  - know-how
  - financial resources

## Different modules of a complete wastewater treatment

- \* financing of the erection of the plant
  - \* planning and design of the treatment process
  - \* erection of the plant
  - \* operation
  - \* fixing of the fee
  - \* collection of the fee
- 
- theoretically all modules (besides fixing of the fee) can be handled by private or public institutions;
  - there are many different forms how to mix public and private responsibilities (6 moduls: 64 constellations!)

## Possibilities to influence the yearly costs of sewage treatment





## Range of solutions

all public  mixed forms  all private

## Often quoted advantages of private over public wastewater treatment

\* lower costs due to:

- competition
- synergisms (larger entities, redundance of cases, level and transfer of knowledge)
- better work ethics of private employees
- less direct influence form political sides on the mode of solutions and organisation

\* „private capital“ instead of public

\* transparency of subsidisation

## Often quoted advantages of public over private wastewater treatment

- \* lower costs due to
  - non profit
  - no temptation from monopolistic business
  
- \* easier to match with political decisions concerning city planning etc.  
(more adjustable to later changes without new bargaining of contracts)
  
- \* greater willingness to achieve environmental goals  
(often in opposite to profit)

## Some objective differences between public and private entities

- \* private entities have to focus on
  - profit
  - contract period
- \* different access to tender modes
- \* different ways (possibilities) to acquire manpower

## Range of solutions

all public  mixed forms  all private

# Public completion of tasks

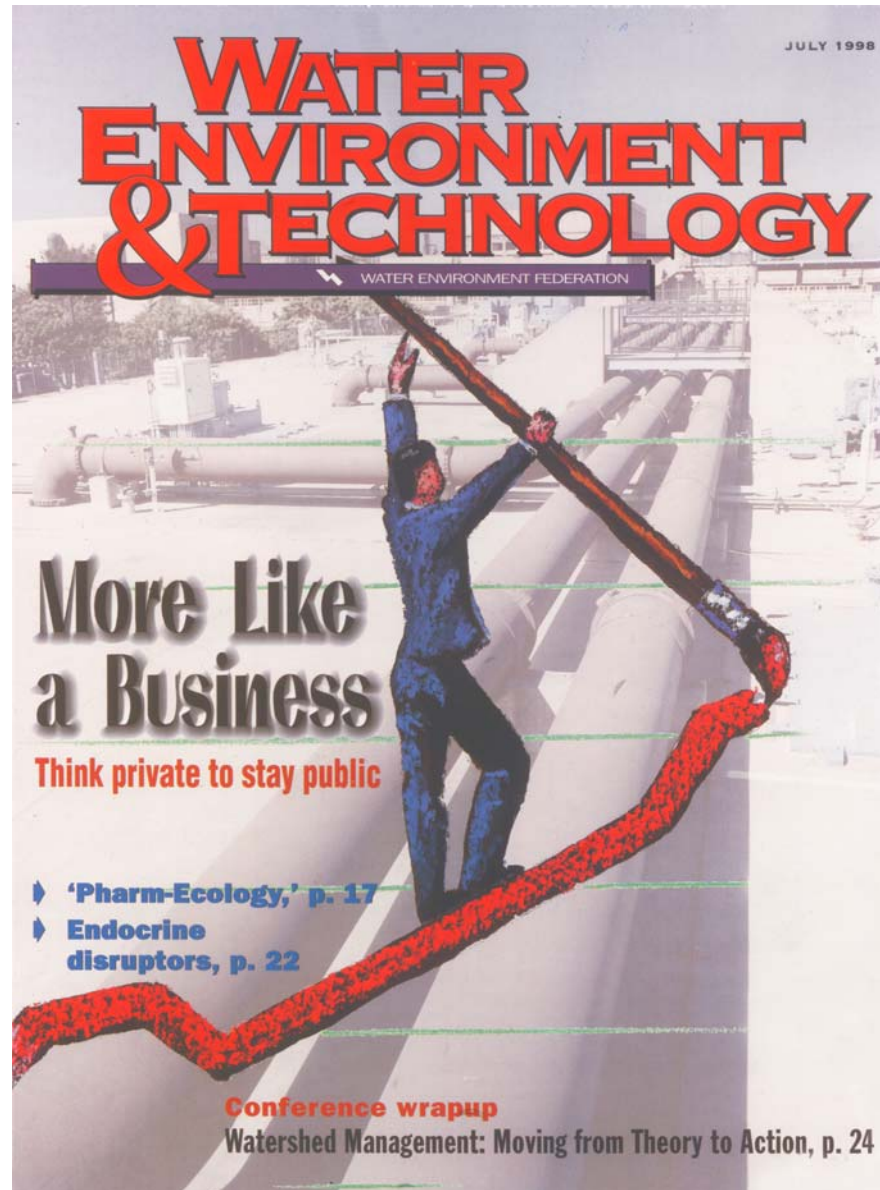
## - recommendations to public side -

ensure:

- \* cost awareness
- \* efficiency
- \* quality of
  - management
  - staff
- \* appropriate tender modes

prevent:

- \* nepotism
- \* corruption
- \* abuse of money



# Private completion of task - recommendations to public side -

ensure:

- \* low fees
- \* equal footing
- \* wise contracts
- \* clear interfaces

prevent:

- \* unjustified profits
- \* subsequent changes of contracts
- \* bribery and corruption





## PRESS RELEASE

### New Executive Secretary appointed at the Global Water Partnership

For more information on this appointment, for interviews, and for information on the Global Water Partnership contact Ann Millen at the GWP Secretariat, Rosalinden 24-26, SE 105 23 Stockholm, telephone: +46 8 69652110, fax: +46 8 69654027, e-mail: [ann.millen@gwpi.se](mailto:ann.millen@gwpi.se).

The Global Water Partnership (GWP) has appointed Mr Ezio Gabrielli, currently serving as Managing Director of Thames Water Co. Brazil, as its new Executive Secretary. Mr Gabrielli takes up his appointment — based in the GWP Secretariat in Stockholm in Sweden — on January 1, 2003. He will replace Mr Khalid Holmstadiah, who retires this year after successfully serving the GWP since March 1999.



Mr Gabrielli

Ezio Gabrielli, holding both Italian and Australian citizenship, has a degree in Chemical Engineering from the University of Bologna in Italy. He also holds a post-graduate certificate in Systems Analysis from the same University.

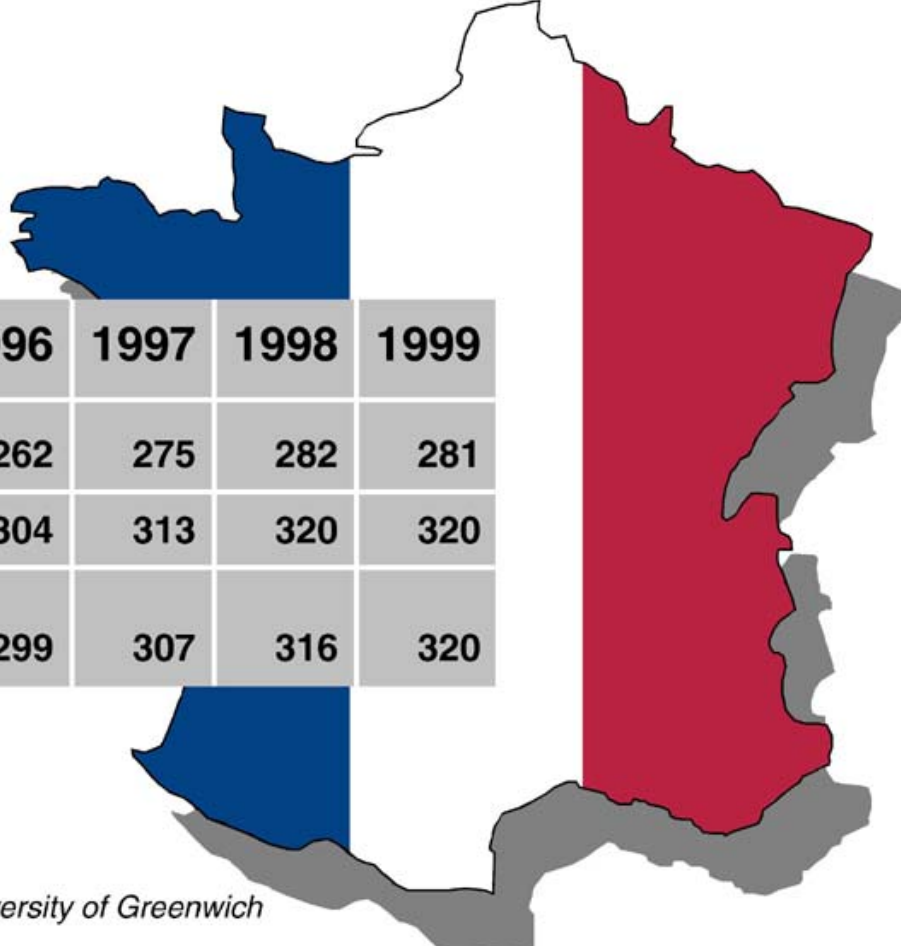
"Joining the Global Water Partnership will allow me to follow up several key issues close to my heart," Gabrielli says. "I have been preoccupied for some years by the fact that good water projects did not achieve optimal results unless the policy frameworks were working effectively. In the private sector one cannot always give priority to what is best for the people irrespective to the company's interests. So one of the exciting challenges I see in joining GWP is working with GWP's partners to freely analyze and encourage innovative policies that will actually result in better water resources management in the countries where we work."

## Criteria for „Make-or-buy-decisions“

- \* identification of fundamentals, basic elements and interfaces
- \* quality targets, safety, reliability
- \* specific pros and cons, conditions, criteria
- \* medium- and long-term structural effects
- \* additional costs
- \* affecting changes on the market
- \* situation under possibly changing conditions

## Water prices (sum of potable water and wastewater) in France (€ per year)

– for an annual use of 120 m<sup>3</sup>



organization	1994	1995	1996	1997	1998	1999
public	227	247	262	275	282	281
private	272	291	304	313	320	320
public private partnership (ppp)	264	276	299	307	316	320

from „La réforme de la politique de l'eau”;  
Conseil Economique et Social;  
Journal officiel de la République Française

in „Water in Public Hands” by David Hall, PSIRU, University of Greenwich  
commissioned by Public Services International

## Conclusions (I)

- \* the issue „public or private“ is not off-limits (a tabu)
- \* many different forms of PPP
- \* no general superiority of any specific form
- \* today about 80 % in public hands

## Conclusions (II)

- \* the customer pays in all cases (if no subsidy)
  
- \* If private:
  - equal footing
  - clear, wise contracts
  - clear interfaces
  - maintaining skills to prevent to be at the mercy of somebody else
  - tight control of economical behaviour and environmental standards