

Brazil and Venezuela

Civil society organisation involvement in urban water sector reform





Dwellers of the shantytown area known as Blandin wash at a roadside water supply on the outskirts of Caracas, Venezuela.

Roger Lemoyne/
Getty images

Front cover photo:
Children at a rubbish-strewn stream in Brazil.

Viviane Moos/
CORBIS

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This is one of a series of nine case studies outlining civil society organisations' (CSOs) involvement in urban water sector reform. The other case studies cover the following locations:

- **Bangladesh (Dhaka)**
- **Ghana (Accra)**
- **Kenya (Kisumu, Nairobi and Mombasa)**
- **Nepal (Kathmandu)**
- **Pakistan (Karachi)**
- **Philippines (Manila)**
- **Uganda (Kampala)**
- **Ukraine**

The case studies accompany the guidance manual ***Our water, our waste, our town***, which offers support to civil society in engaging in urban water and sanitation reforms.

The manual and case studies can all be downloaded at:
www.wateraid.org/urbanreform



WaterAid's mission is to overcome poverty by enabling the world's poorest people to gain access to safe water, sanitation and hygiene education.

Introduction

The city of Recife in north east Brazil and Caracas, the capital of Venezuela, have taken similar approaches to reforming their water and sanitation services (WSS).

have done to address the problems; and the challenges and outcomes for Brazil and Venezuela respectively. Part three outlines the lessons learnt and top tips from both countries.

This case study is divided into three parts. Parts one and two discuss the background and problems; what CSOs

Part one: Brazil

Section one: Background and problem

Recife is the capital of the Brazilian state of Pernambuco. About 88% of the population there is connected to a drinking water supply, but only 27% to sewerage. Only 10% of wastewater is treated. The water system is in a poor physical condition.

There is a history of conflict between municipal and state administrations in Pernambuco, and throughout Brazil, over control of water and sanitation services (WSS).

During the military dictatorship that held power from 1964 to 1985, the sector was centralised. After the dictatorship fell, decreases in federal spending from 1986 onwards led to stagnation in the development of services. Decentralisation of the water and other sectors was viewed as an

essential part of democratisation. This was implemented during the Cardoso federal administrations, from 1994 to 2001.

The decentralisation process devolved responsibility for WSS to municipalities. Private operators were permitted to become involved in water provision, but few municipalities took up this option. Most continued to grant water concessions to state-owned companies, while about a quarter ran the services themselves. In Recife, COMPESA, the Pernambuco state water company, continued to be responsible for water services.

The situation was different for sanitation services. State water companies only provided services for 14.5% of municipalities, while

84.5% managed sanitation directly. Sanitation services had far lower coverage than drinking water services. COMPESA was also responsible for sanitation services in Recife.

The contracts between state water companies and municipalities were criticised for their extreme rigidity. They didn't allow municipalities to choose their priorities and sometimes the municipalities were not even consulted by the state companies about work on their territories. Municipalisation tended to lead to municipal-state conflicts, which the municipalities, being smaller, preferred to avoid. In practice this has left the responsibility for WSS with state level administrations, rather than having been transferred to municipalities as decreed by the national constitution. This lack of clarity about ultimate responsibility has handicapped sector reform, particularly in metropolitan areas.

Section two: What CSOs have done

Support for municipalisation

The two associations of WSS providers; ASSEMAE, bringing together the municipal authorities, and AESBE, acting for the state authorities; were in permanent disagreement over the way forward for the system. ASSEMAE argued for municipalisation, while AESBE argued for state level operation.

ASSEMAE gained wide support from civil society, and co-formed the Frente Nacional de Saneamiento in 1997 with CSOs, trade unions, consumer associations and others.

Part of municipal assembly and council in Recife

In 1999, the Pernambuco state governor proposed to privatise the state water company, COMPESA, and thus the Recife city water service. However, when Joao Paulo was elected as mayor of Recife in 2000, he opposed privatisation and instead established a municipal water department which was intended to report to a WSS council with active consumer representation and civil society participation.

The new department was to take on the responsibility for the city water supply in 2005. In the interim, the department managed a concession contract awarded to COMPESA, based

on existing jurisdiction, and strove to improve services to those slums not served by COMPESA.

The creation of the department began with a municipal conference, held in 2001 and 2002. Four thousand people attended 20 neighbourhood meetings and elected 400 representatives to a deliberative assembly. Of the 400, 27% represented CSOs, government representatives made up 7% and most others were directly elected citizens.

The assembly voted on 281 resolutions on the running of WSS. They opposed privatisation, voted to subject COMPESA's operations to municipal control inside Recife and decided there must be a guarantee of public participation in water policy such as the city signing concession contracts with the state government.

Conference members also decided to create a municipal WSS council for strategic decisions. The new council was to have 50% votes from civil society, both individuals and CSOs, 25% from government and 25% from labour unions. The priorities for WSS budgeting were to be established in a participatory way with input from the public.

A World Bank loan for WSS in Recife was confirmed in 2003, intending to pave the way for reform.

Section three: Challenges and outcomes

On the positive side, progress towards extending water coverage in Recife has been made, although some are critical of what they see as its slow pace (it is estimated it will take 20 years to achieve full coverage). Participatory budgeting has been introduced at municipal level in terms of allocation between services.

However, the WSS council is not yet fully functional, and its prospects are not bright. The contract between the city and its own water service, which was proposed for 2005, is yet to take effect, despite its agreement in principle. Meanwhile, a degree of institutional confusion remains as COMPESA still provides services in much of the city.

The ruling party in Recife (the OP), adopted 163 of the WSS conference's proposals in 2002, but such was the volume of the decisions that

four years later only 30% had been implemented. Notably, the decisions that have been implemented are in the domain of ownership and management, rather than public participation.

There should be public participation in water policy before the city signs a concession contract with the state government. However, the concession contract for Recife was negotiated for two years without any social participation, despite several attempts by the Forum for Urban Reform of Pernambuco, the institution representing the views of various civil society organisations.

This failure to follow through the reform programmes means that the complex process of public consultation has yet to bear much fruit.



Update

COMPESA continues to run both water supply and sanitation services in Recife as the proposed reforms have not taken effect. There are three reasons for this:

- Firstly, the new municipal water department has not taken over operations (although it may be the case that they have some programmes in the informal settlements).
- Secondly, the concession

agreement between the city and COMPESA has not been signed, so COMPESA continues its operation under the terms of the consultative assembly.

- Thirdly, the WSS council has not taken effect.

As we go to press with this case study in 2009, two years after it was written, the expected developments have not yet happened, and there is no sign of them doing so.

Part two: Venezuela

Section one: Background and problem

Carlos Andrés Pérez's government, which was in power from 1989 to 1993, proposed a programme of WSS privatisation in Venezuela. However, as there was no response to the tender, the proposals were aborted in 1992. Switching policy back to state regulation, the government introduced more than 100 regulations covering the sector during the 1990s, leading to confusion and conflicts of jurisdiction between levels of government similar to those witnessed in Brazil.

Following the election of President Chávez in February 1999, communal management of HIDROCAPITAL, the water service provider for capital city Caracas, was established. This was part of a general state-sponsored

movement to democratise local planning.

At the same time, the 1999 state constitution stated the right to access to water services and for public participation as a means to improve such access.

In 2001, the new Organic Law for Services of Drinking Water and Sanitation was passed. The law established a financial aid fund from central government for WSS infrastructure development and required subsidies for poorer consumers. In theory, it decentralised management of the system from state water companies to municipalities. However, by 2006 this had not yet been applied.

Section two: What CSOs have done

Mesas técnicas de agua and communal councils

The 1993-6 municipal government of Caracas first established mesas técnicas de agua (technical water forums) as local open forum committees to discuss WSS. Public input was initially limited to protests

against service failures. Nevertheless, they proved to be forerunners of something more substantial.

Following Chávez's election in 1999, a new city-wide water communal council was created in Caracas comprising representatives of the water company, local government and civil society

in the form of representatives of the mesas. The council was tasked with organising programmes of work and monitoring the activities of the state water company.

The role of the mesas was supervision of the state of the networks,

including formulating plans for repair, maintenance and development; promotion of, proper use of, and regular payment for water by users; and censuses of populations at local levels.

Section three: Challenges and outcomes

Caracas is an example of a government-driven experiment in citizen participation that showed early signs of improvement by 2007. However, it is still to reach maturity, as the proposed decentralisation of water services is yet to take full effect.

According to Hofmann et al¹, the mesas have fostered “collaboration between citizens and technical WSS personnel and have become a key mechanism for community mobilisation and improved service provision”.

The strength of the mesas is their intensely local and popular nature. Women make up 75% of their chairs and members. Cariola and Lacabana² believe they have encouraged a shift from a culture of necessity to one of rights and obligations, improved confidence in institutions, and

fostered permanent communications, coordination of different actors, and relations between technical experts and the community.

The pressure brought by the mesas may have had an effect. Caracas’s coverage of drinking water service rose from 82% in 1998 to 89% in 2003, and sewerage from 64% to 72%. In 2004, HIDROVEN, the national water regulator/holding company, said that Venezuela had already achieved the Millennium Development Goal (MDG) water target of halving the proportion of people without access to safe water between 1990 and 2015, and would reach the same MDG target for sanitation by 2010.

However, problems remain. A degree of jurisdictional confusion still persists. Descriptions of HIDROVEN’s

¹ Adriana Allen, Julia Davila & Pascale Hoffman (2006) *Governance of water & sanitation services for the peri-urban poor*, University College London.

² M Cariola & C Lacabana (2005) *Los bordes de la esperanza: nuevas formas de participación popular y gobiernos locales en la periferia de Caracas*. Revista Venezolana de Economía y Ciencias Sociales . V. 11 No 1.

functions vary. It is not entirely clear how its jurisdiction relates to those of the local communal councils. Furthermore, the precise role of the municipalities is still in doubt.

The law allows for full participation of communities in planning and management. However, one expert has expressed considerable doubt about whether CSOs are sufficiently

engaged, while acknowledging that there may be interesting developments at neighbourhood level. Furthermore, there is concern that the mesas may be used as a kind of populist pressure on local administrations, increasing the influence of a popular central government or leader on local governments.

While the mesas are an interesting development there are concerns about the centralisation of power in Venezuela. The danger of using local committees as a form of populist pressure on municipalities is being highlighted by labour unions who

report being seriously harassed by the government as the unions represent relatively autonomous sources of power.



Update



Barrio Santa Cruz del Este in Caracas.

REUTERS/Edwin Montilva

Part three

Lessons learnt and top tips

Lessons learnt

Overall, the experience of both cities seems to call for a balance between elaborate consultation mechanisms and their application in terms of practical decisions. Very elaborate consultation processes may lead to unmanageable expectations. At a certain stage consultation has to lead to clear actionable plans and execution needs to start. So far, the clearest decisions from both countries have been stopping the privatisation and setting up new departments.

In Venezuela, an effective and popular mechanism was established for

monitoring and improving services. The mesas have applied pressure upwards to the service providers, but the force behind this action has been the government.

In Recife, CSOs seem to have operated at the municipal level and local bodies have elected delegates to the deliberative assembly and in turn to the, as yet inactive, council that scrutinises the water service.

In both cases it is questionable whether CSOs would have found momentum for reform without the reforming administrations.

Top tips

1. **Know when consultation has to give way to action.** Both countries had elaborate systems to give communities a voice but meetings need to have outcomes and decisions.
2. **Use conferences and meetings with stakeholders and government to discuss the vital relevant issues.** Have an agenda and make sure you discuss everything you want to cover.
3. **Have realistic expectations of what your CSO can achieve – but be ambitious.** In Brazil progress towards extending water coverage has been made, but some are critical of what they see as its slow pace. It's important to set achievable targets.
4. **Make sure any community groups your CSO helps set up are fully representational.** Women make up 75% of the mesas técnicas in Brazil.
5. **Maintain a monitoring role.** Even when desired laws are passed, decisions are made and outcomes happen, CSOs have an important regulatory role to play in making sure promises are kept and the most vulnerable members of society have access to water and sanitation.

This case study outlines the roles civil society organisations (CSOs) are playing in the decentralisation of water and sanitation services in Recife, Brazil and Caracas, Venezuela. In Recife, CSOs are officially represented on the council responsible for water strategy in the city. However, the council is not yet fully functional. In Caracas, CSOs play an active role in a water communal council that monitors the activities of the state water company. However, management of the state water company is yet to be devolved to local level as planned.

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