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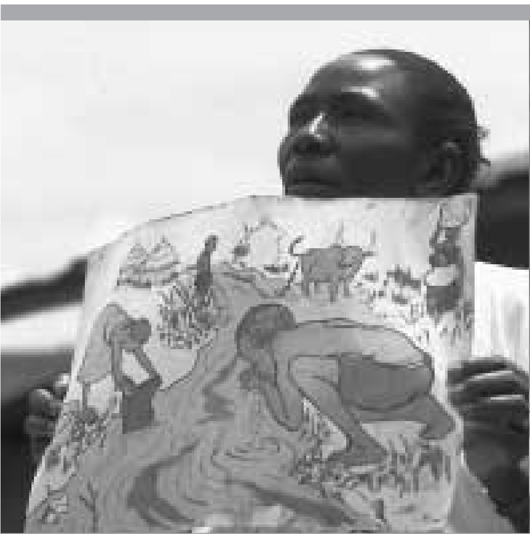
Advocacy guide to



private sector involvement in water services

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PART 3 of this guide draws heavily on the *Advocacy Toolkit* by Graham Gordon, Tearfund 2002.

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Advocacy guide to private sector involvement in water services

by Joanne Green

The aim of this guide is to inform and equip NGOs and other civil society organisations to engage with water policy reform processes that involve the private sector.

Note on terminology

The phrases and words *private sector participation/involvement* and *privatisation* mean different things to different people at different times. In order for this guide to be accessible to as many people as possible, both phrases are used interchangeably.

Contents

Introduction

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1.1 billion people lack access to safe water and 2.4 billion lack access to basic sanitation. The international community has committed itself to halve by 2015 the proportion of people without access to water and sanitation along with other targets, known as the Millennium Development Goals. Many countries are not on track to achieving these targets, but they are achievable with greater political will and resources. We hope that this guide will help civil society to advocate for everybody to have access to these basic human rights.

This guide is based on the findings of research conducted by WaterAid and Tearfund entitled 'New roles, new rules: does private sector participation (PSP) benefit the poor?' This research was composed of eight case studies and five desk studies looking at rural and urban situations in twelve countries.

The research was undertaken as a response to the growing debate over the involvement of private international water companies in developing countries. At a large international conference – the Second World Water Forum, held in the Netherlands in 2000 – members of trade unions, non-governmental organisations (NGOs) and many developing country government delegates challenged the promotion by the World Bank and rich countries of private sector roles in the delivery of water services.

WaterAid and Tearfund felt caught in the middle of the debate, unsure how to respond. In order to try to understand the issues better it was decided to carry out research based on the experiences and concerns of poor people who are most in need of solutions.

One of the main findings of this research was the need for community-based organisations, NGOs and civil society to become involved in advocacy work, especially in advocating the needs of poor people during government-led reforms involving the private sector. Involvement by civil society groups in influencing the outcomes of all water policy decision-making and implementation is absolutely vital. The increased participation of the private sector has acted as a catalyst for what Tearfund and WaterAid hope will be greater civil society influence and mobilisation to increase access to safe water and basic sanitation.

This guide draws on the many useful lessons learnt by the authors of the case studies. The issue of private sector involvement in water services is new to many people and organisations. It can also be very complex. Therefore, in PART 1, we include background information on why the role of the private sector is growing, types of private sector involvement, the process for privatisation, and issues behind the financing of the private sector. PART 2 looks at whether the private sector is the solution, with a summary of Tearfund and WaterAid's research findings and some lessons from the case of England and Wales. In PART 3 we set out the main steps involved in an advocacy strategy, including examples from NGOs in Africa and Asia.

Part 1 Context and background information

Why the private sector?

The domestic private sector has always been involved in delivering water and sanitation services to people in developing countries to some extent, primarily because of the failure of public services to serve everyone, especially the poor. But, over the last 20 years, the role of international water companies in providing services has grown substantially. Despite this increasing role, they supply only 3 per cent of the world's population.

The reasons for the growth of international private water companies providing water services in developing countries include:

- Failure of government and public suppliers to provide safe, sustainable water and sanitation to their population, particularly to the poor
- A widespread belief that the role of the state should be reduced and that privately-run companies are more efficient than publicly-run services
- The promotion of private companies by rich countries and international organisations (eg: the World Bank and International Monetary Fund) in the provision of water and sanitation services in middle and low income countries because publicly-run services have failed to reform
- Lobbying by the international private sector
- The belief by donors and some developing country governments that the international private sector will bring fresh investments and access to capital to developing countries, and that this will pay for the increased costs of keeping the water flowing and of expanding services to a growing population.

For donors, private sector involvement has become the preferred model for water sector reform, to the detriment of other options

A combination of these factors has led to donors making private sector involvement a condition of aid, loans, debt and potentially, in the future, trade. For donors, private sector involvement has become the preferred model for water sector reform, to the detriment of other options.

Types of private sector involvement

The global debate on PSP has concentrated on the involvement of large international companies in water services. However, private sector involvement in water and sanitation is varied (TABLE 1). It ranges from formal to informal companies and individuals working alone to companies boasting thousands of staff across the world.

Table 1

Forms of small-scale domestic, private sector involvement in water and sanitation provision

SMALL-SCALE SECTOR TYPE	WATER SERVICES PROVISION	SANITATION SERVICES PROVISION
Informal, domestic private sector	Water vendors using carts or trucks to deliver water, or neighbours with water connections selling water Plumbers who repair leaks and create connections (sometimes illegally) to the mains Artisans and masons who build wells	Pit latrine cleaners Artisans, masons who build latrines
Formal, domestic private sector	Owners of housing estates providing their own water supply, independent of the main supply Building and civil engineering companies who are contracted to lay pipes	Septic tank suction services Building and civil engineering companies who are contracted to lay sewer lines
Formal, private non-profit sector	Water cooperatives	User-managed water services

International private sector companies play a number of different roles in the provision of water and sanitation services.

As TABLE 2 shows, the international private sector's role can vary from minor to major contracts. The more involved the private sector is and the longer the contract, the greater the concerns and controversy.

Table 2

Types of international private sector involvement

INCREASED CONTROL BY THE PRIVATE SECTOR

CONTRACT	EXPLANATION	EXAMPLES
Consultancy	The government contracts with the private sector to give advice on different aspects of running/reforming a water utility.	
Service	The government contracts out operational or administrative activities. Payments to the service provider are generally related to inputs such as time and money, or outputs such as length of mains repaired. Under this model, the government is responsible for financing of operations and infrastructure upgrade and expansion. The government is also responsible for commercial risk. Average duration: 1 to 3 years	
Management	The operator delivers complete and self-contained service, eg: runs a wastewater treatment plant. The private sector has responsibility for operation and maintenance. The government has responsibility for capital investment and risk. Average duration: 3 to 5 years	Trinidad and Tobago Puerto Rico Israel
BOT (Build, Operate, Transfer)	Building, financing and operating is done by the private sector with the aim of transferring back to the public sector. Average duration: 20 to 30 years	Scotland Malaysia Cyprus Panama
Lease	The private sector is responsible for management, maintenance and operation of existing infrastructure but not new investment. The company pays a government fee for the use of assets, and in return keeps any profits made. Average duration: 10 to 20 years	Spain France Guinea Czech Republic
Concession	Assets remain in government ownership. The company is responsible for all aspects of operating, managing and maintaining the existing system – and they may also be responsible for new investments, eg: connecting new users. Average duration: 15 to 30 years	Jakarta, Indonesia Manila, Philippines Buenos Aires, Argentina
Divestiture	All assets are sold to the private sector. Responsibility is also handed over for operations, management and investment	England and Wales

The government process for privatisation

The process for privatising any publicly-owned service can last many years. The World Bank identifies seven major components of a privatisation:

1. Policy formulation
2. Technical
3. Legal and regulatory
4. Economic and financial regulation
5. Public relations
6. Human resources
7. Transaction

The problem is that governments may be inexperienced in running such a complicated process

Within each component there are various overlapping phases, all of which have to be carefully co-ordinated (see APPENDIX 1). The problem is that governments may be inexperienced in running such a complicated process.

It is likely that governments will not follow the exact process as recommended by the World Bank. However, it is likely that the process will be very similar. Within each component are important issues at stake for poor people.

1 POLICY FORMULATION An analysis of the current state of the water sector will be needed. It is important that this assessment accurately reflects current coverage levels and the problems poor people have in accessing water services. On the basis of this review, objectives for the privatisation will be established. It is vital to ensure that these objectives are pro-poor.

2 TECHNICAL The service area will be defined, as well as capital expenditure requirements and technology choices. These decisions will determine the overall costs of the project and, ultimately, the fees users will have to pay. Further, lack of information on existing assets will cause the private sector to charge a premium if it is required to bear the risk of the condition of these assets.

3 LEGAL AND REGULATORY The regulatory system that is established will be essential for determining the ways in which users and citizens can express complaints and concerns, and access information. It will also set environmental standards, enforcement mechanisms and tariff mechanisms.

4 ECONOMIC AND FINANCIAL REGULATION Decisions will be made over tariff levels and structures and costs of capital, operation and maintenance expenditure.

5 PUBLIC RELATIONS The government may try to ensure public backing for the privatisation through advertising and surveys.

6 HUMAN RESOURCES It is vital that the government builds good relations with workers and unions.

7 TRANSACTION The process for contracting the private sector should be drawn up during this stage.

Transaction and the tendering process

The process for contracting with the private sector, particularly the international private sector, begins with a tendering process. International financial organisations such as the World Bank and the European Bank for Reconstruction and Development (EBRD) have specific rules about tendering processes. Not all tendering processes will follow exactly the same format. The following is a typical process.

STAGE 1: PRE-QUALIFICATION Those interested in winning the contract are asked to provide information about themselves. In considering who will 'pre-qualify', the authority will judge the companies' technical ability, capacity, financial position and experience in similar projects. When issuing the pre-qualification documentation, the authority should specify the standards it expects companies to reach in order to pre-qualify. The company then selects a core group of companies, usually six to eight, who will be allowed to bid for the project.

STAGE 2: TENDER DOCUMENTATION Those companies who pre-qualify are invited to bid for the project. The authority provides tender documentation at a cost. The tender documentation sets out a more detailed description of the project and the basis of the bid. The authority reserves the right to change the tender procedure and information provided. It can also decide to choose any of the bidders.

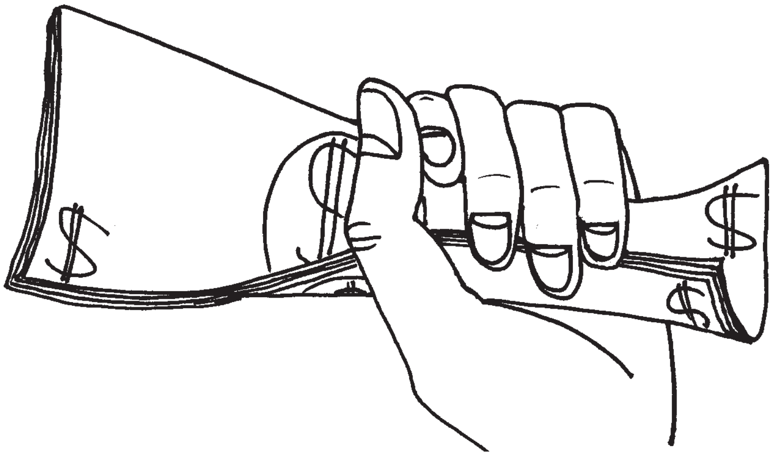
STAGE 3: BID EVALUATION Once bids have been received, the authority will consider each of the bids against the criteria set out in the tender documents. The bid evaluators should select the bid that best fits the criteria. Cost is a major factor in this evaluation.

STAGE 4: PREFERRED BIDDER The authority then awards the project to one of the companies, selecting that company as the preferred bidder. The authority will negotiate with the preferred bidder and agrees and signs project contracts, finance agreements and any other documentation required for the project.

STAGE 5: NEGOTIATING THE CONTRACTUAL STRUCTURE Once selected, the company must negotiate with the authority the structure of the commercial deal according to the specific nature of the project, the requirements of the authority and any other cost, time, technical or financial constraints placed on the project. When structuring the deal, the bidder will have to consider the requirements of the lenders and other financing organisations.[1]

1 Demon J, *Water Projects: A commercial and contractual guide* (Kluwer Law, 2001)

Who pays for the private sector?



Many domestic private companies are mainly financed by their owners, whilst others also borrow money from local banks. Most informal private operators use their own money to purchase capital equipment.

International private companies bring little of their own shareholders' money because they believe the risks of working in developing countries are too great

However, international private companies bring little of their own shareholders' money because they believe the risks of working in developing countries are too great. In addition to their own money, they will also borrow money from other commercial financial institutions such as banks and investment agencies. These loans have high rates of interest.

International funding organisations like the World Bank lend money to the international private sector to work in developing countries. They guarantee their loans so that if things go badly wrong the private companies do not lose a lot of money and the company's creditors are paid. Lenders also ask for guarantees, and these guarantees are given by institutions such as the World Bank's Multilateral Investment Guarantee Agency (MIGA) and by sovereign governments.

The cost of repaying those loans and the return on investment of the company's shareholders will be factored into the bills and fees paid to the private sector by the users of the water services or/and taxpayers. So, just like the public sector, it will also ultimately be either consumers or taxpayers who have to pay for improvements and the operations and maintenance of water services.

Part 2 Is the private sector the solution?

Summary of research findings

Governments, both in the North and South, have rightly placed themselves under pressure to achieve better water and sanitation coverage. The set of internationally agreed targets, the Millennium Development Goals, include a target on drinking water and, at the World Summit on Sustainable Development in 2002, a target on sanitation was agreed. The targets aim to halve the proportion of people without access to water and sanitation by 2015.

Most Southern governments have consistently failed to deliver affordable and sustainable water and sanitation to poor people. This applies to both urban and rural contexts. Many of these problems have been blamed on weak government capacity.

However, our research shows that the policy of PSP does not comprehensively tackle the underlying causes of the failure of government services to serve poor people. There are major problems in four key areas: capacity building, community participation, finance and institutional reform. It is therefore unlikely that the private sector will play any significant role in achieving the Millennium Development Goals.

Undermining capacity

At present, the pursuit of a policy of PSP often undermines local and national government capacity. This leads to a limited ability of governments to take services back into their management when contracts end or if PSP fails. Private sector contracting should not result in increased or irreversible dependence on private companies. There must be clauses in the contract to prevent this dependence.

With a lack of government capacity, no reform processes can be successful. It is essential that donors refocus efforts from promoting the private sector in developing countries to building the capacity of government at local and central levels to serve poor people and manage contracts where appropriate.

Poor people as recipients rather than participants

The involvement of local communities and users of water and sanitation services is often lacking in PSP reform programmes. Poor people are still seen mainly as recipients rather than contributors to development. Whether projects involve large-scale or small-scale PSP, the focus is on giving contracts to the private sector for constructing or operating services. Urban and rural communities are rarely consulted, leading to a lack of ownership. It would seem that old problems such as lack of community involvement, which led to previous failures, are continuing, raising serious doubts over the sustainability of PSP projects.

Inflexible finances

Cost recovery and capital cost contributions are necessary if water services are to be made sustainable over time. However, the way these principles are applied often denies poor people access to services. Expensive technology choices and a failure to consider the non-cash contribution the poor are able to make are widespread amongst those involved in PSP contracting. Donors are guilty of promoting an approach that is narrow and mechanistic, allowing for little flexibility and wider perspectives incorporating community action and the complexities of poverty.

Compromised accountability

Decentralisation – the transfer of power and resources from central government to local government – has not seen the benefits of responsiveness to people's needs and greater accountability in many countries. Often this is because central governments have not increased local government's personnel or trained them to manage greater responsibility. Weak, decentralised government agencies cannot be expected to learn quickly about private sector contracting and be able to monitor and supervise the activities of contractors beyond provincial capitals.

The rural case studies also show that decentralisation of government has not led to greater accountability to communities they serve. As contracts are between governments and contractors, the communities are not able to make a legal challenge if services are of low quality.

Communities should be given an opportunity to comment on the proposals through, for example, commenting on tender documents and the planning and design of contracts, so that reforms will further the concerns of poor people. Proactive openness and transparency by government in all reform processes will also lessen the possibility of civil strife.

Conclusion

With these findings in mind, Tearfund and WaterAid are opposed to donors pressurising developing countries to accept PSP in water services as a condition of aid, trade or debt relief. To promote a policy regardless of the specific context increases the likelihood of failure, especially when the likelihood of success of that policy is intensely contested. Furthermore, the enforcement of PSP as the central policy reform limits the options available to governments and civil society to improvise and innovate using the best possible arrangements. We believe rather that policies should be used to ensure that, in any reform process, poor people will be protected, their access to services increased, and the process itself should be transparent and actively seeking the opinion of communities.

So, can the private sector work?

Despite the findings of the research, there are some situations where the private sector can work. In England and Wales, where full divestiture (see TABLE 2) took place, the private sector has been relatively successful, compared to the public sector. Yet, this was in a context of a rich country with stable politics and finances. It is a context where government is able to draw up and implement regulations, staff regulatory bodies have experienced personnel, and citizens are informed and active.

It should be for national governments and communities to decide for themselves whether the private sector has a role to play and what that role should be

Given the right conditions, the private sector can play a positive role in water services provision. It should be for national governments and communities to decide for themselves whether the private sector has a role to play and what that role should be.

There are valuable lessons that have been learnt in the case of England and Wales. These lessons can be applied to both public and private providers to make services better.

- Reform should not be rushed and all options should be considered.
- Need for public consultation on choice of reform options.
- Need for parliamentary monitoring during reform process and afterwards.
- Ensure strong, transparent and accountable regulator for social and economic aspects of reform.
- Regulation is essential for achieving results but is highly complex and demanding.
- Need for an independent consumer body to advocate consumer interests.
- Remember that the customer or taxpayer will ultimately have to pay for all improvements.
- Plan for tensions between economic costs, social needs and environmental demands.
- Environment and water quality regulator needs the power to prosecute to be effective.
- The needs of low-income groups must be central from the start.
- The links between poverty and water should be set down in legislation that protects the vulnerable.
- Monitor potential and actual impact of any price rises on low-income customers and introduce safety nets to protect access to services by poor people.
- Need for strategy to tackle access to water for poor people.
- The economic regulator's first duty should be to protect customers, with special concern for poor people.

Part 3 Planning and acting

If the government, whether local or national, decides to contract with the private sector and this raises concerns about the interests of the poor and the environment, how should we respond?

This section follows five steps to take in order to organise an advocacy response:

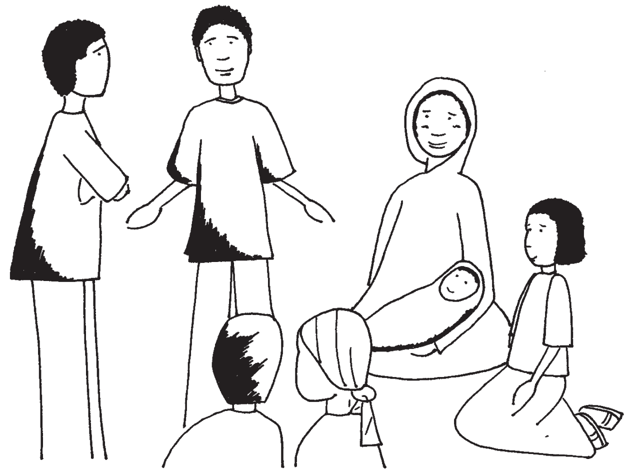
1. Identifying the problem
2. Carrying out research
3. Planning
4. Action
5. Evaluating

Step 1 Identifying the problem

Changes in the provision of water services are often necessary if poor people are to gain access to their basic human rights in a sustainable way. However, not all changes will achieve this end.

The following questions may help:

- Has there been too little research in to why poor people are not being served by public services in our country? Should research be carried out so that reforms address the underlying problems?
- Do we think that the private sector should be involved at all in providing water services?



- Are we concerned that the interests of poor people are not being served by private sector involvement? Do we have other concerns about the detail of the proposals?

It is important to work with local communities to find out how they feel about the proposed changes and how those changes will meet their specific needs. We can use participatory tools such as listening, interviews, focus groups, community mapping and agreeing priority needs.

We will need to find out what is driving the change. It is likely that there are a number of factors, eg: pressure from donors to privatise, budgetary problems within government, dissatisfied consumers, or political promises. Some of the pressures may be absolutely legitimate. Understanding who the different players are and their motivations will make efforts to influence decision-makers much more effective.

Research is needed to find out this information.

Step 2 Carrying out research

Once the problem has been identified, we should try to collect evidence to confirm the concerns. This will involve research. All advocacy work should be based on accurate, reliable and sufficient information.

2.1 Key points for information sources

When approaching information sources to try to collect information, we should:

- Be clear about what we want
- Do an initial scan for information available and then go back later to do the detailed research
- Go to the information officer or librarian for advice on how to find and use their information
- Leave enough time to check that we have all the facts we need and that they are correct and up to date.

2.2 Information needed before we can advocate

- Numbers of people with and without access to water and sanitation in our area, district, city
- How people without access to water and sanitation services cope
- Identify which stage in the process of privatisation the government is at (see page 8)

- What has been agreed? Can it be changed? What is still to be agreed?
- Type of contract being proposed (see TABLES 1 and 2)
- Details of contract, eg: plans for serving poor people and unserved
- Plans for regulation
- Plans for public consultation
- Companies interested in contract
- Plans for community participation in projects
- Channels of communication, ie: how does the government plan to communicate information about the reforms?
- Key dates for decision-making about above
- Who is likely to be affected by the proposed changes to service provision and how are they likely to be affected?

There may be other questions to ask, depending on the context in which we are working. Some information may be extremely hard to get, so we need to think about who can help us gain access to this information.

Case study

Niassa, Mozambique

Since 1998, the rural province of Niassa has seen the expansion of the small-scale private sector. This was partly due to the government's gradual withdrawal from directly implementing water and sanitation projects. EPAR (Estaleiro Provincial de Agua Rural), the provincial government-owned company for rural water services, was partly privatised in order to make space for local *empreteiros* to bid and compete for projects.

Aware that these reforms did not seem to be going very well, Estamos, a community-based organisation in Niassa, carried out some research to find out the true impact of the changes. The objective of the study was to investigate whether these moves improved poor communities' access to water and sanitation services.

The research evaluated eight community water projects implemented by local private firms between 1995 and 2000 that were financed by WaterAid and Niassa's Provincial Department of Water and Sanitation (Departamento de Agua e Saneamiento, or DAS-Niassa).

The following methodologies were used to collect data:

- Interviews with 17 key informants in the water and sanitation sector, such as government officials, non-governmental organisation (NGO) representatives, and private sector business people
- Focus group discussions with five private sector business people
- Participatory evaluations with 149 community members
- Direct observation of 25 waterpoints
- Informal interviews at 25 waterpoints.

The results of the investigation reveal that, at the Niassa Province level, PSP in water and sanitation programmes did not result in increased access to water and sanitation services by the poor. The research also made recommendations to replace the policy of PSP with the long and less-travelled route of a three-pronged programme of private enterprise development, local government capacity building and community mobilisation and organisation.

2.3 Assessing information for bias and usefulness

Sources of information are rarely without bias in what they say and why they are reporting in the first place. It is therefore important to understand:

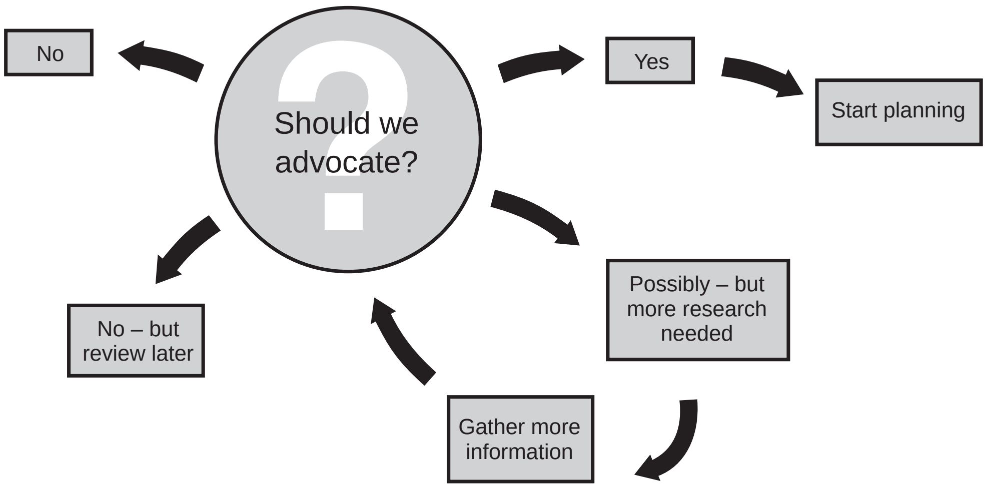
- who or what is behind the information source
- why it has been produced
- why the conclusions have been reached.

It is also important to assess the information to see:

- whether the facts are up to date
- whether we agree with the analysis and conclusions.

Step 3 Planning

After assessing the information that has been gathered, a decision has to be made about whether to advocate. The following diagram might be helpful. If it is decided to go ahead with advocacy work, a strategy will need to be put together.



We suggest the following process for putting together a strategy. This planning process involves the following:

1. Goal and objectives
2. Measuring success
3. Stakeholder mapping and analysis
4. Choosing methods
5. Risk management
6. Action planning

(APPENDIX 2 gives a suggested format for planning a strategy.)

3.1 Developing the goal and objectives

Goal

The goal is the overall purpose of the project, whereas the objectives should be SMART (Specific, Measurable, Achievable, Realistic and Time-bound).

Example

- Ensuring that private sector involvement addresses the interests of poor people.

Objectives

Objectives can be short, medium or long term and it is wise to have a variety of these. Short-term objectives, when fulfilled, give encouragement early on and help us to see whether activities are going in the right direction. Long-term objectives usually focus on changing institutions' policy or practice that affects the community.

Examples

- Government to allow representative of community a seat at the negotiating table (short term)
- Private sector to increase access to water services by poor communities by 20 per cent (medium term)
- Government to implement legislation that protects the water and sanitation needs of poor communities (long term).

Finding out information from government necessary for the research can be very difficult. If the government is not releasing information that should be publicly available, then the release of that information can become one of our objectives.

3.2 Measuring success

Once the objectives have been identified, indicators that show achievement of the objectives should be considered. They are produced by asking: 'How will we know if we have fulfilled the objectives?' If the objectives are SMART then the indicator is the objective once it has been achieved. It is often the objective in the past tense!

Sometimes it is necessary to think of less obvious indicators, such as monitoring how frequently the campaign is mentioned in the press. Advocacy is often long term, so measuring impact may take many years.

Example

OBJECTIVE Government to allow representative of community a seat at the contract negotiating table (short term)

INDICATOR Representative of community has seat at negotiating table

MEANS OF MEASUREMENT Invitation to negotiations sent to community representative from government.

3.3 Stakeholder mapping and analysis

Before undertaking any advocacy work, it is important to identify to whom we should be speaking and with whom we need to be working.

3.3.1 Stakeholders involved in the privatisation and their roles

Many stakeholders involved in the privatisation may be based outside the country. Below is a list of all possible stakeholders. It is important to be specific about who is involved.

Commercial banks now rarely loan money for water privatisations because of a high risk the money won't be repaid

COMMERCIAL BANKS Commercial banks provide loans for private companies. Their loans tend to be more expensive than loans from other sources, which increases the cost of a project. However, commercial banks now rarely loan money for water privatisations because of a high risk the money won't be repaid.

INTERNATIONAL FINANCING INSTITUTIONS (IFIs) IFIs include the World Bank, International Monetary Fund (IMF), European Investment Bank, Asian Development Bank and African Development Bank. Along with donors, IFIs will make loans to government.

DONORS Donors include multi-lateral donors like the European Union, World Bank, African Development Bank and Asian Development Bank. They also include bilateral donors, which are official aid agencies in rich countries. IFIs and donors might force governments to privatise by putting a condition on funding.

GOVERNMENT AUTHORITY (CENTRAL, LOCAL, MUNICIPAL) The government authority is the client. It is in control of the project and so is the decision-maker, but will face lots of pressure from different stakeholders.

Many companies offer expressions of interest early on, with no intention of submitting a bid, in order to get commercial information on the water market

CONSULTANTS Consultants include lawyers, staff of private companies (but not companies expressing interest in bidding for the contract) like engineers and project managers or independent consultants. Consultants are hired by the government authority to bring in expertise on certain aspects of the privatisation.

PRIVATE COMPANIES These are the companies involved in bidding for the contract. Companies expressing interest in the contract might include manufacturers, consultancy firms and construction and engineering companies. Many of these companies offer expressions of interest early on, with no intention of submitting a bid, in order to get commercial information on the water market.

3.3.2 Stakeholders affected by or interested in the privatisation

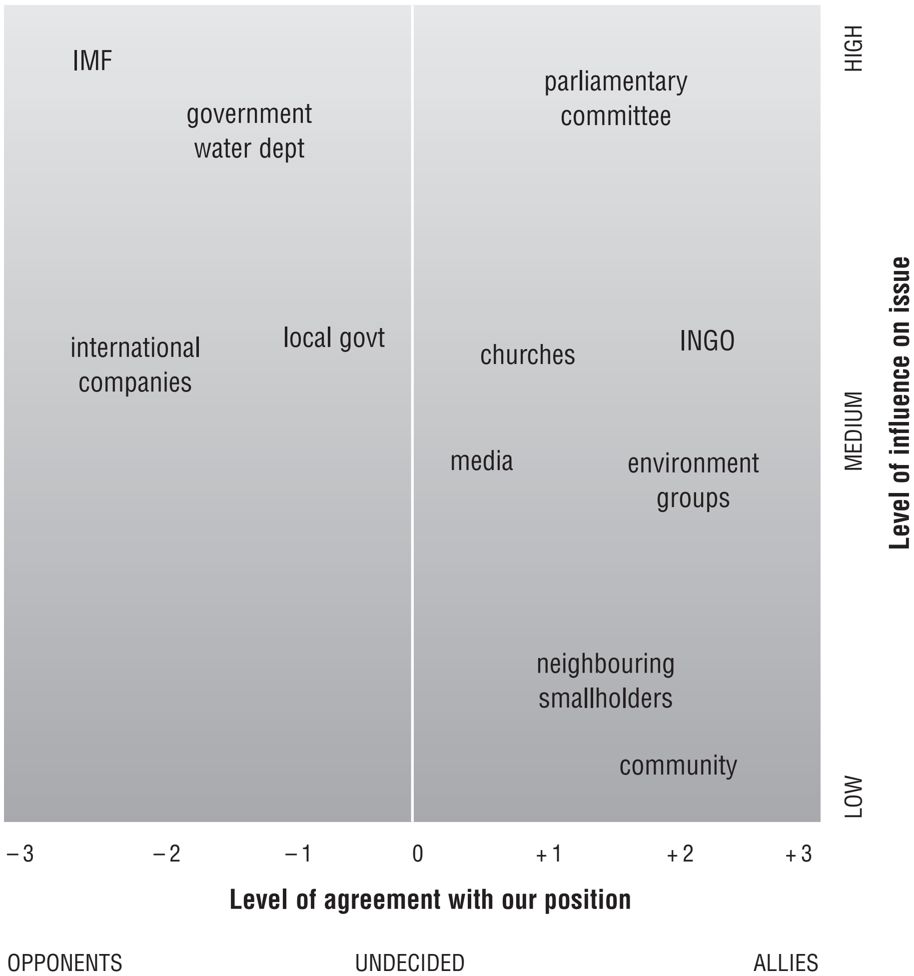
- Lawyers
- International NGOs (INGOs)
- Community-based organisations
- Parliamentarians
- Trade Unions
- Environmentalists
- Human rights advocates
- NGOs
- Media
- Poor communities
- Workers
- Academics

We should write a list of all groups and organisations that may be affected by or are interested in the privatisation, including contact details.

3.3.3 Allies and opponents matrix

After listing all stakeholders either directly involved in or affected by the privatisation, we can decide whether they are allies or opponents. The approach suggested in TABLE 3 may be useful.

Table 3
The allies and opponents matrix



3.3.4 Identifying our targets

Our target is the group or organisation that has the ability to make the decisions about the issue we are concerned about and is currently in disagreement with our position. If using the table above to identify allies and opponents, it is most likely that the targets for our advocacy will be situated in the top left-hand corner of the table.

In identifying the targets, it is important also to consider how likely it is that we will be able to influence the decision-makers. This will depend on experience, alliances and organisational strengths and weaknesses. For example, it may be more likely that we will be able to influence the policies of our national government than the IMF. In this instance, therefore, we should identify our primary target as the national government.

3.4 Choosing our methods

There are many methods and activities that can be used to carry out advocacy work. It is likely that most of them will be used at various stages of the advocacy process. The activities we choose will be determined by our objectives, skills and resources and targets. The most common methods are shown in TABLE 4:

Table 4
Advocacy methods

METHOD	EXPLANATION	COMMON USE	EXAMPLES
Networking	Building alliances with as many people as possible Creating a movement for change	For any long-term advocacy activity to make it sustainable When we do not have the skills or strength in numbers	Meeting other community leaders Sharing information via email Joint conferences
Lobbying	Speaking directly to the target to explain in detail the problem and the proposed solution	When target is open and will listen to facts and careful argument	Meetings Phone calls Briefing document Public meetings
Raising awareness	Informing people of the situation so that they are aware of the issues Often the first step in an advocacy process	When information is hidden When issues are complex To build confidence	Training Community meetings Church services Posters and leaflets
Mobilising	Closely connected with awareness-raising and media Involves harnessing 'public pressure' so that as many people as possible will contact decision-makers and call for change	When policy-maker can be swayed by public opinion To show strength of feeling To use strength in numbers and organisation	Letter writing by public Marches and rallies
Media	Using the radio, newspapers and television (owned by others as opposed to using our own media, eg: newsletter)	When we cannot get direct access to policy makers To reach those outside the local area	Radio phone-in Press release to newspaper Briefing a journalist

3.5 Risk management

Any work that we do involves risks. We are constantly seeking to avoid or reduce risk. Risk management is used to make sure that we consider the main risks we face as an organisation before we undertake our advocacy work. Risk management also helps us to plan ways to reduce those risks.

Using TABLE 5 below, we can list the main areas of risk (first column), agree the methods and activities that will be used to reduce the risk (second column), and identify who is responsible for this (third column).

Table 5
Risks of advocacy

MAJOR RISKS	WAYS OF REDUCING RISK	OWNER
Damaged reputation:		*specify person*
• if information is incorrect…	• Check information with others before going to policy-maker	
• if we claim to be speaking for a group we have not consulted…	• Establish clear lines of accountability and clarify process of deciding policy and consulting stakeholders	
• if fail to deliver on promises…	• Be clear about what we will offer to do before we go to a meeting and be clear about who can speak on behalf of the community / group	
Personal violence	• Build relationships with those in power who could help us in difficult situations • Work in networks to give strength in numbers • Work with external allies who are not under the same threat • Treating our opponents with respect so as not to cause them to be violent	*specify person*

3.6 Action planning

Once an overall advocacy strategy has been developed, it is important to plan how it will take place in terms of timing, resources, budgeting and personnel. Planning should not be too rigid. Rather, the possibility of making changes should be built into the plan. The important things to decide at the beginning of the planning process are:

- Who will do what
- When this will be done and with whom
- What types of inputs besides people will be needed.

Step 4 Action

4.1 Stating our position

A position is a statement of what an organisation, group, or person believes about a particular issue and what action they think should be taken. It may also be called a policy.

The main components of a position or policy are:

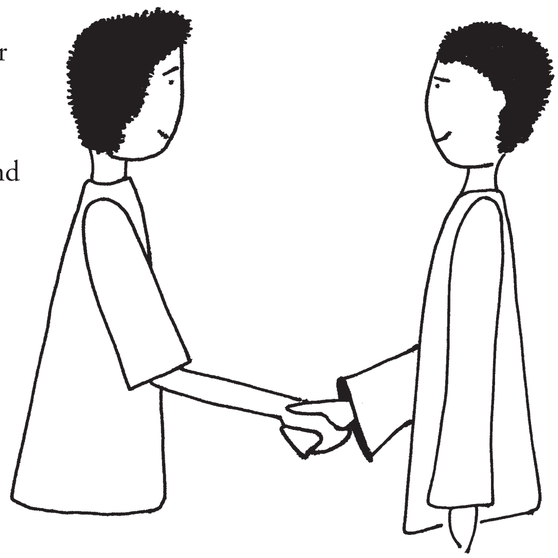
- introduction
- executive summary
- effects and evidence
- causes and responsibility
- solutions and recommendations
- appendices.

A position statement should not be longer than four sides of A4 paper.

4.2 Networking

Networking is about making contacts with people and organisations for the purposes of sharing information and possibly working together for greater effectiveness. This can be done informally, such as through individual relationships or sending information that might be of interest, or it can be done more formally through joining or forming a network.

Working with others is important for influencing decision-makers. Once potential allies have been identified (see 3.3.3 above), meet with them and discuss how to work together. What different strengths and weaknesses does each ally bring to the network? How will the network be co-ordinated and how will members communicate with each other?



Case study

Kathmandu, Nepal

The water supply situation for almost all of the 1.1 million urban residents of Kathmandu valley is desperate for most of the year. Many households are not connected to the official water supply network. Most of those with such a connection receive an intermittent service of an hour or so a day of very low pressure. Those without a connection use a variety of sources, including shallow tube wells of uncertain quality. Currently, water services are run by the government, but for many years they have failed to deliver an adequate service for the vast majority of people. Attempts at reform and the injection of large amounts of foreign aid have failed.

Over the past decade the government of Nepal and donors have negotiated a reform agenda. One of the main proposals is to bring in a private-sector company.

In Kathmandu, like-minded NGOs and CBOs set up a civil society network with the specific aim of scrutinising and influencing these reforms to ensure both that the water stress of poor people is reduced and that attention is paid to the larger environmental conditions of the Kathmandu valley. In total, 68 different organisations – NGOs (30), INGOs (10), central government (5) and local (6) government, donors (4), media (4), academic institutions (4) and consultants (5) – have participated in the network's meetings. The engagement of these organisations is a necessary requirement to communicate information to poor people and to have an opportunity to comment on proposals while still in draft form, and for government and donors to pay some attention to these issues.

PSP is a complex process and the costs of civil society involvement are high in terms of the time and energy required to understand the existing situation, the proposed reforms, their likely implication for poor communities and to develop alternative proposals or adjustments. For most NGOs, this does not cleanly fit within their mandates – many of the subject areas are new and complicated, and much data is non-existent, ambiguous or incomplete.

What was clear from the start was that the network needed to understand both the existing situation and the requirements for the objectives of the reform to be met, before they would be able to comment on or propose ways of improving equity.

Summaries have begun to be translated into Nepali, a major break-through for a debate that has been almost totally in English

During this process the recent history of water supply in the city was considered, a list of research and studies and analyses made, and information simplified and summarised. The main points were selected and presented in a succinct manner. Recently these summaries have begun to be translated into Nepali, a major breakthrough for a debate that has been almost totally in English, and an absolute requirement for any wider discussion among users and local governments.

In this process of learning and engagement, many in the network have come to conclude that the root cause of Kathmandu's water woes is a lack of institutional autonomy to operate the system in an efficient, equitable and environmentally sound manner. As a result, perverse subsidies help to reduce the cost for the affluent, a substantial number of families are unconnected to the distribution network, tariffs are too low to encourage responsible use, the network leaks and one third of all water is wasted, and the Nepal Water Supply Corporation has too many underpaid staff.

So far the network has agreed that:

- the assets should remain under public ownership to emphasise that it is still the government that has ultimate responsibility for water and sanitation services provision
- the water supply system itself has to be managed in a financially sustainable manner, whether under public or private operation, which may only happen if the utility has significant autonomy
- independent and capable regulation is required
- a well-informed and engaged civil society, able independently and critically to scrutinise the policies and actions of the other parties, is necessary to ensure that the system benefits the poor and that its operation is environmentally sound.

4.3 Lobbying

Lobbying is a very effective means of influencing decision-makers and a tool that we often use in advocacy. There are a number of possible approaches to lobbying, including:

- writing a letter or sending a position paper
- making a phone call
- sending an email
- arranging a visit or a meeting
- participating in a public meeting or conference
- taking the opportunities that arise, such as a chance meeting
- using the courts.

It is likely that several, if not all, of these approaches will be used in an advocacy strategy.

Lobbying is likely to be more successful if we acquire good negotiating skills

Lobbying is likely to be more successful if we acquire good negotiating skills. This will enable us to ensure that others understand the point we are making and help us to persuade others to take our suggested course of action. Bad habits in negotiating can quickly alienate those we are speaking to and undermine our message.

Some helpful negotiating habits

WIN-WIN Seeking solutions that will be beneficial to both parties. Being willing to compromise on some areas, but being very clear about what we will not negotiate. Trying to think of what we can offer so that the other party is satisfied.

ASKING QUESTIONS so that we can identify areas where we may both benefit This also helps to avoid a spiral of attacking and defending.

SEEKING PERMISSION This puts us in control without having to battle to speak. 'I would like to suggest that… ' or 'Could I ask…?'

TESTING AND SUMMARISING Ensuring that everyone has understood and interpreted things in the same way and agrees on action points. This helps build trust and avoids confusion and relationship breakdown later on.

EXPLAINING OUR MOTIVES to the other parties so that they are clear why we are proposing a particular course of action; not leaving them guessing about hidden agendas.

BEING SENSITIVE to a change in mood, to unexpected revelations or reactions, to defensive responses, to boredom or lack of interest – and changing our approach accordingly.

KNOWING WHEN TO STOP Being aware of how far we can push a particular line of questioning, and being prepared to meet again later on if necessary.

LISTENING AND ENGAGING Listening to concerns and trying to respond to them. Letting them speak first if necessary.

Some unhelpful negotiating habits

EMOTIVE APPROACH Using subjective or emotive words adds nothing to our case but simply accuses the other side of being unfair or unreasonable.

DEFEND/ATTACK SPIRALS If we do not listen to the other point of view and simply defend our own position, an argument can result and it is harder to persuade others.

LISTING arguments, reasons and information to strengthen the proposal can annoy the listener and make them forget the main points.

COUNTER-PROPOSALS If every suggestion by the other party is countered with one of our own, it will become harder to persuade them.

ANGER Shouting at someone could discredit our message, and suggest that we have weak arguments.

RIDICULE/DISRESPECT This will cause the other person to close up and they may even close the meeting early.

INTERRUPTIONS This can annoy the person speaking, and others, who will think we are not listening, and they may do the same to us.

MAKING IT PERSONAL This can lead to people being offended and insulted and does not necessarily address the problem

Shouting at someone could discredit our message, and suggest that we have weak arguments

4.4 Raising awareness and mobilising people for action

Education and awareness-raising are activities that are central to any development activity in order to empower people to act on new information and understanding.

Useful methods for passing on information to those who have an understanding of the issues but do not necessarily know all the facts are:

- public meetings and rallies
- information leaflets
- radio broadcasts
- newspaper articles
- press releases
- participatory rural appraisal (PRA) and participatory learning and action (PLA) tools.
- open air films
- slide shows
- newsletters
- community meetings
- posters

There are two groups of people who can be mobilised for action:

- Those who are directly affected by the involvement of the private sector
- Those who are concerned about the impact of privatisation on the poor – eg: supporters of INGOs.

Case study

Urban Ghana

Buying three buckets of water a day can cost between 10 and 20 per cent of the average income

In Ghana, 78 per cent of the urban poor have no regular access to piped water. For those who do not have access to the piped water system, buying three buckets of water a day can cost between 10 and 20 per cent of the average income. Efforts to reform the government-run Ghana Water Company (GWC) have to date failed. Since the early 1990s, the decision was taken to increase the role of the private sector to improve the operational and financial ability of the urban water sector. In 1995, the government decided to lease the urban water system of Ghana – approximately 74 water systems across the country – to two private-sector companies. At the time of writing, four bidders for the contract have pre-qualified: they are all international private companies.

In response to these proposals, a group of NGOs formed a network to advocate against the increasing privatisation. The Ghana National Coalition Against the Privatisation of Water is a coalition of individuals and organisations who share the following objectives:

- To conduct a broad-based campaign to ensure that all Ghanaians have access to adequate and affordable water by the year 2010
- To ensure that the right to water is explicitly guaranteed under the constitution of the Republic of Ghana
- To ensure that the ownership, management and control of water remains in public hands
- To promote public awareness and debate about the privatisation process
- To promote alternative solutions to lack of access to water.

The coalition's campaign has included a wide range of advocacy methods to achieve these objectives, including:

- research into the role of the IMF and World Bank in pressuring Ghana to privatise
- peaceful demonstrations involving the general public
- media work, nationally and internationally
- working with an INGO based in a developed country to highlight the role of foreign donors in the privatisation
- organisation of an international fact-finding mission to write a report on the proposals, and lobbying to get access to information
- issuing a position paper that individuals and organisations can sign up to, to demonstrate their support.

Currently, the plans to privatise continue, but the Coalition is also keeping up the pressure for its demands to be met by the Ghanaian government.

Once people are aware of the issues and convinced of the need for action, there are several methods that can be used to mobilise them to action. The methods used should depend on factors such as what people are interested in doing and what will have the greatest impact.

TABLE 6 outlines a number of options, with some of their pros and cons.

Table 6 Options for raising awareness

	COMPONENTS	BENEFITS	DRAWBACKS
Public meetings	People brought together for a debate Decision-makers open to public questioning Everyone invited	Might get good publicity Decision-makers hear views directly Chance for discussion	Time-consuming and expensive to set up Possibility of disruption or confrontation
Vigils, demonstrations and protests	Group of people gathered at a symbolic place to make a visual protest to decision-makers	Can be very visual and powerful Good media coverage	Possible violence Might lose access to decision-makers if confrontational
Supporters meeting decision-makers	Groups of concerned people meet with decision-makers, often their local officials to reinforce the message	Decision-makers hear concerns directly from those affected Builds local support for campaign	Difficult to co-ordinate message
Production of materials (reports, briefings)	Detailed material which shows the facts behind the campaign, usually with policy recommendations	Gives credibility among supporters and decision-makers Educates others	Time-consuming and expensive to produce Danger that they will not be read
Stunts	Unusual actions which draw media attention to our cause, such as street drama	Good media attention Powerful for getting message across to public and decision-makers	Can go wrong and look unprofessional If very controversial, public may be hostile
Newsletters	Regular mailing of information to those who are interested	Keeps people up-to-date Encourages regular and alternative actions	Can be time-consuming and expensive to produce
Postcards and petitions	People sign a sheet of paper or sign or write a message on a postcard to decision-makers	Quick and easy to do Many people likely to act Can be a good starting point for mobilising the public	Impersonal, so possibly ignored by decision-makers
Letters to decision-makers	People write personally to decision-makers	Letters to elected representatives often viewed by policy-makers as measure of public concern	Decision-maker might receive many letters, so difficult to distinguish from other campaigns
Internet campaigning	Signing petitions, sending letters to decision-makers	Easy to set up Flexible and responsive Can get many people involved	Excludes those without internet access May be ignored because impersonal
Exhibitions	Set up in public places to raise awareness Possibly linked with actions/stunts	Photos, video and audio are very visual and people will stop and take notice	Time-consuming Often dependent on the weather
Boycotts	Refusal to buy products from a certain company	Can affect profits and bring pressure for change Good media coverage	If few people participate, it will not be effective

4.6 Working with the media

The media includes radio, television, newspapers, magazines and the electronic media such as email and the internet. Media work can build awareness, shape public opinion and influence policy decisions. Using the media well can increase the likelihood of bringing about change.

Some tips for working with the media

BEING CLEAR ABOUT THE AIM Why do we want media coverage? Is it to reach decision-makers or a wider audience? Is it to raise awareness or put pressure for policy change?

STICKING TO THE MESSAGE What particular message do we want to share? We must ensure that this is clear and in line with our messages for lobbying and mobilising people.

REMEMBERING WE ARE DEALING WITH PEOPLE The media is made up of individuals and departments who have a job to do and need a good story to do it.

TARGETING KEY PEOPLE To use the media well, we need to have good relationships with relevant people who are in sympathy with what we are trying to do.

PUTTING OURSELVES IN THE SHOES OF THE MEDIA Asking 'Why is this interesting? What will catch people's attention? What is the likely reaction?'

REMEMBERING THAT NO NEWS IS UNBIASED Most media have values behind them, whether they are political, religious or poverty-focused, etc. We should make sure we find out what this is before approaching them, so as to have a good understanding of how they may view our issues.

Step 5 Evaluating

The reasons for monitoring and evaluating advocacy work are:

- It helps to identify if we are on track
- It shows whether any changes need to be made
- To learn from what went well and what could have been done better
- For purposes of accountability to stakeholders.

MONITORING is a way of checking that we are doing what we said we were doing, and identifying and addressing problems as they arise.

EVALUATION is more complicated than monitoring. It assesses the impact of a project, finds out whether objectives are still realistic and worth aiming for, gives credit for success to various factors or people, and helps with accountability.

(For further information on how to carry out monitoring and evaluation activities, see *Practical Action in Advocacy*, Tearfund, 2002 and *Advocacy, what's it all about?* WaterAid, 2001).

Final thoughts

Although we may be advocating on the issue of privatisation, it is important not to lose sight of the big picture – how to improve water and sanitation services for all, and most especially for poor people.

In doing advocacy on access to water and sanitation, we should concentrate on such issues as:

- Who gets served, who doesn't, and what additional burdens are placed upon those who do not get served?
- Why do the poor not get served? Is it prejudice, something in the legal system preventing the poor from being served?
- How much does the service cost, how much do people pay? How much do those un-served, pay? If revenues do not equal costs, who foots the bill? Who should foot the bill? What does this imply?

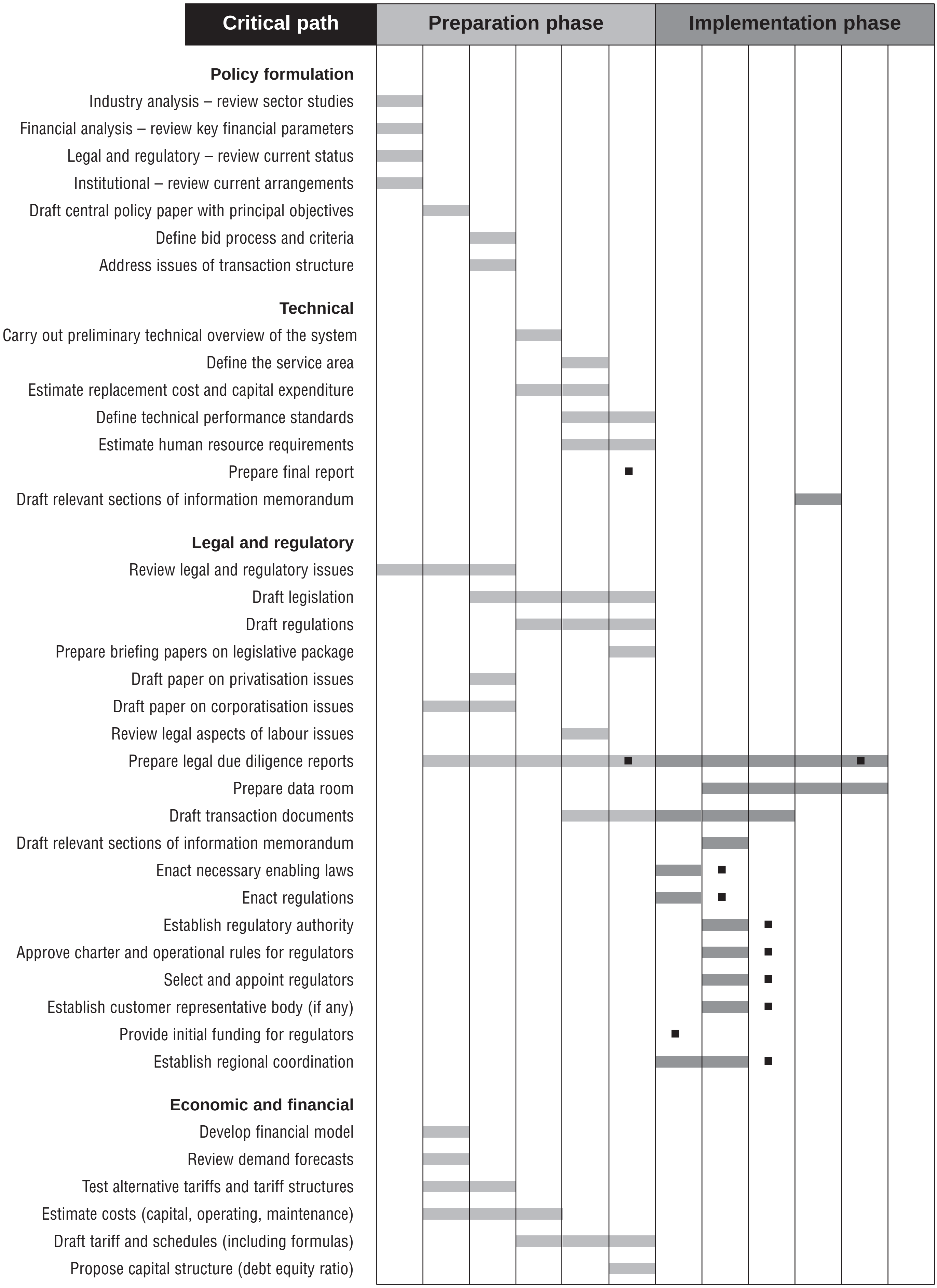
Useful resources and websites

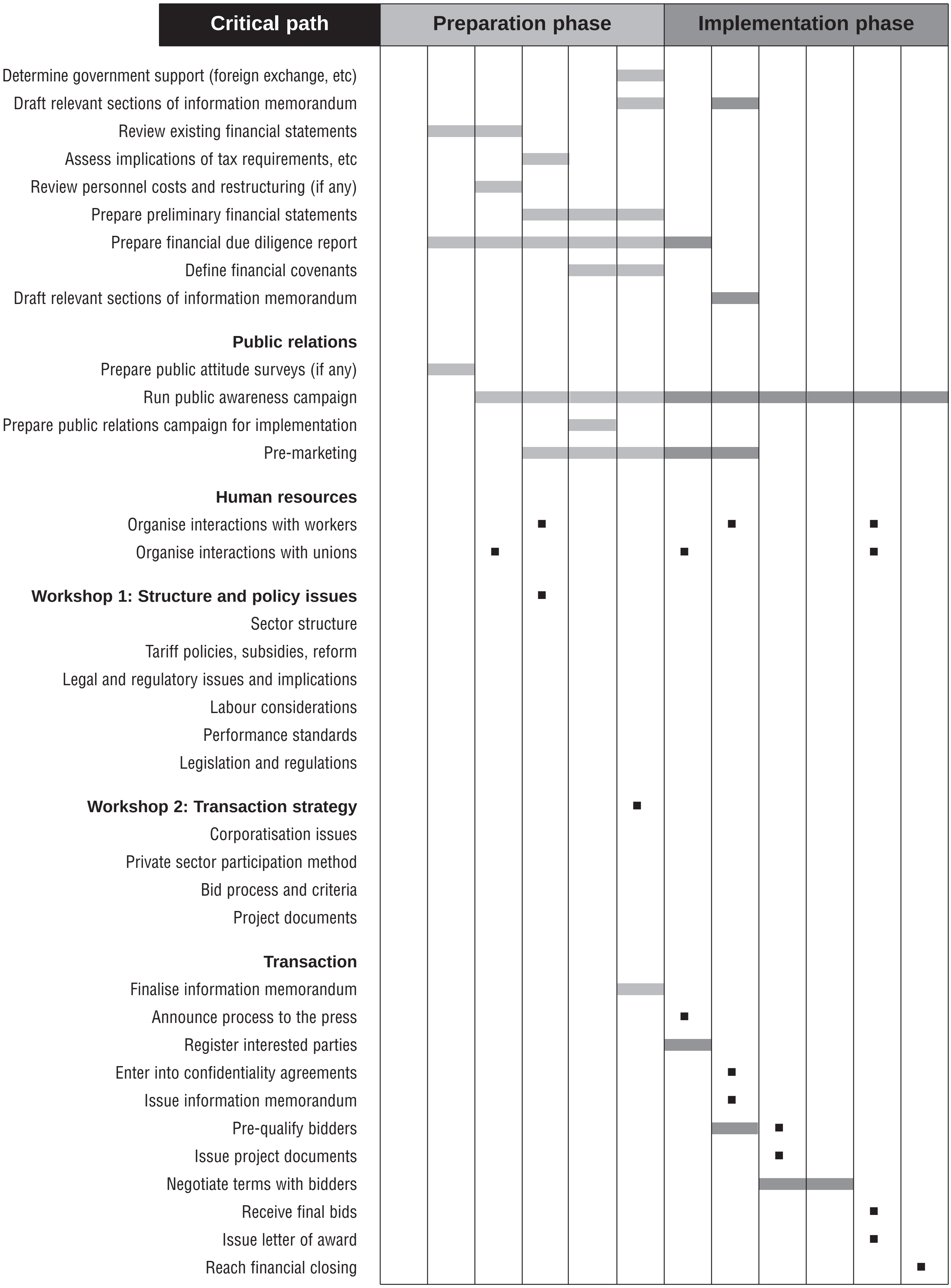
- *Advocacy and Water: a practical guide* (2001) Tearfund
- *Advocacy Toolkit* (2002) Tearfund
- *Advocacy. What's it all about? Advocacy Sourcebook* (2001) WaterAid
- www.tilz.info (Tearfund resources listed above can be downloaded from this site.)

Bibliography

- *Practical Action in Advocacy, Advocacy Toolkit* (2002) by G Gordon, Tearfund
- *Preparing for Private Sector Management of the Kathmandu Urban Water Supply* (2003) by Etherington, Wicken and Bajracharya, WaterAid and Tearfund
- *Report of the fact-finding mission on water sector reform in Ghana* (August 2002)
- *Small-scale PSP in Niassa, Mozambique* (2003) by Estamos, WaterAid and Tearfund
- *The synthesis report. New rules, new roles: Does PSP benefit the poor?* (2003) by Calaguas, Green, Gutierrez and Roaf, WaterAid and Tearfund
- *Water Projects: A commercial and contractual guide* (2001) by J Delmon, Kluwer Law
- *World Bank privatisation toolkit – water and sanitation* (1997) (2nd edition coming out in 2004)
- www.isodec.org.gh/isodec/water_NCAP.htm
- www.tearfund.org/campaigns
- www.wateraid.org/research

APPENDIX 1 **World Bank recommended path to privatisation**





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APPENDIX 2 **Advocacy strategy table**

GOAL	OBJECTIVES	SUCCESS INDICATORS	MEANS OF MEASUREMENT	TARGETS	ALLIES AND OPPORTUNITIES	METHODS AND ACTIVITIES	RISKS AND ASSUMPTIONS	TIME-SCALE	RESPONSIBILITY

Prince Consort House,
27–29 Albert Embankment,
London, SE1 7UB, UK

www.wateraid.org

100 Church Road,
Teddington,
TW11 8QE, UK

www.tearfund.org

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