

SUSTAINABLE UTILITY PARTNERSHIPS



Water and sanitation service providers in developing and transition countries often lack capacities in terms of personnel, organisation and know-how, many of them are not able to provide safe water and sanitation 24/7 to all their customers. Often quality and efficiency of operation and maintenance (O&M) can significantly be improved. High water losses are common, non-revenue water and low tariffs reduce the coverage of costs. Untreated wastewater puts water sources and public health at risk. Development projects often underestimate the key role of local utilities to provide reliable services.

Within the Sustainable Utility Partnership (SUP) Initiative, which has been developed together with other German utilities within German Water Partnership, we are convinced that SUPs are ideal tools to improve services for growing cities through strong operators. Our joint objective is to establish the SUP as a powerful programme of the German water sector. The SUPs can unlock the German water expertise which is unique in terms of performance of local public operators, long term investments and maintenance,

environmental protection, full cost recovery and good customer service.



HAMBURG WASSER

HAMBURG WASSER is the municipal water and wastewater utility, providing potabel water and sanitation services to more than 2 Million customers in the metroplitan region of Hamburg for more than 150 years. We offer our services in a cost effective, efficient and reliable way. We increasingly harness our skills and know-how to build the capacity of partner utilities world wide as well. We have successfully proven our ability to improve the performance of water and wastewater utilities in countries such as [Tanzania](#), [Rwanda](#), Jordan and the [Palestinian](#) Governorate, among others.

RATIONALE

HAMBURG WASSER perceives the current UN Water Action Decade 2018-2028 as an opportunity to further develop its international activities towards social responsibility on behalf of its shareholder, the Free and Hanseatic City of Hamburg. We are guided mainly by two global drivers:

- The **Agenda 2030** for Sustainable Development, adopted in 2015, especially SDG6 – water, sanitation and hygiene (WASH), which is in multiple ways the prerequisite to sustainable development and thus many other goals of the Agenda 2030.
- The **New Urban Agenda**, addresses the globalization world wide and calls for universal access to safe and affordable drinking water and sanitation to achieve adequate standard of living in cities. It stresses the need for expanded urban services, and pinpointing the dominant public approach after many disappointing experiences with PPP-models.

In Germany, the Water Strategy adopted in 2017 by the German ministry and the German Guidelines to Preventing Crisis, Managing Conflicts, Promoting Peace are backing this initiative.

CLOSING THE O&M GAP BY DEVELOPING STRONG WATER AND WASTEWATER UTILITIES

The recent World Bank Study estimated the global capital costs to achieve ‘safely managed’ services as defined in SDG 6 to approximately \$87 billion per year. This is mainly capital and only the tip of the iceberg. Additional financing needs to be planned for operation and maintenance costs. Not to be forgotten either are the O&M costs for the already constructed infrastructure that has to operated and maintained to provide efficient services.

Unfortunately, the conventional development cooperation still underestimates the key role of local water and wastewater utilities to provide reliable services. Capital investments do not translate into effective service delivery without strong utilities continuously maintaining high levels of O&M. Therefore, the SUP approach focusses mainly on human and institutional factors, providing and developing skilled O&M staff and implementing a spirit of ownership by capacity building and institutional strengthening. As partnerships, SUPs shall be designed to last much longer than the current 3-year projects cycles.

COOPERATION AND INNOVATION

New sector paradigms are needed, requiring inter alia more collaborative approaches with all stakeholders playing an active role and identifying permanent revenue sources for O&M. Therefore, HAMBURG WASSER, driven by its corporate social responsibility, is looking for effective and complementary ways to strengthen its own contributions to increase the service levels and the bankability of local utilities. This means that we are evaluating the feasibility of innovative concepts for financial (e.g. blended finance), technical (e.g. virtual reality) and organizational approaches beyond the SUP approach, and we seek to collaborate intensively with interested organizations matching these goals.