Water Operator Partnership
PUP Riga-Stockholm

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A Public Water Management Company with an Eco-cycle Approach contributing to improved Water Environment in the Baltic Sea Area

Shares: Stockholm City 7%
       Stockholm Stadshus AB 91%
       Huddinge Local Government 2%

Customers: 1 152 200
Employees: 604
Turnover: 148 MUSD
Contracted services: 73%
Sustainable Water Management

- Full cost recovery (no subsidies)
  - EU Directive
- No profit
  - The Swedish Water Act
- Value for money - customer service
  - The user pays
  - The polluter pays
The Sustainable City
- a Partnership initiative

Inter-national Collaboration
- Nordic Baltic Cooperation (NBC), Network
  - Public ownership - Nordic model
  - Public-Public Partnership
    - Corporate Development Programmes
    - Technical Assistance Programmes
- Stockholm International Water Institute, SIWI
  - Stockholm World Water Week & Symposium
  - Collaboration with UNDP and World Bank

Inter-regional Collaboration
- 6 Cities Group (Scandinavian Benchmarking), Network

Inter-municipal Collaboration
- Agreement, Associations, Joint Stock Companies
Main Objective of a WOP (PUP)

- Introduce Good Governance
  - Sound financial mechanisms, transparency
  - Strong management capacities
  - Clear and distinct regulations of the water service
  - Sustainable operations
Stockholm Water’s Corporate Development Projects Around the Baltic Sea
RIGA, Latvia

- 800,000 customers
- 1,500 employees (1,600)
- Turnover USD 40 million
- Investment Project USD 115 million
  - TA-extension: 2001
  - Sida: USD 5.3 million
Components of a Corporate Development Programme

- Ownership Support
- Service Agreement
- Corporate Development Strategy & Programme
- Financial Management & Reporting
- Billing & Collection
- Information Technology
- Public Relations

- Priority Investment Programme
- Project Management, PIU
- Operational Enhancement
- Change Management
- Human Resources Development
- Training Programmes & Know-how Transfer
Contributions of a WOP

- Enhanced company overall performance
- Know-how transfer = engaging own staff
- Improved quality and reliability of services
- Political control but no political management
- Best possible service without subsidies
- Facilitating financing and implementation of investment projects
- Assisting to fulfil financier’s obligations
Obstacles in WOP

- Lack of political support
- Lack of financing (Competition required)
- Deficient definition of the project/contract
- Insufficient or late information activity
- Focus on technical problems in stead of finances, quality and service level
A successful model for Water Operator Partnerships

- Strong networking and cross-border engagement
- Public Water Company to Public Water Company
- Close contacts between Financiers, Owners and Corporate Partners – direct financing
- Long-term experts at site from start
- Directed and early public information activities
- Involved and supportive Politicians (owners)
- Long-term collaboration to secure sustainable development
THANK YOU!

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