# PRIVATIZATION OF WATER SERVICES: MYTH AND REALITY



Water Privatization-Commercialization Resistance Committee

#### Water Privatization-Commercialization Resistance Committee

Patron : Justice Rajinder Sachar

Retired Chief Justice, Delhi High Court

President : Anil Nauriya

Vice Presidents : Narender Sharma

Suhas Borkar S. A. Naqvi T. R. Tomar

General Secretary : Dipak Dholakia

Secretaries : Harish Tyagi

Mr. Manager Chaurasia

Treasurerr : Girivar Singh

Technical Committee : S. A. Nagvi

Depinder Kapur R. Rajesh Viren Lobo Afsar Jafri

Residents of Delhi have been protesting against privatization of water at least since 2005. A large number of intellectuals, workers, lawyers and activists came together in November 2011 under the banner of the 'Water Privatization-Commercialization Resistance Committee' to build up a campaign for an immediate withdrawal of tariffs imposed by the Delhi Jal Board (DJB) since 2010 and to ensure that the State Government retains the responsibility to provide good quality, adequate and assured drinking water and sanitation to its citizens.

Cover page image:

http://butchpowwow.com/wp-content/uploads/2011/07/water-shortage-in-africa.jpg

#### INTRODUCTION

Ever since the National Water Policy 2002 was formulated, there have been attempts in India to privatize and commodify water. This constitutes both a retreat from the constitutional and economic duty of the State, and from our own human obligations to other humans. Water is a naturally occurring public good. Not only is the right to basic services like health, education and water and sanitation essential for survival, our society has, over centuries, recognized its obligation to provide water to the needy and thirsty through the establishment of piaos at temples, mosques, gurudwaras, and dharamshalas, as well as by individuals in front of their homes and in public places.

Delhi Government has, through directions given to the Delhi Jal Board (DJB), inflicted a fourfold increase in the cost of water and sanitation services since January 2010. The DJB's increased water tariff includes a provision for an automatic 10% increase in water bills every year. No such requirement exists in any other privatization process whether for electricity, education, health or public transport.

Many residents of 'unauthorized' colonies and slums are already paying even more than these increased rates for water of poor quality from private suppliers for the DJB does not provide an assured supply of drinking water in these areas. Water supplying contractors have the patronage of the local mafia and politicians. In addition to this privatization of water supply for the slums, large parts of the DJB works including maintenance of pipelines and construction works are already given out on contract to private agencies. DJB is inviting NGOs in provisioning of water supply in slums as well. All this amounts to a creeping privatization of the DJB, in the name of efficiency and people's participation.

Delhi Government is utilizing the widespread public discontent over the lack of adequate, good-quality drinking water and of sanitation services to pave the way for full-scale privatization of the DJB. The government does not tell us why such investments in strengthening the DJB to deliver quality services to the slums and planned colonies of Delhi cannot be achieved. Instead, the single solution of privatization is offered as the answer to all problems.

The steep increase in water rates by the DJB is the first step

towards privatization and for attracting private business interests. The government is now proposing to place the provision of water completely in the hands of private business, arguing that the private sector will charge less for these services than the mafia/private contractors. The argument that people are already paying higher rates cannot be used as an indication of their 'willingness' to pay exorbitant amounts for water — they do so from desperation.

It is obvious that no lessons have been learnt from the privatization of the Delhi Electricity Supply Undertaking (DESU). Not merely will consumers' monthly bills for water increase, the government will eventually have to subsidise the private operators (as with North Delhi Power Limited - NDPL, now renamed as Tata Power Delhi Distribution Limited - Tatapower-ddl and Bombay Suburban Electric Supply - BSES). Those who cannot pay for life-giving water will lose their water connections. Water will become a profitable business for a few and unaffordable to many.

We demand that the DJB accept responsibility for water and sanitation services in the slums and 'unauthorized' colonies of Delhi. We believe that Delhi Government needs to take steps immediately to strengthen the public utility purpose of the Delhi Jal Board, to make it accountable and capable of delivering quality water and sanitation services to the people of Delhi. The DJB should be strengthened with more funds and functionaries and placed under greater public scrutiny and accountability. Private contracts awarded by the DJB for operations and maintenance and new construction works must be stopped immediately as most of these construction contracts are meant to serve the private contractors' interests more than the citizens of Delhi and the poorest slums and colonies..

The government must understand that water, being the basis of life, cannot be equated with any other commodity or service.

To provide a better understanding of the problem, and possible solutions, this booklet has been prepared by the Water Privatization-Commercialization Resistance Committee for the ongoing campaign in Delhi.

#### CONTENTS

1.	Delhi's Current Water and Sanitation Situation	6
	The Status of Housing in Delhi	

- Lack of access to drinking water
- Water price hike becomes a routine
- Monthly Water and Sanitation Billing Charges by the Delhi Jal Board
- Can the private sector bring more water for the poor?
- Why We should Oppose Privatization of Water and Sanitation Services in Delhi

#### 2. Privatization of Water Supply: Myth and Reality

15

Reasons Advanced for Privatization of Water Key Questions that Arise from This Reasoning

- Is there really a water shortage in Delhi?
- Dependence on distant sources leads to water losses
- Why nothing is done to address water losses

The flawed Logic of Improving Water Efficiency by Privatization.

- What is Non Revenue Water (NRW)?
- Theft of water
- Water shortages and yet promises of a 24-hour supply?

What Would the Proposed Plans of Privatization Achieve?

- Previous attempts to privatize the Delhi Jal Board
- Struggles against privatization of water in Delhi

### 3. Rights over water: Privatization of water and sanitation services

- What is needed to improve the water and sanitation services of Delhi?
- We demand
- Alternatives for increasing water availability in Delhi References

#### 1. Delhi's Current Water and Sanitation Situation

#### The Status of Housing in Delhi

The National Capital Region of Delhi, which has a total area of 1483 sq.km., includes areas administered by the New Delhi Municipal Corporation and by the Delhi Cantonment authorities. Delhi's total population according to the 2001 census was 1.37 crore: the new Master Plan assesses it as 1.65 crore. Housing conditions in the national capital present a dismal picture. According to the National Statistical Survey of 2002, 58% of the 39 lakh households of Delhi are housed in areas of less than 50 sq. m. with as many as 32% households living in less than 20 sq. m. Most of these would be slum dwellers. According to the Status Report of DUEIIP (Delhi Urban Environment and Infrastructure Improvement Project Delhi – 2021), only 24% of Delhi's population lives in the Planned Colonies, with 34% living in Jhuggi-Jhompri (JJ) colonies and designated slums, 5% in 'unauthorized' colonies (not recognized by the MCD and hence not entitled to basic services), 25% in the Regularized Unauthorized colonies and Resettlement colonies and 11% in the Rural and Urban villages. Data presented in the 65th Round of the National Statistical Survey (2010 report), show that 70% of households in Delhi have a monthly per capita expenditure of less than Rs 1500.

It is clear that higher water bills with an automatic 10% annual increase are anti poor and affect the vast majority of residents.

#### Lack of Access to Drinking Water

The Government of Delhi is mandated to provide water, sewerage and sanitation facilities to the entire population of Delhi through the DJB, that was set up in 1998. By means of a 10,500 km pipeline, the DJB supplies 850 million gallons of drinking water per day, more than its installed capacity. Its treatment facility provides for only 514 million gallons per day, The rest of the untreated water is one of the major sources of the pollution of the Yamuna.

In unauthorized colonies like Sonia Vihar, Sangam Vihar and Bhalaswa, the DJB does not provide piped water or any sewerage services. Residents of Sonia Vihar have been unable to obtain water connections despite repeated representations to the DJB and the Delhi Government. In some resettlement colonies like Savda Ghevra, where slum dwellers, removed from the city, have been resettled by the government, there is no provision for a piped water supply (only tankers by DJB), no provision for sewerage systems and yet people are expected to use public toilets! The Delhi government's commitment to providing potable water to the vast population of Delhi living in JJ colonies, Unauthorized and Resettlement Colonies, is almost entirely met by water tankers, or from borewells dug by individuals, private contractors and the mafia.

In spite of pleas to delink water and sewerage services from legality of ownership of dwellings (for Unauthorized colonies and JJ slums), the people living in these colonies are not considered entitled to basic services of water and sanitation. The so called illegal nature of the slums and so-called unauthorised colonies, gives rise to the phenomenon of slum mafia and water tanker mafia -the unscrupulous operatives who trade in water and its supply. A few public taps or hand pumps are sometimes installed as a vote-catching gimmick by local MLAs or Corporators.

In Sonia Vihar, the two-lakh residents have to use public hydrants to collect potable water and depend upon borewells sunk outside their houses for other purposes. Installation of water taps is at the sole discretion of the local politician. Consequently, while some lanes have more than one tap, others do not have even one. This arbitrary distribution of water is capped by the unpredictabilty of the supply, both of quantity and quality. Often enough, hours of supply are unexpectedly curtailed, leaving residents in the lurch. The residents frequently complain of the unreliable quality of water.

In Bhalaswa JJ colony, situated next to the largest open landfill site of Delhi, although groundwater pollution is very high, in the absence of any other alternative source people perforce have use it as drinking water. In the Savda Ghevra Resettlement colony, groundwater is contaminated with a high level of solids (TDS), making the water hard and undrinkable. However, in the south Delhi slums, there is no groundwater at all, since there is no recharge from the Yamuna or

from any canals as is the case in west, east and north Delhi. In Sonia Vihar and other unauthorized colonies where people have paid huge amounts for laying pipelines for water, and face high monthly bills of Rs 500 -1000, the water is of such poor quality that it needs to be boiled before use.

The fact that the poor end up paying exorbitant amounts for their water, a basic human need, is treated as their "willingness and ability to pay" by the government. It is then converted into a comparison of Slums vs Better off areas, to show that the poor are capable of paying more for water and hence it is appropriate to increase the water rates and to invite private businesses to operate water and sanitation services for profit.

Resettlement colonies are not provided with individual toilets. There is no drainage and sewerage system. A similar situation exists in the unauthorized colonies of Delhi. People who can afford it, build their own septic tanks or use public toilets that charge a daily usage fee and are in a filthy condition. Water supply in the planned colonies is better but the quality and quantity of water supplied is poor. However, it is pertinent to note here, that DJB refused to provide water to Dwarka citing lack of adequate supply.

#### Water price hike becomes a routine

The fixing of water rates has now become an administrative decision in which the government of Delhi and its elected representatives have no say. It is the DJB that fixes the rates. It has already effected a 10% automatic annual increase in water rates. The question we ask is: Is there a provision for a 10% automatic annual salary increment and increase in social security benefits for the poor anywhere in India?

Water bills show a more than threefold increase in 2011, rising from Rs 95 to Rs 328/month, for a family of 5 living in an area of less than 200 sqm, and consuming 150 litres/per capita/day or 25 kilolitres a month on average. An additional 10% increase in tariff has become effective from January 2012. These increases will result in the doubling of water bills every 7-8 years. Conditions are being put into place to make business in water a profitable venture.

Monthly Water and Sanitation Billing Charges by the Delhi Jal Board										
		2005	2010	2011	2010	2011	2012			
Type of	Water									
Water Charge	Rates									
Volumetric	0-KL/M*	0	2	2.20	0	22	24			
water rate	10-20KI/m	2	3	3.30	20	33	36			
Slab per Kilo		7	15	16.50	35	83	93			
litre/month	More than	10	25	27.50						
Monthly	30Kl/m	Not linked								
service	0-10 KI/	to water	50	55						
charge	monthly	use.								
	10-20Kl/m		100	110	40	110	121			
	20-30Kl/m		150	165						
	More than	Jhuggi								
	30 Kl/m	Jhompri								
		Colonies								
		& Houses								
		less than								
		200 sqm								
		- Rs. 40/pm								
		Residential								
		premises								
		above 200								
		sqmts-								
		Rs. 120/pm								
Sewer charge	Linked to volumetric water con- sumption	Nil	50%	60%		80	92			
Monthly DJB Bill					Rs.95/ pm	Rs. 328/ pm	Rs. 366/ pm			

 $<sup>^{\</sup>star}$ The slab rate in 2005 for 0-6kl/month consumption, was nil. The next slab rate was 7-20 kl/month.

Considering that the vast majority of the urban poor in Delhi have mean monthly incomes of less than Rs 5000/month, with many single-woman households earning less than Rs 2000/month, high unemployment, the high cost of living, caused by high rents, the increasing cost of local transport, of food and health care — this increase in water rates will lead to a tragic reduction/denial in water and food consumption for the urban poor.

For the people of Delhi, therefore, there is no alternative but to first demand a roll back on the water prices hiked in 2010, and the 10% automatic increase every year; and secondly, to demand a roll back on privatization. We have to make the government responsible for water conservation and distribution to ensure that everyone has equal access to the water resources of the country.

#### Can the private sector bring more water for the poor?

Water cannot be produced in factories by private companies. The state has invested public money in creating a vast network of canals and ground water extraction for supplying water and sanitation services in all cities. Privatizing water, therefore, is essentially privatizing its distribution, billing and operation and maintenance. Private companies have no incentive to influence city planners to ensure water conservation measures, or allow for groundwater recharge along river beds and in open public places – the most critical aspect of managing Delhi's water supply, therefore, cannot be privatized. Even if this is attempted, the private sector may not take measures to conserve, or improve on water conservation and recharge of ground water.

Private sector will certainly benefit from the contracts for expanding the water supply infrastructure, laying more pipelines and being paid on a pro-rata basis for the length of pipelines laid and sewerage plants set up. They will be promised incentives for showing reduction in water wastage (Non Revenue Water or NRW).

Residents of slums and 'unauthorized' colonies are not entitled to piped water supply from the DJB. Once there is privatization of the DJB, the private companies will have a commercial incentive to supply water to any consumer, charging high rates. The companies will demand that the government pay them for connecting the slums and unauthorised colonies to the main systems for water and sewerage supply, connection charges where possible, and new distribution networks. Considering the poor paying capacity of slum dwellers and

poor settlements, the companies may adopt a system of ATM type water billing which is in vogue in some countries, or it may charge for bulk water supply to a single consumer in a slum block who then becomes a private vendor supplying water to other residents at a higher rate for service.

The results of the privatization of electricity in Delhi show interesting results. Private power supply companies are offered a 16% assured rate of return on their capital investment and operating costs, plus profit from operations. Profit from operations can be increased by buying power from the national grid at a lower cost and selling it to consumers at a higher rate. In order to achieve a higher profit, private power supply companies (Reliance and Tata) enter into power purchase agreements in summer with the national grid for less power, since this power has to be paid for in advance irrespective of its offtake by the private company. If there is a longer and harsher summer, the power companies have to buy more power at a higher rate from the national grid when demand is high. The private power supply companies, therefore, prefer buying less power and prioritising its sale to high-consumption clients who pay a higher consumption volumetric slab rate for units of power consumed in a month. This results in an artificial shortage of power in the poor settlements and a surplus in the richer colonies. Poor colonies with low per-capita power consumption get less power, because the profit from providing power to these colonies is less.

On top of this, the private power supply companies of Delhi started inflating their operation and maintenance figures and asking for a steep annual increase in tariffs. Initially, the Delhi government resisted this, but it soon relented and agreed to both subsidize the power companies as well as increase tariffs for the consumers. What, then, has been achieved by privatizing Delhi's power supply? People are paying more to a private company, the poorer colonies are deprived of an adequate supply and the government subsidizes and assures the private company a 16% rate of return on investment and operations and maintenance costs.

A similar situation is likely to arise with privatization of water and sanitation services. The DJB will be responsible for ensuring water supply — the most critical element of the entire business - to the private companies for free. The private water distribution companies will be assured profit on their investments and given a free run to make

more money by selling water to high end consumers at higher rates. The private company will not have any accountability or penalty to ensure that ground water is not contaminated and no responsibility for conservation and recharge of water. In the current recession-hit times, few other business opportunities can match the profit-making potential of water distribution.

Privatization in itself is not likely to improve the water supply to the urban poor. It may, instead, worsen the existing situation in case of water being supplied by the DJB tankers.

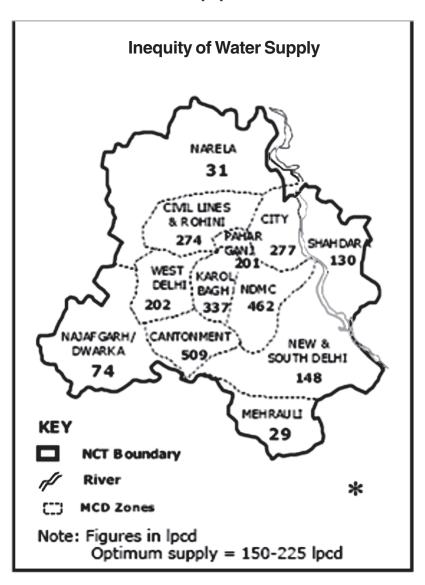
### Why we should oppose the privatization of water and sanitation services in Delhi?

Infrastructure of water pipelines and sewerage systems is laid underground, hidden from view - unlike the potholes you see on a badly-laid road, the badly-maintained buses, hospitals and schools, sports stadiums or malfunctioning street lighting. You cannot see what is happening underground. Building a new infrastructure of water pipes, sewerage systems and water tanks is a lucrative business opportunity for the private sector. People will never be able to check what investments are being made, what infrastructure is being created—whether it is actually needed, or is just a way to make money from wasteful contracts. Similarly, people will never see what water savings are being effected under the promised water privatization scheme.

When the government starts subsidizing the private water companies as is happening with BSES or Tata Power, it is our money, the tax payers' money that will be used.

Behind the arguments for privatization of water and sanitation services, lurks the potential of a massive scam in the name of providing a 24-hour water supply for Delhi. Engineering contracts will be created to deliver water, without consideration for enhancing water supply to the poor, by diverting it from other areas, or simply creating infrastructure that will never be used.

The unequal distribution of water between the rich and the poor areas of Delhi is at the root of the problem of Delhi's water supply and sewerage systems. It cannot be solved by more engineering contracts and more water supply provisioning for Delhi.



Source: Delhi 1999 - A Fact Sheet NCRPB

A creeping privatisation of the DJB has already been completed. A substantial amount of contracting out of maintenance and pipeline work has already been done. What the Delhi Government aims to do further is to privatize the entire distribution, metering and maintenance of water and sanitation infrastructure, in place of individual tendering of contracts. A few large private companies will now get exclusive contracts for operations and maintenance, metering and construction works – becoming monopolies.

# 2. Privatization of Water Supply: Myth and Reality

#### Reasons Advanced for the Privatization of Water

The following reasons are advanced by the Delhi Government for privatization of Delhi's water supply and sanitation services:

- The gap between demand and supply of water in the city
- The huge revenue losses incurred by DJB due to unmetered connections
- Inadequate distribution system
- Loss of huge quantum of water in transit
- Inadequate infrastructure
- Supply of large quantity of non-revenue water

Corruption at the metre-reading level, and the high price that slum and 'unauthorized' colony residents pay for water are cited as reasons for privatization of water. Instead of investing in more staff and systems to make the DJB responsive to the needs of, and accountable, to the residents of Delhi, the Public Utility has been reduced to an agency that is contracting out most of its core functions of repairs and maintenance.

Water is as essential a right as health, transport and education. By treating water and sanitation as a commodity from which profits can be made, the social purpose of the DJB is being undermined. As a public utility committed to supply water and sanitation to all, the DJB should not be treated as a commercial entity operating on economic efficiency criteria alone, much less should it be transformed into a corrupt contracting agency. Over the years relatively small annual deficits in the DJB budget have accumulated, and loans taken to cover this deficit have resulted in high interest rate payments, further bleeding the DJB. Given that the Municipal Corporation of Delhi (MCD) is not so poor and generates a revenue surplus, giving adequate support to the DJB, to schools and hospitals should have been the priority of both the Delhi Government and the MCD. Small annual grants would have covered DJB's annual deficits, would not have resulted in accumulating debt and the annual losses of the DJB on account of interest payments on debt.

Here one may recall that most of the major privatization initiatives of the State since 1991 have been mired in mega scams—for instance the Telecom scam which led to losses estimated at several thousand crores of rupees, the oil and gas mining scams (Reliance Godavari wells), coal and mineral mining in Jharkhand (Rs 4000 crore), the Madhu Koda scam and the Karnataka Reddy Brothers scam. Yet the focus is on petty corruption in the public sector so as to furnish arguments in favour of privatization. In fact, the failure of privatized public-sector services should have promoted a return to Public Control as is happening in Latin America (Bolivia), Europe (France) and the USA with the Re-Municipalization of Water Utilities that were earlier privatized.

#### **Key Questions that Arise from This Reasoning**

- 1. Is there a real water shortage in Delhi or are the shortages a result of unequal distribution of the water available in Delhi?
- 2. How can water efficiency be improved by privatization of water services?
- 3. What are the proposed plans of privatization? How are the proposed plans going to bridge the demand-supply gap?

The arguments given by the Delhi Government are that there is inadequate drinking water, and leakages are high, privatization will solve all problems. What is not set out is how the proposed privatization of supply and distribution will address water shortages and the unequal access to drinking water supply that is at the root of the crisis. Rather than addressing the gaps and improving the efficiency of the existing Public Utility Service of the DJB, the whole problem is presented as one of creating infrastructure— and privatization is presented as its solution.

The first issue is of unmetered connections. What are the reasons for unmetered connections? Why is the DJB unable to meter these connections? The reason is their unwillingness to provide water through pipelines to the vast majority of residents of the 'unauthorized', and resettlement colonies and slums of Delhi. Let the DJB provide them piped water and meter it.

The second and related issue is of improving the efficiency of water distribution to reduce the incidence of Non Revenue Water (NRW). What is the estimate of water losses in transit? What is the basis of these estimates and how reliable are they? How do private

companies propose to reduce transit losses? Why can the DJB not do the same?

What are the inadequacies in the current infrastructure? What has been the budgetary outlay *vis-a-vis* real demand for improving infrastructure? What is the proposed private investment on infrastructure? Why does augmentation of infrastructure have to depend on private investment?

Whose responsibility is supply augmentation? What are the ongoing projects, their investments and time-frame for completion? Who is making the investment?

In the process of scrutinising these reasons and answering these questions in this booklet, we get a picture of the overall water situation in Delhi and realize how privatization cannot be a solution to Delhi's water problems.

#### 1. Is there really a water shortage in Delhi?

Delhi's water shortages are a result of wasteful use, of unequal distribution. There is no justification for more investments, more water from distant sources and privatization, without first addressing the issue of unequal distribution.

Delhi's water shortages are not a result of a lack of availability of sources of water *per se*. The badly managed infrastructure of the DJB is being used as an excuse to explain away wastage and theft of water. Unless the problem of unequal distribution within the city is addressed, getting more water from outside, will not mean that those without water now will get more water through privatization.

It should be noted that the per capita water availability in Delhi is much higher than that of many cities in India and also of many European cities. The DJB claims to provide 50 gallons/day/per person for Delhi. In early 2011, water provided by the DJB was about 830 million gallons per day (mgd), when the demand was estimated at 1,080 mgd and the deficit was put at 250 mgd, but the per capita availability was normal.

It is estimated that only 72% of Delhi's population is provided piped water connections, and that only 55% of this water was metered. The average duration of piped-water supply every day is between two and three hours. Here too, there is great variation from area to area. Top priority is accorded to the districts of Central Delhi, the

Cantonment Board area and South Delhi, especially the Embassy area in Chanakyapuri. The hutment clusters of Southwest and East Delhi are in a state of perpetual water crisis. The standard supply for planned colonies is 225 litres per capita per day(lpcd), for resettlement colonies and urban villages 155 lpcd, but for JJ clusters it is only 50 lpcd.

In slums, 68% of households source water from community taps or public taps/standposts. The majority of adult women spend 30-60 minutes daily in water collection. This is done at the cost of other household chores or their free time; schoolgirls have no time to eat before going to school as they have to spend their time queuing for water, especially in the morning hours. The Delhi Government has spent a mere Rs 30 per resident on water supply and Rs 80 per resident on sanitation in 2011-12.

On the other hand, on an average each occupant of a five-star hotel utilizes 1,600 litres of water per day. The Prime Minister's house at 1 Race Course Road accounts for about 73,300 litres of water per day and Rashtrapati Bhawan, about 67,000 litres. In Ministers' residences 30,000-45,000 litres per day are used.

Unlike many other Indian cities that rely exclusively on ground water or one river water source, Delhi is fortunate in that it receives 85% of its water from surface water sources consisting of three rivers – the Yamuna, Satluj and Ganga. The construction of the 102-km long Munak canal is a joint effort with the Haryana government to ensure a supply of fresh water to both Delhi and Haryana. (Delhi has six functional water treatment plants with an installed capacity of 560 mgd though the total requirement of the city has been estimated to be 800 mgd. The Sonia Vihar and Nangloi water treatment plants, though completed, are non-functional because of lack of water.

Hence, there is enough water being sourced for Delhi and yet there is increasing water shortage especially in the poorer residential areas of Delhi. This is because of unequal distribution of water between the rich and the poor residents. If we believe the DJB's explanation, that the shortages are a result of high losses (various estimates range from 40-60%) due to leakages in the pipelines. This loss from the 850 million gallons of water supply to Delhi should have resulted in flooding, or at least, a massive rise in the water table. Instead, there is a massive decline in the water table in many parts of Delhi. The claim, therefore,

of huge water losses in transmission and distribution is a myth propagated for privatization of the DJB.

The Delhi Government and the Chief Minister have a simplistic argument — that there is massive wastage of water in Delhi and that raising the tariff and privatization of distribution will check this. It is important to understand how water losses happen and what the actual wastage is.

#### Dependence on distant sources leads to water losses

Under the bilateral agreement between Delhi and Haryana, the city receives 725 cusec of water per day from Haryana, of which it is reported that only 425 cusec, i.e. only about 60%, actually reaches Delhi. Water is released from Haryana into an open canal and almost 40% is lost due to evaporation, leakage, seepage, and deliberate breaches of the canal by farmers to irrigate their fields. In 1994, the DJB proposed to convert this open 102-km canal into a conduit at a cost of Rs 80 crore. All the administrative sanctions were procured. However, tenders were invited only nine years later,in 2003, by which time the cost had gone up to Rs 314 crore. The cess paid to Haryana for water in Delhi has gone up sharply since 2002, and there is also a dispute between the states over whether the prescribed quantum of water has actually been released by Haryana.

The water saved by the conduits was to be treated at Water Treatment Plants (WTPs) in Nangloi, Okhla, Bawana and Dwarka and these were built in 1999. Needless to say, due to non-completion of the conduit, these WTPs are either lying unutilized or working below capacity.

There are eight WTPs in Delhi. The site selection for at least five is faulty and not in line with urban planning, as the WTPs are located far away from the areas they are meant to serve. This leads to losses during transportation due to leakage, seepage and pilferage. Moreover, the cost of the transportation equipment and the associated perennial problem of maintenance and upkeep puts a stress on limited financial resources.

#### Why nothing is done to address water losses

There is theft of water but a large proportion of the water losses (from the estimated 40-60%), is accounted for meeting the water needs of slums and poor colonies by the DJB from tanker supplies and from

public water taps/standposts. A substantial quantum of water is lost through loose connections and cracked pipes and by the tapping of main pipelines and illegal connections by residents in some places (in both regular and unauthorized colonies). The DJB does not have any advanced underground leakage detection system, and acts only when consumers complain about leakage. Only a very small number of DJB employees are engaged in leakage detection.

There is no further recruitment of staff in the DJB to strengthen its monitoring and billing services. With a staff strength of only16,000, the DJB cannot perform the functions of an agency guaranteeing reliable and adequate supply of good quality water. The DJB functions more like a tendering and contract management organization for a large proportion of maintenance and construction works.

A substantial amount of water is lost within the treatment plants during operation. The DJB had chalked out a plan to reclaim and recycle the water lost within the treatment plants and obtained technical and financial clearances for this. But work did not start, on the grounds that the WTPs were eventually to be privatized and, therefore, the Government should not invest at this stage.

The flawed Logic of Improving Water Efficiency by Privatization

#### What is Non Revenue Water (NRW)?

On what basis is it calculated? How reliable are the estimates? To what extent can NRW be reduced by private companies and how? Why is the DJB unable to do the same?

According to the Vision 2021 document of the Delhi Government, about 40% of the total water supplied in Delhi is put to wasteful uses. On the other hand, the Asian Development Bank (ADB) has estimated the proportion of Non-Revenue Water (NRW) in Delhi at 53%. Consultants like Price Waterhouse Coopers and GKW have estimated wastage at 48% and 59% respectively. The estimates, therefore, vary widely and have no clear basis. If the water is lost due to leakage, there should be an increase in groundwater and flooding, but the groundwater itself has been declining, suggesting the contrary. Operational and Maintenance (O&M) losses are estimated to be generally 5-15%.

NRW is an important concept being exploited to justify various measures, including the necessity of privatizing water supply operations.

In the absence of objective ground level studies, there is an incentive to inflate NRW estimates not only to justify the decision to privatize, but because it leads to an exaggerated assessment of the efficiency of private operators in reducing NRW, thereby, increasing their profits, as rewards for reduction of NRW are built into contracts with private operators.

For example, the DJB data show that 51 million litres a day of water are supplied through standposts in Delhi. The actual supply of water including wastage of water could be much higher. This figure has been added to non-revenue water in almost all the calculations, whereas in reality it should be viewed as a social service for the weaker and vulnerable sections of the population.

Separate NRW estimates for each zone are not made; the NRW for the whole of Delhi is taken as the proportion of NRW for each zone. As the ongoing projects of the DJB will themselves reduce NRW, private operators in specific colonies will claim the credit for it. The credit claimed by private operators will, therefore, be largely for reductions on paper without any real basis.

It cannot be denied that there is actual wastage of water. The water supplied in privileged areas and other institutions in the NDMC region, and usage by luxury hotels has been mentioned earlier. Industrial units also fall into this category of wasteful use. There is hardly any existing or operational mechanism for the recovery of secondary and tertiary water, and once water enters into the industrial waste zone it is permanently put out of use. There, certainly, is wasteful use in households also.

Wasteful use must be seen as a separate problem in itself, not as a justification for privatization. Therefore, the figures used to estimate the city's demand and the demand-supply gap to justify augmentation of water sources must be re-examined. While privatization and increased water rates are erroneously proposed as a means to check wastage, the real need is for better management and conservation of water, reducing wastage, capping consumption of water at the higher end for both households and industry, which should then be followed by promoting general awareness and involving society in conservation efforts by DJB. Simply asking people to prevent wastage of water through advertisements of closing taps when brushing their teeth, will not do.

#### Theft of water

The perennial water crisis during the summers and the DJB's failure to satisfy its consumers has given birth to a water mafia in Delhi, which flourishes through theft of DJB water. Private tankers in connivance with the local authorities indulge in theft and pilferage of water. Besides stealing DJB piped water, tankers also indiscriminately extract groundwater free of cost to supply to homes and commercial establishments. DJB water, or DJB water mixed with groundwater, is filled through small private plants in plastic pouches, jugs, bottles, jars, etc. and sold through vendors in several areas of the city. These plants run in connivance with the police, DJB officials and the local administration. This stolen water is an important component of NRW, though there are no clear estimates of it. A major justification for privatization of water distribution is that the companies will be vigilant and prevent theft. But if there is a large gap between demand and supply, theft will continue, and private operators will, at best, prevent it between the points from where they receive DJB water and the input point of the District Metered Areas (DMAs) that they are contracted to supply to. Private operators would probably prefer to focus on well-todo recognized colonies where revenues are assured — a small proportion of the whole city.

#### Water shortages yet promises of a twenty-four hour supply?

The idea behind privatized 'water supply schemes' is that residential colonies would be divided into District Metered Areas (DMA), and water would be provided to the DMAs by private companies at all times (24x7). The belief is that this will discourage storage and hoarding, and reduce the consumer's costs of pumping and storage. But if Delhi is already facing a shortage of 250 mgd as claimed by the DJB, how will it provide sufficient water to the companies to distribute? There is no clear answer to this from the DJB because there are plans for 24x7 supply for only select colonies, not the whole city. The water would be diverted from other areas to the privileged colonies, with private companies managing the water supply in some colonies. Further, even if the DJB were to supply an adequate quantum of water to the companies, the water company would be assessed not on the basis of whether water was received 24x7 in every house, but on the basis of whether the water company provided 24x7 at the input point of each DMA or not. The water company can also divert water from one area to

another within the same DMA. This would neither affect the performance of the company nor be treated as a violation of any of the licence conditions. It is likely that the water company would try to maximize revenues by diverting water to big hotels, industries etc, who would purchase water in bulk at higher rates.

#### What Would the Proposed Plans of Privatization Achieve?

Water and Sanitation are the priority isssues after transport in the Delhi Government budget. The DJB announced its budget for 2011-12 with a total outlay of Rs 1,716.28 crore. It refused any kind of government subsidy for its operations and maintenance works this year. The CEO claimed that a revenue surplus has been generated, sufficient to enable it to manage operations and maintenance without a subsidy. In the last budget, the DJB got a subsidy of Rs 350 crore from government towards its expenses for operations and maintenance.

On 27 November 2011, at a board meeting of the DJB chaired by the Chief Minister, Sheila Dikshit, a proposal to involve the private sector in the command areas of Malviya Nagar, Vasant Vihar and Nangloi underground reservoirs and water treatment plants was approved. DJB officials said the proposal had been initiated in consultation with the Planning Commission which had identified water sector reform as a priority area for the city. A Rs 145 crore Private-Public Partnership (PPP) project was also approved under which the water supply infrastructure in Mehrauli would be improved. The cost of the project includes operation and maintenance of infrastructure for a 12-year period.

Earlier, in the first Board meeting of the DJB in 2011, the following decisions were taken:

- A pilot project for privatizing tanker water supply in Delhi received approval, with a seven-year contract being awarded to 'Subhash Projects and Marketing Limited' (SPML) for South and Southwest Delhi.
- A proposal for the supply, installation and maintenance of 2.5 lakh water meters in Delhi, with a five-year contract awarded to Larsen & Tourbo.

The Delhi Government had involved Tata Consultancy Services in the process of water billing and installation of meters. The DJB

also announced plans to allot the treatment and distribution of water to separate units, namely, Wazirabad, Chandrawal, Sonia Vihar, Nangloi, Haiderpur and Bhagirathi. The management of these water treatment units may be given to distribution companies (Discoms) under a PPP arrangement with DJB since they have acquired legal approval for this. It was reported that NDPL (now Tatapower-ddl) and BSES were already holding discussions with the DJB on matters of metering, billing, collection and water distribution.

#### Previous attempts to privatize the Delhi Jal Board

Since 1994, a number of critical operations have been handed over to private agencies, ranging from small local contractors to large multinationals. The entire process of billing, the operation of booster pumping and sewage pumping stations, desilting and rehabilitation of sewer lines, and operation of Water Treatment Plants and wastewater plants has been privatized. The French MNC Degremont operates and maintains at least six water treatment plants (Sonia Vihar, Okhla) and wastewater plants (Rithala, Delhi Gate, Pappan Kalan and Sen Nursing Home).

The Sonia Vihar water treatment plant, built on the Build-Own-Operate basis by Suez-Degremont through a contract worth USD 50 million, was inaugurated in 2002. But it operates far below its capacity of 635 million litres a day as it has not received the water that it was supposed to from the Upper Ganga Canal due to the farmers' agitation in western UP. The Upper Ganga Canal supplies water from Tehri Dam to 11 districts of western UP. The Delhi Government has had to pay a heavy penalty to Degremont due to its inability to make water available to it.

In 1998-99, the year the DJB came into existence, the World Bank advised it to avail of its Project Preparation Facility (PPF). In December 1999, the DJB constituted a committee under the chairmanship of its CEO to select a consultant for PPF and initiated the process. In 2001, the Delhi Government signed a loan agreement with World Bank for the Delhi Water Supply and Sewerage Project (DWSSP), enabling it to obtain a Rs 1600 crore loan.



Source: Delhi 1999 - A Fact Sheet, NCRPB

In its report, Price Waterhouse Coopers (PWC) recommended that ownership, management and regulation of water in Delhi be separated. While the Government would own the infrastructure, and facilitate the operation and management of water supply services, the services would be completely entrusted to a different provider. PWC's reasoning was that the service provider itself cannot determine tariffs, and formulate and enforce service quality standards. A separate independent regulator, therefore, was required for these tasks.

The PWC recommended changes to the tariff system consisting of (1) a fixed monthly charge, (2) a variable charge based on the volume consumed, with two slab rates, (3) a sewerage surcharge of 100%, and (4) a 30% surcharge for non-working meters. Full recovery of operation and maintenance (O&M) costs on average for a family of five would have implied a monthly bill in 2005-6 of Rs 990 against the then prevailing average of Rs 192.

The privatization scheme designed at that time had the following provisions: the 21 water supply zones in Delhi would be managed by a foreign water operator, and each zone would have a core team of four managers, one senior manager heading the team, and managers for technical, commercial and operational matters. It was envisaged that each manager would be paid a monthly fixed fee of \$24,400 (Rs 11 lakhs @ Rs 45 per US dollar), i.e. Rs 44 lakhs per zone per month, and Rs 924 lakhs for the entire city every month, thus an extra expenditure of Rs. 111 crores for the DJB annually. All DJB employees would report to this team. Besides that, the water operator would be paid a bonus, if it exceeded its targets. The operator would also be paid an engineering consultancy fee every year to suggest what additional steps should be taken by the DJB to further improve services in that zone. In addition, the water operator was expected to submit, at the beginning of each year, an annual operating budget to the DJB's project control committee (PCC) which was 'obliged to approve it on time'. Failure to approve the budget on or before the commencement of the contract year would mean 'the annual operating budget was deemed to have been approved'. That provision ensured that Delhi's elected representatives would have no say in the price of water, which would be determined by the annual operating budget. The water operator was allowed to approach the DJB any number of times during the year for upward revision of this amount. Internationally, this provision in the privatization contract has been greatly abused by the water companies to raise water tariffs.

In order to ensure uninterrupted water supply, the operator managing a water zone would enter into a bulk water supply agreement with the DJB which would be required to supply a certain quantity of water at the input point of each zone. The DJB was supposed to obtain raw water, treat it, transmit it through main transmission lines and supply it at the input point of each zone. The operator managing the zone

would then take over and route the DJB water to district metering areas (DMA) within that zone.

Thus this privatization scheme was designed in such a way as to ensure zero risk for the foreign private operator: it involved merely the distribution of the water supplied by the DJB. The water operator would provide 24/7 water only if the DJB supplied this water. Otherwise, the operator would be under no obligation to ensure a 24/7 water supply. Ironically, the foreign operator had the liberty to divert water to big hotels, industries and other commercial establishments who would purchase water—for the water company would be assessed not on the basis of whether each household received a 24-hour water supply, but on the basis of whether the water operator provided 24/7 water at the input of each DMA or not. This would neither affect the performance of the operator nor be treated as a violation of any of the licence conditions.

Interestingly, the consultants had not projected any increase in water tariff for the NDMC and cantonment areas for the next five years, which would mean that the people living in MCD areas would heavily cross-subsidize those living in NDMC and cantonment areas.

But the large-scale public outcry over and expose of the World Bank's agenda in pushing water privatization forced the Delhi Government to halt the move to privatize water. In August 2005, when World Bank President Paul Wolfowitz visited Delhi, he was confronted with vociferous protests against 'the Bank's policies and conditionalities of water privatization through the back door'. Members of the *Citizen's Front for Water Democracy* gave a clear message to Mr Wolfowitz: 'Hands Off Water'.

The final shape the Delhi Water Supply and Sewerage Project took was: 24x7 water supply to select colonies—constituting just 12% of connections, by private international contractors, drawing water from the Sonia Vihar Water Treatment Plant constructed and operated by Suez Degremont; increased water tariffs, new imported meters and computerized bill collection centres for the whole city, but with only a notional plan for the major part of the city; no new capital investments for capacity creation, only for repairs and rehabilitation of existing infrastructure; downsizing of DJB's employee strength; and NGO-assisted community-level privatization-commercialization for those living in a few JJ settlements. *The project was finally 'scrapped' by the Delhi Government due to the widespread protests*.

#### Struggles against privatization of water in Delhi

There have been struggles against privatization earlier, some of them very successful:

- In 2000, the Delhi Cabinet proposed that the Wazirabad Water Treatment Plant (WTP) be operated through a contract with Vivendi-Triveni on the plea that it was working 'under capacity', a proposal agreed to by the DJB. The DJB Workers' Trade Union held a series of dharnas and demonstrations in protest. Meetings with the Wazirabad WTP engineers and workers, and a detailed study by the trade union with actual data from the WTP conclusively established that the accusation of the WTP working 'under capacity' was false. Vivendi withdrew in 2001.
- In 2003, apprehending that the Nangloi WTP, constructed and operated by National Buildings Construction Corporation, would be handed over to a private company, the DJB Workers' Trade Union launched a movement that succeeded in handing over the WTP to the DJB.
- In 2005, public opposition, debates, and protests compelled the Delhi Government to rethink the whole exercise of privatization under the Delhi Water Supply and Sewerage Project. More than 50 professors of the Indian Institute of Management (IIM) and several alumni of the Indian Institute of Technology (IIT) demanded immediate scrapping of the water privatization scheme, and warned the Delhi Government against taking a World Bank loan for the project as it would make water out of reach for the common man. They demanded that the Government seek the help of experts from the IITs and IIMs besides residents' bodies to improve the water supply in the city. Bowing to immense public pressure, the Government of Delhi withdrew its application for the World Bank loan.
- In July 2011, hundreds of people marched in protest against the proposed privatization of water. Among those who addressed the protesters was eminent jurist, Justice Rajindar Sachar, former Chief Justice of Delhi High Court and former Secretary of the PUCL. A delegation submitted to the Chief Minister, Delhi, a memorandum of demands along with the signatures of thousands of people. Thereafter, a citizens' convention against the privatization of water services was held on 15 November 2011. The Water Privatization-Commercialization Resistance Committee was formed with Justice Shri Rajinder Sachar as its patron.

## 3. Rights over Water: Privatization of Water and Sanitation services

The conception of rights over water has undergone major changes over the centuries in pre-colonial, colonial and post-Independence India. Starting from the period of colonial rule, and continuing till today, practically all the rights over water for different uses that were once with the people and communities have been vested in the hands of the State. People's rights over water, as they stand today, are extremely diluted and the State has become the sole custodian of these rights, in the name of the people. At the same time, the relation between the State and private capital has undergone a major change post-liberalization.

This has given rise to two conceptions of rights over water. On the one hand, water has been considered a tradeable good under GATT and WTO, and water supply has been brought under the General Agreement on Trade in Services (GATS). This has paved the way for the entry of private companies as water service providers in place of urban local governments. On the other hand, the United Nations, since its inception, has been very clear that water is a 'human right', and has been raising its voice against the policies of international financial institutions that violate this right. In 2010, the General Assembly adopted a resolution moved by Bolivia and strongly backed by developing nations, declaring the Right to Water and Sanitation a human right.

The National Water Policy of 2002 included a section encouraging private-sector participation in water supply through public-private partnerships. This opened the floodgates of privatization of water supply, especially in the smaller towns of India like Bhopal, Gwalior, Jabalpur, Indore, Dewas, Maksi (all in Madhya Pradesh); Hyderabad, Vishakhapatnam, Kakinada (Andhra Pradesh); Borai (Chhattisgarh); Bangalore (Karnataka); Chennai, Tirupur (Tamil Nadu); Rajkot, Ahmedabad (Gujarat); Pune, Sangli-Miraj (Maharashtra); Haldia (West Bengal); Jamshedpur (Jharkhand); and Noida (Uttar Pradesh). Many states have entered into loan agreements either with the World Bank or Asian Development Bank

for water-sector reforms/restructuring. The loan conditionalities are far-reaching, ranging from property-tax increase to new taxes like sewer-drainage tax, sanitation tax and investment-return tax, the last one in reality a payment for loan instalments. All these loan agreements have identical proposals: creation of a water regulatory authority, transfer of city water supply to private entities, principle of full cost-recovery, elimination of subsidies aimed at the poor and marginalized sections of society, massive increases in the water tariff, and massive retrenchment of workers. One important condition is that the Government will continue providing financial resources for necessary expenses. The Draft Water Policy 2012 was released in January. The 15-page draft National Water Policy suggests that the Government should withdraw from its role as a service provider in the water sector. Instead, it says, communities and the private sector should be encouraged to play this role. The proposals could mean sharp rises in the cost of water for both rural and urban users—an outcome the policy suggests will help curtail misuse of a precious but scarce resource. The draft policy calls for the abolition of all forms of water subsidies to the agricultural and domestic sectors, but says 'subsidies and incentives' should be provided to private industry for recycling and reusing treated effluents. It also proposes that subsidy to agricultural-electricity users be curtailed, saying it leads to a 'wasteful use of both electricity and water'.

Re-municipalization of water services: Given the dismal experience with private players, there is now a worldwide trend of remunicipalization of water services, the most celebrated example being Paris, which was one of the showpieces of French global players in the water sector. There are many other prominent cases like Stuttgart and Berlin in Germany, Hamilton in Canada, Buenos Aires in Argentina, Dar es Salaam in Tanzania, or the move by the federal government of Malaysia, which is in the process of buying the entire water and waste water infrastructure in the country to develop it with public money. It is ironic that the Delhi Government is initiating its privatization effort without drawing lessons from this international experience.

Instead of the so-called public-private partnership there is a new model emerging of Public-Public Partnership (PuP), where successful and experienced public utilities team up with others to exchange information and experiences on how to improve public service delivery. There are several preconditions for success here too. One of these is the participation of workers, employees and unions in the process, extended to the participation of users and the public. Another is the shifting of resources towards the public sector and the provision of public goods in spite of the precarious financial situation of many municipalities. Both preconditions point to the need for some fundamental shifts in policy and financial resource management in India.

## What is needed to improve the water and sanitation services of Delhi?

- The Working Group on Urban and Industrial Water Supply and Sanitation for the 12<sup>th</sup> Plan succinctly captures the predicament of cities like Delhi when it says in its Report:
- Cities are expanding their water footprint because they find it easier to look for new water rather than improve their infrastructure of supply. The first problem with distance is that it adds to the burden of costs because there are huge losses in transportation. Cities are struggling to contain water leakage.
- Secondly, water utilities spend most of their budgets in building and then repairing the pipe system. Some Rs 1 crore per km is the cost that is estimated. In addition to this, it costs Rs 20,000-30,000 to connect each household to the pipeline network. Most cities today spend the bulk of their water-supply budgets in paying electricity bills: they first pump to bring water, a considerable amount of which is lost, and then pump to supply it to households. The Government should seriously consider the following recommendations of the Working Group on Urban and Industrial Water Supply and Sanitation for the 12<sup>th</sup> Plan as principles of reform of Delhi's water sector.

- Cities have sources of water close to where people need supply water bodies, which capture rain or floodwater from rivers, and underground aquifers. These sources will not suffice to meet the city's water needs. But they are certainly the start of the water supply pipeline. Much more can be done in taking back the waste water, treating it and then recharging the same water-body and aquifer. But all local water sources like lakes and ponds are being destroyed. Ironically, an outcome of the increased water tariff from reforms is also the increased dependence on groundwater. Any move to regulate extraction rarely works as licensing only raises the transaction costs and breeds corruption.
- The agenda for change requires each city to consider its local water bodies as the first source of supply. Unless these structures are built into the water supply infrastructure, there will be only lip service for protection and at best, efforts to 'beautify' the waterfronts for recreational purposes, not for their essential life-giving service. Therefore, cities must get funds for water projects only when they have accounted for the water supply from local water bodies. This condition is vital. It will force protection and will build the infrastructure, which will supply locally and then take back sewage also locally.

Equally important is the following point in one of the dissenting notes in the 12<sup>th</sup> Plan Working Group Report. This too needs serious consideration from the Delhi Government:

"Without addressing the fundamental governance problems in this sector, any amount of financial resources, any technological changes, any amount of new infrastructure or any amount of water will have limited usefulness. Broadly, we would like to define the governance problems plaguing this sector as lack of participation of the urban water users at various levels from bottom to top and from needs assessment to operation and maintenance. Secondly, there is lack of transparency in the way this sector is governed at various levels and various stages. Thirdly, and related to these two, is the issue of institutionalizing accountability norms and mechanisms to ensure that serious problems are identified and those responsible held accountable in a timely manner."

#### We demand

We demand the Government of Delhi should:

- Withdraw the privatization/commercialization initiatives immediately.
- Provide water supply pipelines to unauthorized and J.J. Colonies without imposing development charges on the residents.
- 3. Revise the DJB Water Billing. Withdraw the Annual 10% automatic water bill hike immediately, with retrospective effect from 2010.
- Reintroduce the lifeline zero-tariff slab for drinking water for household consumption of less than 10 kilo litres a month that was borrowed from the South African model of ensuring basic equity.
- 5. Remove inequity of water supply in different parts of Delhi. The NDMC and the Cantonment Board areas should get the same amount of per capita drinking water as other parts of Delhi. The Government of Delhi must make public disclosures on monthly per capita supplies in all areas of Delhi.
- 6. Make full public disclosures and initiate fresh surveys to identify water losses at various stages:
  - Losses in transit at the canal stage to Delhi
  - Losses during water treatment stage
  - Losses during supply at the mainline stage of the pipeline
  - · Losses during the distribution stage of pipelines
- 7. Restore piaos/public drinking water points and public toilets, at regular intervals all along the Ring Road, in market places and poor settlements. Use technology and staff to ensure that water points are functional and do not waste water.

- 8. Come out with a plan to conserve the Yamuna river banks from encroachment as has been witnessed for the Akshardham temple, facilities for the Commonwealth Games and a host of other projects and allocations.
- 9. Make the DJB water bills available for public scrutiny. Information on monthly water bills of all residents and businesses should be in the public domain and placed on the DJB website. This will check the cheating in water bills that takes place with the collusion of DJB staff.
- 10. Make the DJB responsible for providing safe and adequate piped potable water, sewerage and waste disposal services to all residents of Delhi. The JJ slums, the 'unauthorized' and resettlement colonies should not be left to the mercy of the private water mafia or to tanker water supplies or to NGOs to provide and manage drinking water. The government is responsible for providing drinking water and sanitation services.
- 11. Improve the accountability of the DJB. Bring greater public scrutiny and control over the functioning of the DJB. The Government must initiate steps to set up 'Area Committees' involving people from the concerned area to oversee the functioning of the DJB. Resident Welfare Associations and similar organizations should be encouraged to take up this responsibility. Improve billing and poor services by providing adequate grievance-redressal systems.

#### 12. Strengthen the systems of the DJB:

- Extend its functions from simply water distribution, to water conservation. Include the protection of river-banks, and recharging, monitoring water-quality
- Improve systems and staff to provide transparency and information sharing
- Increase staffing with adequate appointment of engineers and non-technical staff to provide quality service and grievance redressal.

- 13. Convert outstanding debts of the DJB into a grant and waive it immediately. Given that water is a social good, the government of Delhi should not see the DJB as a service provider operating on full cost-recovery efficiency criteria. The current outstanding debts are a result of the accumulation of interest burden on loans taken.
- 14. Make all documents pertaining to 'reforms' available on the DJB website or Delhi Government portal. This includes:
  - (i) Reports of Committees
  - MOUs between Government and private companies with respect to water distribution, revenue collection and other related activities;
  - (iii) Financial expenditure statements with respect to reforms
  - (iv) Up-to-date minutes of the meetings of the DJB
  - (v) All major decisions taken with respect to reforms
  - (vi) Delhi Assembly Debates pertaining to reforms
  - (vii) Objections of representatives of people, Government officials, and citizens and citizens' groups
- Hold public consultations on any restructuring plans of the DJB involving experts, civil society, academicians and people's representatives.

#### Alternatives for Increasing Water Availability in Delhi

On comparing early nineteenth-century maps with the present-day map of Delhi, one finds that today all the green areas have been covered by extensive concrete structures, because of the ever-increasing population of the city. It has virtually killed the natural surface - and sub-surface drainage patterns of the area. Massive deforestation has led to gradually reducing run-in, due to which parts of the city get flooded during monsoons. Most of the roads have been built directly on the drainage lines which has further aggravated the problem.

In addition to this, the massive digging work carried out for the Delhi Metro has further affected the remaining natural drainage. All this has played a part in the drying up of the Yamuna as the provenance?? of the river has become barren; coupled with this is the destruction of upstream tree-cover and streams. As a result there has been a massive reduction in the availability of water throughout the river stretches in all the states. In aid of the Commonwealth Games in 2010, another massive concretization exercise was undertaken.

Pani Morcha, an NGO, filed a public interest litigation (PIL) in the Supreme Court in 1992 to ensure that there was adequate flow in both the Yamuna and Ganga and to ensure that no unaltered and untreated sewage was dumped into the Yamuna. The authorities expressed their inability to change the situation and pleaded that 'nothing could be done' because of the growing population. The Supreme Court told the petitioner to suggest alternative policies or an action plan. Subsequently, Pani Morcha submitted a detailed plan to the Supreme Court suggesting steps to be taken within Delhi to improve the water situation in the city. These included:

- Creation of five flood-plain reservoirs within Delhi—two above the Wazirabad barrage, revival of the horseshoe lake, one below Kalindi Kunj and one at Nala Mundela
- Creation of two reservoirs in the NCR—one on the Hindon channel, and one on Najafgarh lake
- Increasing the harvesting of rainwater at the city level, by protecting and regenerating tanks and ponds, which were found across the city but are lost today to land developers and to sewage and garbage. According to the Delhi Government there are between 700 -1,000 ponds in the city.
- Promoting individual rainwater-harvesting projects at the colony and household level, which improves the local groundwater levels. Ensuring by law that all commercial users are required to harvest.
- Revival of Tilpat Range Lake
- Even today, there are 550 tanks, baolis (step wells) and open water -bodies of varying sizes in Delhi and their revival would harvest about 10 mcm of water.
- Revival of three streams—the Sahibi, the Tilpat and the Satpula, through catchment-area development, construction of check dams and creation of tanks, and tunnelling or use of artificial drains through heavily built-up areas.
- Setting up of eco-parks, sewage treatment plants at more than 20 specific localities, treatment of untrapped sewage, and re-treatment of effluents in semi-eco parks.
- Generating awareness about grey water and encouraging people to establish grey-water plants at colony level, and on a public-public partnership at community level. Resident welfare associations can play a vital role in this.

#### References:

- 'After power, Delhi govt privates water', <a href="http://w.financialexpress.com/news/after-power-delhi-govt-privates-water/881542/0">http://w.financialexpress.com/news/after-power-delhi-govt-privates-water/881542/0</a>
- 2. 'With Rs 1,716-cr budget, DJB says no to subsidy', <a href="http://www.indianexpress.com/news/">http://www.indianexpress.com/news/</a> with-rs-1-716cr-budget-djb-says-no-to-subsidy/768985/0
- 3. Phillipe Cullet, 'Delhi Water Privatisation- Background and Recent Developments', India Water Portal
- 4. Nangloi project terms sheet, DJB website
- Key features of Vasant Vihar project, DJB website
- 6. David Hall and Emanuele Lobina, 'Water Privatisation', Public Services International Research Unit (PSIRU), April 2008
- 7. Rumi Aijaz, 'Water Crisis in Delhi,' Seminar, no. 629, 2011
- 8. Women's Rights and Access to Water and Sanitation in Asian Cities (2009-2011), Jagori and Women in Cities International (WICI)
- Gender Responsive Budget Analysis of the public provisioning of water and sanitation services in Bawana and Bhalswa. The Centre for Budget and Governance Accountability (CBGA), July 2011
- 10. Arun Kumar Singh, *Delhi's watery woes: A cross-sectional analysis of the water crisis in Delhi.* CENTAD Occasional Paper, 2006
- 11. Website of Ministry of Urban Development, Gol
- Report of the Working Group on Urban and Industrial Water supply and Sanitation for the 12th Plan, Planning Commission, Gol
- 13. Uwe Hoering, 'Water as a public good vs. water privatization' *Seminar*, no. 629, 2011

# PRIVATIZATION OF WATER SERVICES: MYTH AND REALITY



Water Privatization-Commercialization Resistance Committee

