

**Database of**

**Failed Privatisation Projects in Water Supply and Sanitation**



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**List of Failed Privatisation Projects in Water Supply and Sanitation**

<b>Sr. No.</b>	<b>Place</b>	<b>Country</b>	<b>Year Started</b>	<b>Year Ended</b>	<b>Company Involved</b>	<b>Reasons for Rejection</b>	<b>Result</b>
1	BA Province	Argentina	1999	2002	Azurix, Enron subsidiary	Frequent price increases, poor service quality, failure to honour contractual commitments, financial problems.	Termination of privatization, Government decision.
2	Buenos Aires City	Argentina	1994	2005	Suez water, Aguas de Barcelonas	Company asked for huge tariff increase to compensate devaluation of currency. Price hikes were not allowed.	Privatization was terminated, Company exited and filed for compensation in ICSID.
3	Santa Fe Province	Argentina	1998	2006	Suez water, Aguas Provinciales de Santa Fe	Contract failed after 8 years, due to pressure from the resident groups. Private company accused of breaking its contractual obligations like maintenance, water quality parameters, etc.	Private Operator dissolved the company, water services returned to public control.
4	Tucuman	Argentina	1994	1998	Vivendi Environnement	Severe tariff hikes, intense public protests.	Privatisation was terminated after it became an issue in the state elections. Company filed for compensation in ICSID, lost then re-filed the claims.
5	Belize	Belize		2005	Biwater/ Cascal	Unjustified price increases by private operator.	Belize repurchased Cascal's shares in the water company.
6	Cochabamba	Bolivia	1999	2000	International Water Ltd., Bechtel	Drastic increase in water tariffs, intense public protests.	Termination of privatization, Government decision.
7	EL Alto and La Paz	Bolivia	1997	2005	Suez Water, Aguas del Illimani	Private operator refused to extend potable water supply to the poor areas of the city, peaceful but huge uprising and demonstrations by the people.	Supreme Decree by the Government cancelling the contract with the company.
8	Halifax	Canada	2002	2003	Suez	Private corporation refused to take responsibility for failing to meet	Cancellation of sewage treatment contract.

						environmental standards of the contract, also effective grassroots campaigning by citizens and environmentalist groups.	
9	Hamilton	Canada	1994	2004	AWS/RWE Thames	Municipal council voted to take back operation of city water and wastewater plants after the contract term ended.	Operations to be handled by the municipal body.
10	Toronto	Canada	2002	---	---	Huge public protests and campaigning against privatization efforts.	Rejection of proposals, City Council decision.
11	Vancouver	Canada		2001	Bechtel , Vivendi and two other companies were short listed for this project.	Huge public protests and campaigning against privatisation efforts.	Uncertainties about the impact of free trade agreements resulted in cancellation of project. The study conducted by Dominion Securities concluded that cost savings would be "minimal." Judged against the risks from trade agreements identified by opponents, the benefits were ultimately deemed by the Greater Vancouver Regional District (GVRD's) water committee to be marginal.
12	Da Chang, Shanghai	China	1997	2004	Thames Water	Ended concession when government cancelled guaranteed rate of return.	Private company withdrew.
13	Xian Water	China		2001	Veolia's subsidiary, Berlinwasser	Ended concession when government cancelled guaranteed rate of return.	Terminated, Sold to Municipality.
14	Shenyang	China	1996	1999	Sino-French Water Company	High price of bulk water, huge losses to state owned company due to high guaranteed returns, failure of concession contract.	Contract terminated, re-sold to the State owned company.

15	Shantou	China	---	2002	Cheung Kong Infrastructure	Company exited in dispute over contract terms.	Privatisation terminated.
16	Calama	Chile		2006	Biwater / Cascal		Company's contract to build the waste water treatment plant terminated.
17	Bogota	Columbia	1994	---	---	City refused World Bank money due to privatisation conditionality.	Water Utility remains in Public Sector.
18	Quito	Ecuador		2007	Biwater	Strong Public protests against privatisation and outcry for public sector reforms.	Mayor of the city announced the cancellation of the privatisation project.
19	Castres	France	1991	2003	Lyonnaise des Eaux (today part of the Suez TNC)	Strong Public pressure against privatisation and outcry for public sector reforms.	Town council broke the 30 year concession contract with the Lyonnaise.
20	Grenoble	France	1987	2001	Suez	Bribery scandal, public protests.	Termination of Privatization, Municipal decision during election.
21	Varages	France	1990	2002	A Subsidiary of Suez	Public complaints against rising water prices, quality deterioration, network problems	Water Contract not renewed with the company, municipality has taken over water supply.
22	Ghana	Ghana		2005	Biwater	Severe Public backlash against private management of water supply.	Private company pulled out.
23	Conakry	Guinea		1999	SAUR	Unacceptably high water prices over the 10 year period of the contract.	Government declined to renew the contract.
24	Potsdam	Germany	1998	2000	Eurawasser - Suez-Lyonnaise des Eaux and Thyssen	Unjustified price increases by private operator.	Termination of Privatization, Municipal body's decision.
25	Munich	Germany	---	1998	---	---	Rejection of Proposals Municipal decision.
26	Honduras	Honduras	---	1995	---	Intense Public Protests.	Rejection of proposals Government decision.
27	Debrecen	Hungary	---	1995	---	---	Rejection of proposals Municipal decision
28	Pecs	Hungary	1995	2009	Suez Environnement	Water was becoming too expensive	The Pécs municipality decided to take back the management of its water services from Suez.
29	Bangalore	India	2001	---	Biwater	Very high cost of water, assured off-take from the	Bulk water supply contract from Cauvery river

						company.	cancelled.
30	Delhi	India	---	2006	---	Intense public protests expose of contractual terms favouring private companies.	Privatisation stalled.
31	Sangli-Miraj	India		2002		Intense public protests during the bidding process.	Privatisation process cancelled.
32	Pekanbaru	Indonesia		2002	Biwater	Private Operator failed to secure investment for the 30 year concession contract.	Private company withdrew.
33	Nairobi	Kenya	1999	2001	Vivendi / Tandiran Information Systems Sereuca Space	Severe price hikes, huge job cuts, guaranteed profits, no competitive bidding process.	Privatisation cancelled.
34	Kelantan Waters	Malaysia	1996	1999	Thames Water	Poor services provided by private company, huge debts, low number of connections, high amount of non-revenue water.	Contract terminated, State government bought back the stake from private company.
35	Indah Water	Malaysia	1997	1997	United Utilities	Private operator exited, eventually contract failed.	Terminated, nationalised.
36	Mali	Mali	2000	2005	SAUR	Contract failed after 5 years, due to high price increases. Private company accused of breaking its contractual obligations.	Private operator withdrew from the contract.
37	Baguio	Philippines		1997	Biwater	Private Operator asked for price rises immediately after being awarded the project.	Project cancelled.
38	Manila – West	Philippines	1997	2003	Maynilad Water Services Inc. - consortium of Suez & Benpres Holdings	Price hikes, failure to extend water connections to poor areas, no investments, increase in tariffs, non-fulfilment of other contractual obligations.	Public utility MWSS has had to take back the water services, including liabilities created by the private companies.
39	Puerto Rico	Puerto Rico	1995	2003	A Vivendi subsidiary - Autoridad de Acueductos y Alcantarillados de Puerto Rico	Problems in service delivery, non-fulfilment of contractual obligations, violations of	Termination of Privatisation Government Decision.

						environmental laws.	
40	Poznan	Poland	---	2002	---	---	Rejection of proposals Municipal decision.
41	Lodz	Poland	1993	1995	Vivendi's engineering subsidiary OTV	Problems in terms of costs and failures, work was done late and uneconomically, deadlines not kept, construction work was not finished on time.	City Council terminated construction contract for sewerage treatment plant.
42	Nkonkobe	South Africa	1999	2002	Suez	Popular protests due to disconnection, price hikes.	Termination of Privatization Court ruling.
43	Malmo	Sweden	---	1995	---	---	Rejection of proposals Municipal decision.
44	Dar es Salaam	Tanzania	2003	2006	City Water, Subsidiary of Biwater	Erratic water supplies, acute water shortages, failure to provide clean water to poor communities.	Contract Terminated, Government Decision.
45	Bangkok	Thailand	1993	1997	United Utilities	Private company found that it could not continue with the sewerage treatment plant construction contract, Government claimed that company is not fulfilling contractual obligations.	Company abandoned contract, it continues to pursue for claims for compensation.
46	All	Trinidad	1994	1999	---	Failure to fulfil contractual obligations.	Termination of Privatization Government decision.
47	Antalya	Turkey	1997	2002	Lyonnaise des Eaux/ Enka	Failure to fulfil contractual obligations. Company wanted to increase rates further even though when the prices had already risen by 130%. The company also failed to invest what was promised.	The Municipal council rejected company's demand to raise prices, the company pulled out mid way into the 10 year contract.
48	Atlanta	USA	1999	2003	United Water – Suez Subsidiary	Higher water rates, deteriorating quality, failure to	Termination of privatization, Municipal decision

						make investments.	
49	Birmingham	USA	---	2000	---	---	Termination of privatization, Municipal Body decision.
50	New Orleans	USA	2002	---	A subsidiary of Veolia Environment	Campaign by a coalition of labour, environmental groups, churches and citizen activists.	Rejection of private bids by city's Sewerage & Water Board.
51	Stockton	USA	2003	2006	RWE-Thames Water/ OMI	Rising water prices, maintenance tasks backlogged, rising unaccounted for water, environmental concerns.	County Court cancelled the contract.
52	All	Uruguay	1993	2004	---	Increased water tariffs, new law by plebiscite making water a fundamental right.	Citizens voted water as a human right in a national referendum.
53	Thu Duc, Ho Chi Minh City	Vietnam	1997	2003	Suez-Degremont	Company exited in dispute over contract terms.	Contract terminated.
54	Harare	Zimbabwe		1999	Biwater	Irregularities in contract negotiations.	Private company pulled out.

**Explanatory Note** - Only projects that have failed have been included here. Projects which are facing serious problems or opposition are not in this list if they are ongoing.

**Source** - The list of failed projects has been compiled from various sources including PSIRU, Public Citizen, Food and Water Watch reports, website- <http://www.remunicipalisation.org>, and others.