

Failed Privatisation Projects in Water Supply and Sanitation Sector Sept. 2007

Sr. No.	Place	Country	Year Started	Year Ended	Company Involved	Reasons for Rejection	Result
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	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.
4	Cochabamba	Bolivia	1999	2000	International Water Ltd., Bechtel	Drastic increase in water tariffs, intense public protests.	Termination of privatization, Government decision.
5	EL Alto and La Paz	Bolivia	1997	2005	Suez Water	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.
6	Halifax	Canada	2002	2003	Suez	Private corporation refused to take responsibility for failing to meet environmental standards of the contract, also effective grassroots campaigning by citizens and environmentalist groups.	Cancellation of sewage treatment contract.
7	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.
8	Toronto	Canada	2002	---	---	Huge public protests and campaigning against privatization efforts.	Rejection of proposals, City Council decision.
9	Da Chang, Shanghai	China	1997	2004	Thames Water	Ended concession when government cancelled guaranteed rate of return.	Private company withdrew.
10	Xian Water	China	---	2001	Veolia's subsidiary, Berlinwasser	Ended concession when government cancelled guaranteed rate of return.	Terminated, Sold to Municipality.
11	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.
12	Shantou	China	---	2002	Cheung Kong Infrastructure	Company exited in dispute over contract terms.	Privatisation terminated.
13	Bogota	Columbia	1994	---	---	City refused World Bank money due to privatisation conditionality.	Water Utility remains in Public Sector.

Sr. No.	Place	Country	Year Started	Year Ended	Company Involved	Reasons for Rejection	Result
14	Grenoble	France	1987	2001	Suez	Bribery scandal, public protests.	Termination of Privatization, Municipal decision during election.
15	Potsdam	Germany	1998	2000	Eurawasser - Suez-Lyonnaise des Eaux and Thyssen	Unjustified price increases by private operator.	Termination of Privatization, Municipal body's decision.
16	Munich	Germany	---	1998	---	---	Rejection of Proposals Municipal decision.
17	Honduras	Honduras	---	1995	---	Intense Public Protests.	Rejection of proposals Government decision.
18	Debrecen	Hungary	---	1995	---	---	Rejection of proposals Municipal decision
19	Bangalore	India	2001	---	Biwater	Very high cost of water, assured off-take from the company .	Bulk water supply contract from Cauvery river cancelled.
20	Delhi	India	---	2006	---	Intense public protests, expose of contractual terms favouring private companies.	Privatisation stalled .
21	Nairobi	Kenya	1999	2001	Vivendi / Tandiran Information Systems Sereuca Space	Severe price hikes, huge job cuts, guaranteed profits, no competitive bidding process.	Privatisation cancelled.
22	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.
23	Indah Water	Malaysia	1997	1997	United Utilities	Private operator exited, eventually contract failed.	Terminated, nationalised.
24	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-fulfillment of other contractual obligations.	Public utility MWSS has had to take back the water services, including liabilities created by the private companies.
25	Puerto Rico	Puerto Rico	1995	2003	A Vivendi subsidiary - Autoridad de Acueductos y Alcantarillados de Puerto Rico	Problems in service delivery, non-fulfillment of contractual obligations, violations of environmental laws.	Termination of Privatisation Government Decision.
26	Poznan	Poland	---	2002	---	---	Rejection of proposals Municipal decision.
27	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.

Sr. No.	Place	Country	Year Started	Year Ended	Company Involved	Reasons for Rejection	Result
28	Nkonkobe	South Africa	1999	2002	Suez	Popular protests due to disconnection, price hikes.	Termination of Privatization Court ruling.
29	Malmö	Sweden	---	1995	---	---	Rejection of proposals Municipal decision.
30	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.
31	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.
32	All	Trinidad	1994	1999	---	Failure to fulfill contractual obligations.	Termination of Privatization Government decision.
33	Atlanta	USA	1999	2003	United Water – Suez Subsidiary	Higher water rates, deteriorating quality, failure to make investments.	Termination of privatization, Municipal decision
34	Birmingham	USA	---	2000	---	---	Termination of privatization, Municipal Body decision.
35	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.
36	All	Uruguay	---	2004	---	Increased water tariffs, new law by plebiscite making water a fundamental right.	Citizens voted water as a human right in a national referendum.
37	Thu Duc, Ho Chi Minh City	Vietnam	1997	2003	Suez- Degremont	Company exited in dispute over contract terms.	Contract terminated.

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 - Compiled from various sources.