

TANZANIA GENDER NETWORKING PROGRAMME (TGNP)

P.O. Box 8921, Dar es Salaam, TANZANIA; Gender Resource Centre, Mabibo Road, Adjacent to the National Institute of Transport (NIT)
Tel. 255 22 2443450/ 2443205/ 2443286; Mobile 255 812 783659/ 788706; Fax 255 51 43244; Email tgnp@tgnp.org, web www.tgnp.org

TERMINATED WATER SERVICES CONTRACT LEVES MORE QUESTIONS THAN ANSWERS PRESS RELEASE

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The government of Tanzania's decision to strip city water of its 10-year contract raises more questions than answers. Like the entire privatization policy, the contracting process of this World Bank dictated deal was highly secretarial and ignored the voices of the people of Tanzania making it a dumped initiative onto Tanzania.

Civil society organizations and movements have said enough about the dangers of neo-reforms and wholesale privatization in Tanzania. But this is yet another example of the ever imperialistic privatization deals that the government of Tanzania has harnessed despite massive opposition from the informed Tanzanian public.

In this brief statement, the Tanzania Gender Networking Programme (TGNP) provides comment on what is transpiring and the likely future focus of the saga. The cancellation of this \$100 million contract between the government of Tanzania and a tripartite consortium (Joint venture) of three companies including UK based Biwater International, Berlin based Gauff Ingenieure and Dar es Salaam based Superdoll Trailer Manufacturers Limited is another example of how tax payer resources can be squandered by the few richmen of the world with support from local neo-patrons. Biwater International, a UK company owned by Adrian White is one of those whose reputation is highly questioned. The Dar es Salaam based Superdoll is a trailer manufacturing company and may have had very little interest and expertise in running the highly depended poor sector of water, but profits. The Germans need to let us know what the record of their Ingenieure is like. Of interest to us however, is that despite their huge moneys, and an additional token from the World Bank, this Joint venture has rendered to great failure. This is what privatization can do, at least.

We have repeatedly noted in the past that water is such a key resource that leaving it in the hands of profit greedy people would be more than dangerous. Social services must not be left wholly in the hands of profit needy ventures. The failure of the city water project is yet another demonstration of services privatization failing to deliver to the poor communities.

The contract had been secured on the basis of a long-term loan to the government of Tanzania from the World Bank and IDA worthy \$ 61.5 million, the African Development Bank (\$ 48 million) and the European Investment Bank (\$ 34 million). The joint venture on their part was expected to contribute in the system, a total of 8 million dollars during the first two years. Three months before the end of the two-year period City water has only contributed half of that money (ie. \$ 4.1 million) violating a commitment they made by themselves.

Worse still, it is in this period under city water that Dar es Salaam dwellers witness more scarce water, rising prices, deterioration of sewage and clean water services and high level of pollution.

¹ Tanzania Gender Networking Programme is a gender and human rights activist organization based in Dar es Salaam engaged in analyzing the impact of neo-liberal reforms in Tanzania. In the recent years they have been part of the civil society movement opposing the privatization of service oriented firms including DAWASA. They have also opposed user fees in basic social services based on the belief that it will limit access to the poor for such services.

Please address all correspondences to Executive Director

unaccountability than ever before. On its part, the government has processed and received the loan from the World Bank but still sees not enough improvement of water services. The government has the right to terminate the contract without further delays, why not?

But, had the government listened to the voices of the people, this would have been avoided. The privatization of water services in Dar es Salaam has always been done without consultation of the majority and has been hugely opposed. But if we can be allowed to ask, what was the motivation behind the government's vengeance in signing the dirty deal even ignoring the loud voices, including those resulting from scientifically done studies? How could it be wrong to raise allegations of corruption?

And even after terminating the contract, how and who will meet the costs already incurred in the loan already received from the European creditors? Would one be wrong to call such an amount a debt and propose defying repayment? Can the World Bank claim to have rights to be repaid for a greatly misused loan? Just questions!

Then, the minister proclaims the formation of another company to be called DAWASCO to take over city water in the running of water services in Dar es Salaam. Is this another Joint venture between Tanzanian and foreign profits interested richmen? How free is this new name from the evils of the defunct city water venture? Who are the owners and directors of the new animal? Is it a parliament that needed no parliamentary discussions and legislation to form? Will the World Bank be approached again to grant a new loan? More questions in need of answers.

The government has said that the contract has been terminated. City water maintains they are still working. What a log-roller game? Why should we let 'investors' to abuse the government like this? Any secret behind city water's powerful stance? Big fishes in support of the privately owned venture?

We call upon the government to immediately freeze all its plans to privatise more service corporations and parastatals. This is only a small but important example of water services discredited through privatization. There are more similar examples in the power sector, media, telecommunications, Banking and manufacturing industries. Privatization is a failed development strategy and must be brought into an immediate halt. We call upon all the parties aspiring for the 2005 Elections to state how they will deal with the menace of privatization beginning now if they have to lead Tanzania towards progress. And this must be done with much more openness than has been the case in the past.

Finally, it is high time leaders realized they were employees and servants, not bosses of the people of Tanzania. The way matters stand now feels leaders as small gods who could decide to do anything they may wish desirable and fit. Public views are hardly listened if not suppressed by the apparatus. Local politicians are in cartel with international imperialism and all is worse.

Democracy in the true sense must be restored now, and striking privatization must be the starting point!

Signed and released;

Mary J. Rusimbi
Executive Director
Tanzania Gender Networking Programme (TGNP)