

Privatization of Water Distribution and Sewerages Systems in Istanbul

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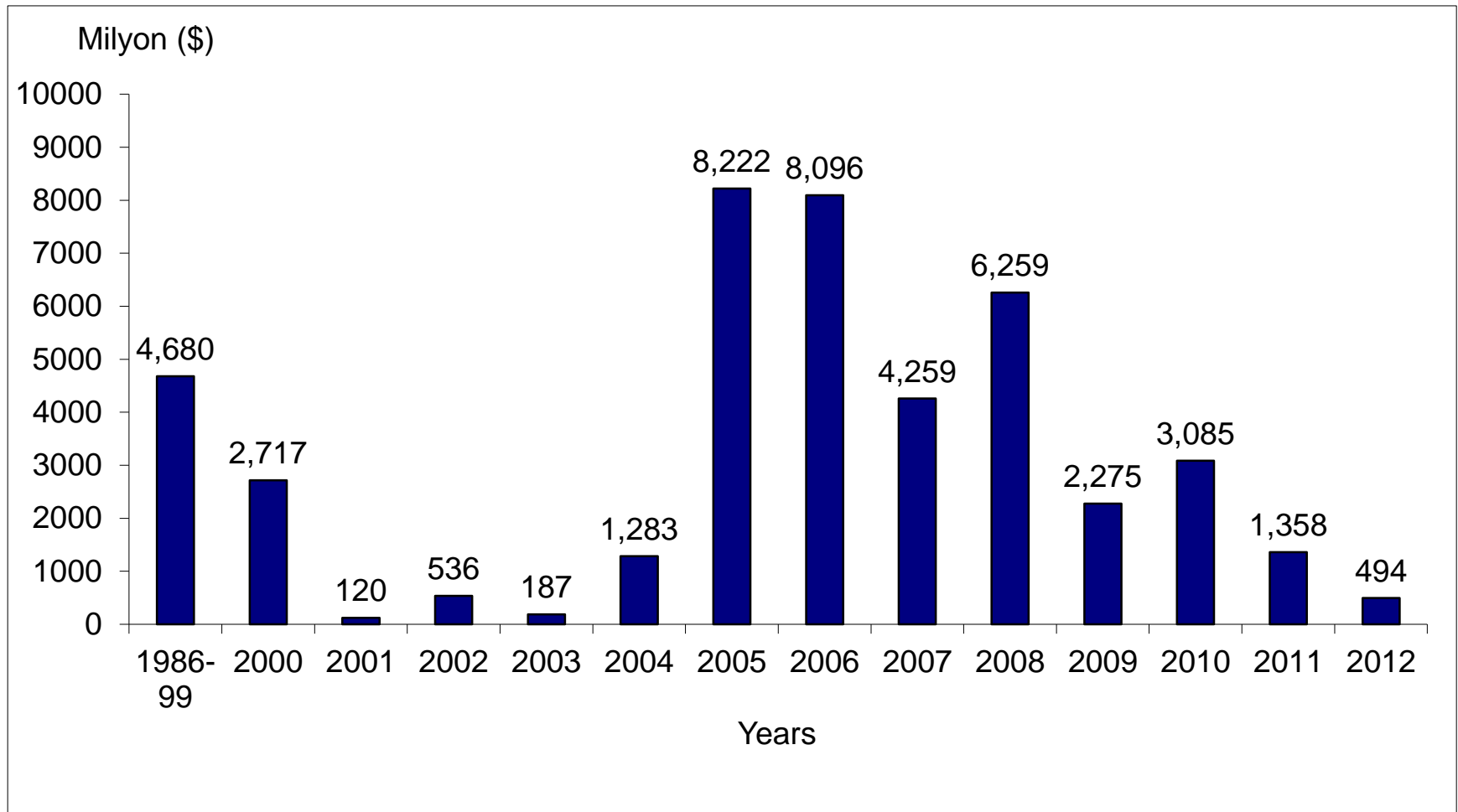
- The aim of the study is to determine the effects of the privatization of the services for water and sewerage systems on the productivity,
- Data were obtained from Istanbul Water and Sewerage Administration (ISKI),
- The effectiveness of the subcontractors' works for some main services such as the connection of a service, cleaning of the channel, maintenance of the inspection well etc. were evaluated,
- The data for 1998-1999 and 2004-2005 were compared according to the services supplied as well as employees number.

Why Privatization?

- To improve the productivity,
- To increase the service speed for the public,
- To decrease the cost for the public by improving the competition between the private sectors,
- To provide the use of the sources effectively,
- To minimize the governmental budget,
- To reduce the number of the governmental employee

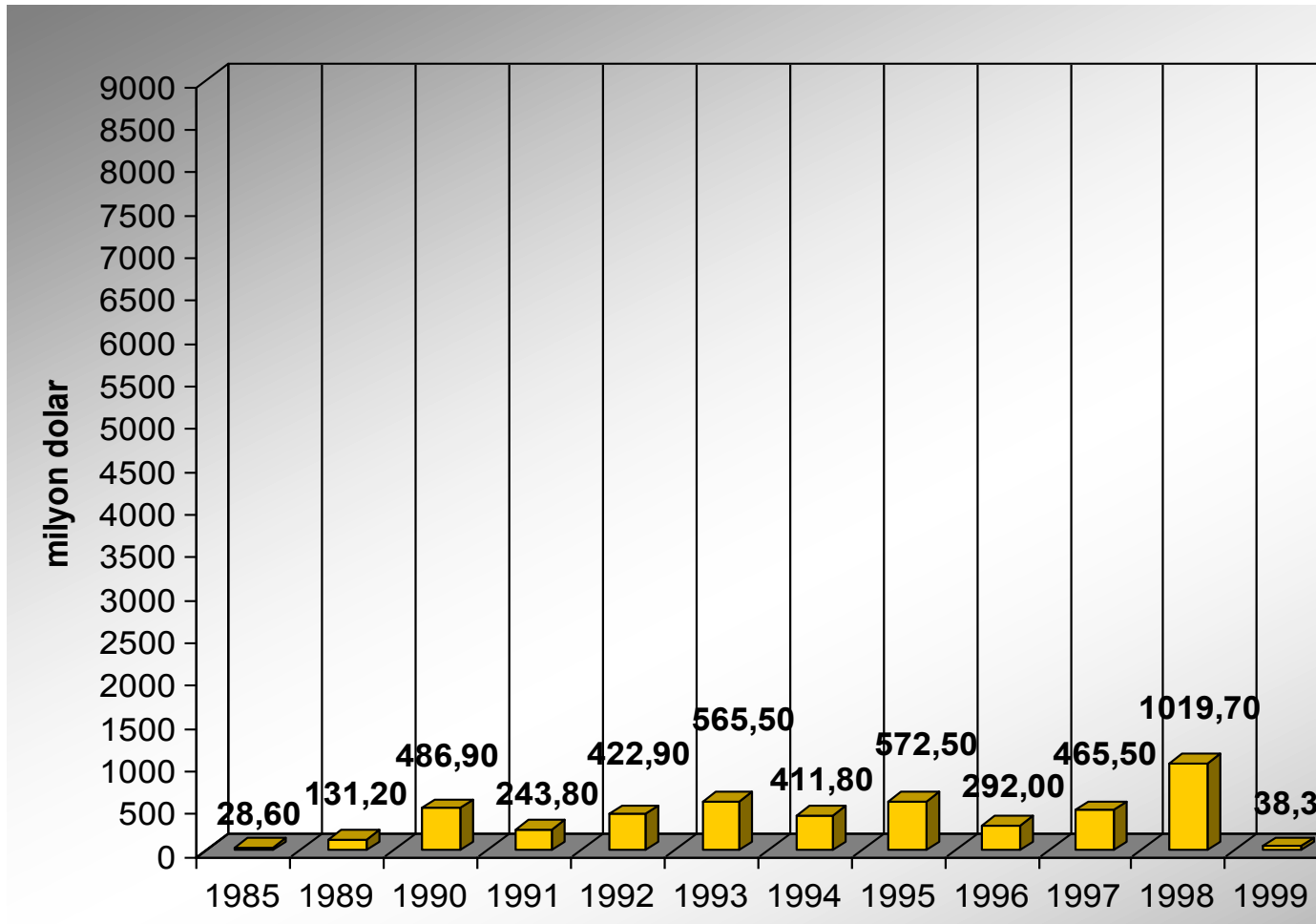
- Competitive bidding
- Selling (outright selling or selling of a stock)
- Management transfer
- Operational transfer
- Renting

- First privatization was maintained in England in 1979 and it was spread whole of the world from the USA after 1980,
- In Turkey, before 1980, utility services were performed at almost 100% by the government or governmental agencies or state-owned enterprises,
- During time, state-owned enterprises were very ineffective and the services cost higher than the real cost,
- After 1980s, the privatization was increased to prevent the financial load to the government in Turkey



Privatization works in Turkey (Privatization Administration, 2012)

Privatization in Turkey

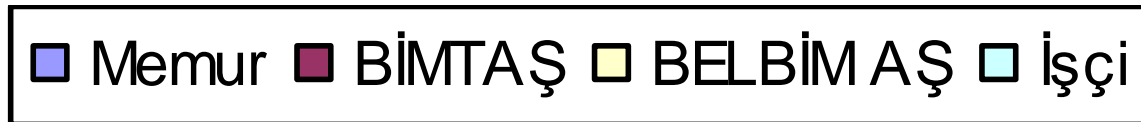
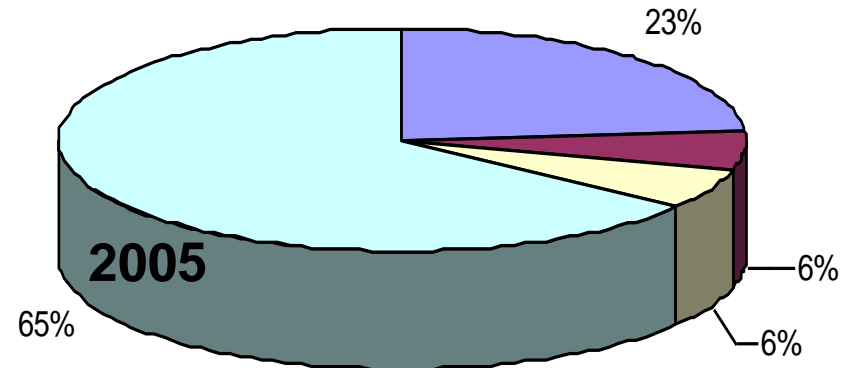
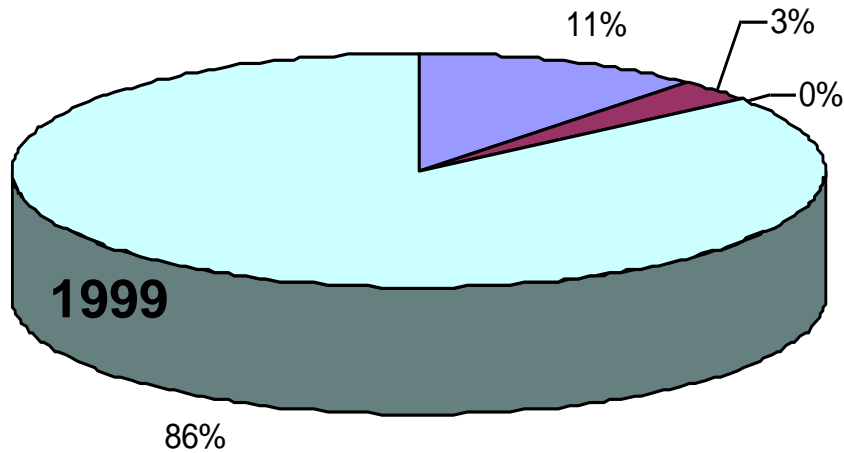


Privatization works in Turkey (Privatization Administration, 2012)

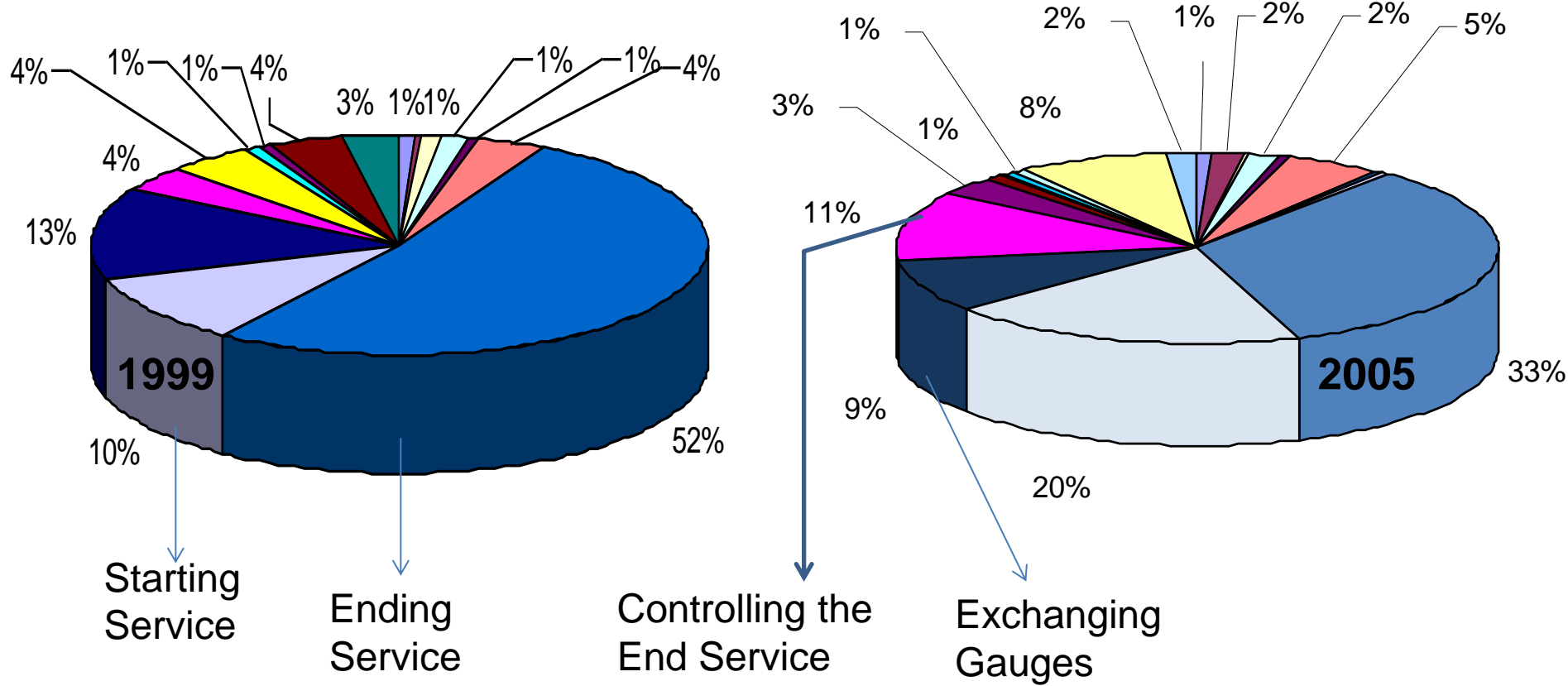
- Contracting to supply for services and goods by not only governmental agencies but also private sector or non-profit organization,
 - Private sector as the producer,
 - Governmental agency as the payer, regulator and controller
- Requirement for the contract affected the works performance
 - Defining the work very well,
 - Developing the competition for the work and cost
 - Defining the sanctions
- Government can see the contractor performance

- Antalya Water and Sewerage Administration (ASAT) awarded a contract for the operation of water and sewerage systems in 1996,
- The contract has covered operation and maintenance, gauges check, invoicing, collection activities,
- Bursa Water and Sewerage Administration (BUSKI) made almost same contract around same years,
- After 2 years of Antalya practice, ISKI (Istanbul Water and Sewerage Administration) planned to make a contract by putting the master plan

- ISKI made some contract with private sector for the subjects below first:
 - Plant and vehicle maintenance,
 - Buildings and sites maintenance,
 - Mechanical and electrical maintenance,
 - Information technologies services,
 - Exchanging, testing and repairing of the gauges,
 - Obtaining meals
- Water distribution systems operation and maintenance,
- Sewerage systems operation and maintenance,
- Treatment plant operation and maintenance,
- New customer line connections, starting and ending facilities,
- Small construction facilities,
- Invoicing and collection,
- Losses inspections and elimination



Privatization in ISKI



Works done by contractors	1999	2005
Total Employee	1285	1241
Total number of works	330,446	1,062,070
The amount of the savings/investments in \$ for some works		
Ending Service	516,403	1,232,780
Cleaning the inspection wells	18,602	509,201
Elevating the inspection wells	9,905	489,341

Personnel distribution were changed effectively after the privatization,

Ending services because of the unpaid bills and checking the end service were performed very effectively,

Number of services and investments for the utility works was increased dramatically,

Thus; the water and sewerage utility services has higher quality and is faster than before privatization.



Thanks for your attention...