



# **Experiences and good practice in Public Water Management in Germany**

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**Workshop A**  
**Management of common goods - Water**

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## **Public Water Management in Germany – a tried and true tradition!**

- **High quality drinking water**
- **Sanitary and environmentally friendly wastewater/sewage disposal**
- **Full service coverage: Priority for local ties, permanent, reliable, affordable service, 24/365**
- **Improvement of human health and protection of groundwater, and of surface bodies of water**
- **Protection from floods and storm surges**
- **Common mission of securing livelihood**



Eigenes Photo



## The special governance Challenge of water management

- **Water – Not just any commodity,**  
A very special asset: a life necessity,  
a natural resource, a natural force  
with strong local implications
- **Drinking water and wastewater:**  
A public duty incumbent upon public –  
ideally decentralized – municipal institutions
- **But increasing need for cooperation  
beyond municipal limits:**
  - urban growth
  - water resources
  - drainage
  - scale effect (e.g. WWTP's)

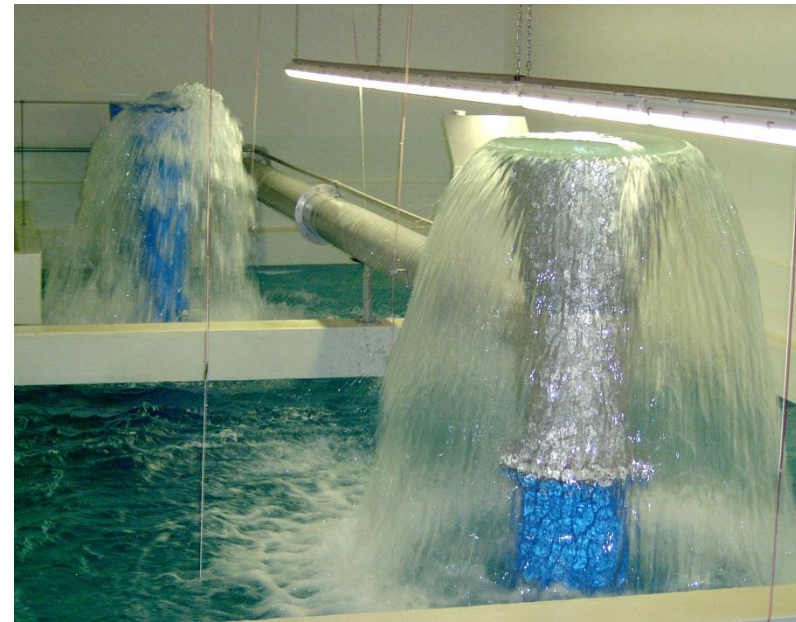


Photo: Paul-Georg Meister\_pixelio.de

# Water utilities in Germany - predominantly publicly owned



Legal structure	Sewage treatment	Water supply
Public service legal structures	<b>90%</b> from total 28 % associations or similar	<b>60%</b> from total 23 % associations or similar
Public companies/ municipal companies (PLC/Ltd. Co.)		
Public-private partnerships		<b>24 %</b>
Other private companies	<b>&lt;10%</b>	<b>16%</b>

## Stein-Hardenberg Reforms created - citizens' self-administration in communities of solidarity as a counterweight to the state

- Exemption of citizens from the dependence on the state
- Citizens identification with the state **versus** recipients of orders in an authoritarian state
- Mobilizing local knowledge and commitment of citizens
- Participation and co-responsibility of citizens



## **Municipalities determine their own organizational forms: > Local self-administration protected by the Constitution!**

Organizational forms:

- **Government operated system**
- **Municipal company, public law company**
  
- **Special-purpose association**
- **Water and soil association**
- **Special legal association (in North-Rhine-Westphalia)**
- **Other forms of inter-municipal cooperation**
  
- **Ltd. co. or PLC in public ownership**



Photo: Emschergenossenschaft/  
Jochen Durchleuchter



## **A Successful System**

### **Water and soil associations, dike and sluice associations**

**Currently more than 12.000 in Germany**

**1000 AD: First dike watches and dike associations**

**Middle Ages: Irrigation + drainage associations**

- **Water supply, sewage treatment and also maintenance of bodies of water**
- **Federal Water Association Law (since 1991 implementational state laws)**
- **State-level supervision**

**Wealth and prosperity in municipalities with efficient watermanagement (since the romans Augsburg)**



Photo: Ünlü



## **A Successful System**

### **Special-purpose associations**

**have existed in Germany since the late 19<sup>th</sup> century. Today, there are several thousand, and more all the time, especially in rural areas, for regional bulk water supply and intermunicipal waste water treatment**

- **Associations of municipal bodies**
- **Joint management of certain public missions, e.g. water supply/wastewater disposal**
- **Each state has laws regulating these associations**
- **Laws for special legal associations in North Rhine-Westphalia**
- **Members (public; private, if necessary for the task)**
- **Voluntary or mandatory**



**Citizens' involvement is the original form of municipal self-administration** Federal Constitutional Court, July 7, 1960, BVerfGE 11, pp. 266, 276:

“Part of the essence of municipal self-administration, as it emerged under the simpler conditions of the 19<sup>th</sup> century, is that it is borne by the collaboration of respected citizens particularly familiar with local conditions, and that it is oriented toward the particular needs of the local community.”

**The German law of *municipal self-administration* contains similar stipulations of the research results of Elinor Ostrom „*Governing the Commons*” (1990)**

„The institutionalized cooperation of stakeholders is superior to state control and privatization in managing scarce natural resources!”





## **Municipal self-administration**

### **The underlying values are:**

**Solidarity, commonality, cooperation**

**Societal cohesion and responsibility**

**Individuals have to get involved and contribute to the common success**

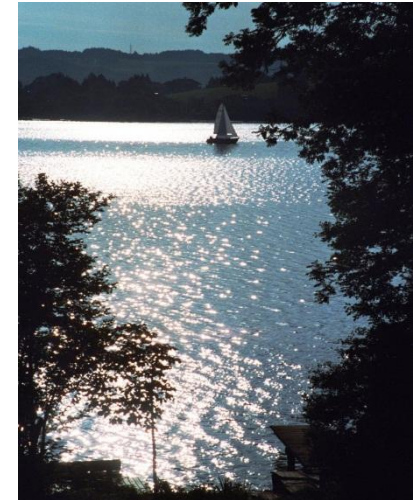
**Common negotiation about institutional implementation**

**> Municipalities are closer to the problem, and find better solutions than far-away government bodies!**



## **Clues for the paths to success: Define and guarantee framework conditions!**

- **Set standards: Pass laws and monitor their implementation, but allow for some leeway!**
- **Determine responsibilities: Who is in charge?**
- **Ensure financing: Consumer-appropriate, cost-accurate,**
- **Democratic control: Subsidiarity – self-administration – federalism**
- **Know-how: Training – tradesmanship – science**
- **Partnership: Organize cooperation of people with the know-how**
- **Managing the natural monopoly: Benchmarking (voluntary), cost control, transparency**
- **Staying close to the citizens: Municipal organization with government supervision, involving consumers**



Eigenes Photo



## Specific Challenges for inter-municipal Water Utilities

- **Economic structural change and financial crisis**
- **Changes in the population structure**
- **Climate change, increased numbers of droughts and heavy-rain events**
- **New water management challenges (trace materials)**
- **Sustainable investments in infrastructure**
- **Citizens want more decision-making authority**
- **Secret contracts between local governments and private companies are being hardly criticized**
- **Reclaiming Transparency in the public management**
- **Ensuring that the chain of democratic legitimacy works**
- **European Free Trade Agreements (CETA, TTIP, TISA)**





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