

Working Group # 3:
Sharing Regional Experience in
Managing Water Utilities

Plan

- 2 presentations
- Discussion on WOP

Method for the discussion

- List of topics interesting the group
- Group Identifies 3 priority topics
- Discussion on each topic:
 - Identification of specific sub-topics
 - Potential value added from WOP : How ?

Presentation # 1: Neil Mc Leod, the South African
experience (Durban & Johannesburg)

- Some key issues and difficulties in running water business
 - water as a political issue;
 - sanitation is not 'sexy';
 - It is not possible to choose customers;
 - many customers are poor;
 - Communication issues
- Staff attraction and management (e.g. experienced engineering staff strategy)
- Strategic planning and risk management
 - five year budget planning;
 - move from SWOT to risk management
- Global strategic management:
 - existing assets,
 - new infrastructure development,
 - customers,
 - financial management
- In conclusion, utilities should be run as a business by prospecting innovation, ensuring good communication (internal and external) and support from political leaders

Presentation # 2: Sharing experiences in Public – Public partnership (Samir Bensaïd, ONEP – Morocco)

- Presentation of the general context of water and sanitation sector in Africa
- The constraints for partnership development
 - lack of strategic (=long-term) partnerships,
 - Lack of external financial resources,
 - limited capacity for sustainable actions
- Toward a new approach
 - emergency of few strong, experienced utilities,
 - Changing international context,
 - adoption of the 'Capitalizing– Rationalise – Acting' principle,
 - development of South-South, and North – South – South tripartite partnerships
- Ways forward : develop and built upon ongoing and past experiences,
- 3 suggested missions for WOP:
 - Support long-term partnerships
 - One-stop shop - orientation to existing programs
 - “traditional” network functions

Topics of Interest

- Commercial management of utilities (8)
 - Billing
 - Collection of payments from private clients
 - Collection of payments from government
- Reducing UfW (6)
- Management and accounting systems (1)
- Financing / implementing network extension (4)
- **Institutional reforms (13)**
- **How to serve the poor (11)**
- Attracting finance (advocacy for the water & sanitation sector) (7)
- Master planning (2)
- Technical tools (GIS) (3)
- Engineering issues (6)
- Long Term financing (5)
- **Tariff structure and subsidies (12)**

Selected Priority Topics : 1

- **Institutional reforms**
 - engagement from politicians and support from trade unions
 - Transparency and accountability
 - Participation of civil society
 - Cultural changes within utilities
 - Innovativeness in utility management

Selected Priority Topics : 2

- **How to serve the poor**
 - Adequate policies
 - Identification of poor households ; how to reach them
 - Adequate Tariff structures and financing
 - Differentiated services
 - Gradual extension of piped water and sanitation facilities
 - Strategic and technical tools
 - Involving of civil society and benefiting communities on planning and processes

Selected Priority Topics : 3

- **Tariff structure, cross-subsidies and other subsidies**
 - **Getting data on current & potential customers**
 - **Transparency of subsidies at the government level (financing and allocation)**
 - **Monitoring and Evaluation of subsidies**
 - **Proper accounting of subsidies at the utility level**
 - **Tariff regulation**
 - **Tools for tariff setting for collaboration between government and utilities**
 - **Subsidies for sanitation (cross-subsidies ? From external sources?)**

WOP functions : Key recommendations

- Draw lessons from past and existing partnerships
- Promote regional exchange of experience through workshops
- Provide a platform for networking
- Platform for direct communication between utilities
- Facilitating the exchange of information (financing, coordination)
- External assessment of the quality of exchanges
- Capacity building
 - Exchange of experience of knowledge
 - Training
 - Visits
 - Workshops