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 McLeod, 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