



Development of Performance Improvement Pathways for Water and Sanitation Service Providers

Gilbert Akol ECHELAI
2ML Consulting/Losai Management



21st November 2022



Presentation Outline

1. Background to the assignment
2. Objective of the assignment
3. Rationale for the assignment
4. Methodology
5. Where we are
6. Next Steps

Background of the Assignment

- ❑ AfDB in collaboration with AfWASA funding the assignment
- ❑ Rate of urban population growth far much higher than infrastructure expansion
- ❑ Decline of already low access to piped water i.e. from 43% in 1990 to 33% in 2015
- ❑ Reduced budgetary allocations from Govt, fatigue from traditional donors to fund
- ❑ Utilities operating under constrained economic-political situations

Objectives of the Assignment

- i. Develop key drivers for performance improvement
- ii. Undertake case studies of the performance of selected utilities
- iii. Develop an in-depth analysis of the current performance status of water and sanitation operators.
- iv. Design of adaptable tools and approaches to improve performance.
- v. Specific to sanitation – develop appropriate steps to be undertaken to address the poor statistics on access to safely managed sanitation in Africa.

The Rationale for the Study

a) Challenges facing the water sector



Urban population
on the increase



Improvement in
access to water
and sanitation
(JMP)



Decline in access
to piped water –
43% to 33%



Access to
Sanitation – very
low



Climate change



The Rationale for the Study

b) General operator characteristics

Poor Service

hence customers less willing to pay, deterioration of services

Low revenues

a resultant from a combination of low tariffs, low billing, low collection, stagnant tariffs

Utility with operational challenges

High Operational inefficiencies manifested by high NRW, low hours of supply, dependent on inadequate and untimely state subsidies

Human Resources

Low salaries, low morale, Managers lose autonomy, high staff turnover

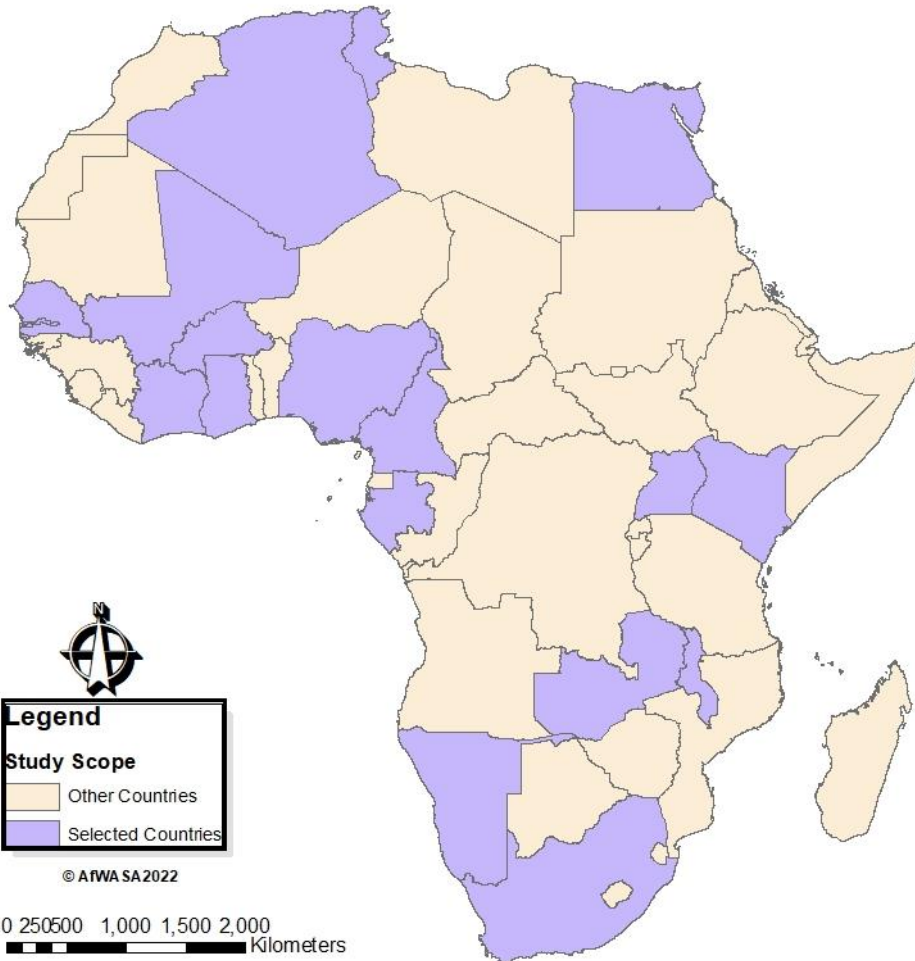
Low Investment

No routine maintenance, Inadequate water quality Monitoring

The Rationale for the Study

- c) There are some well performing utilities:
- Delivering sustainable, safe and reliable water supply
 - Assessments based on key performance indicators
 - Documented characteristics of a better performing public utility (WB), utility turn around (World Bank), Effective Utility Management (AWWA), Utility of the Future (World Bank)

Scope of the Study



Case study Countries (18)

Kenya, Uganda, South Africa,
Namibia, Zambia, Malawi, Egypt
Senegal, Mali, Cameroon, Nigeria
Burkina Faso, Algeria, Ghana
Cote D'Ivoire, Gabon, Tunisia
Algeria

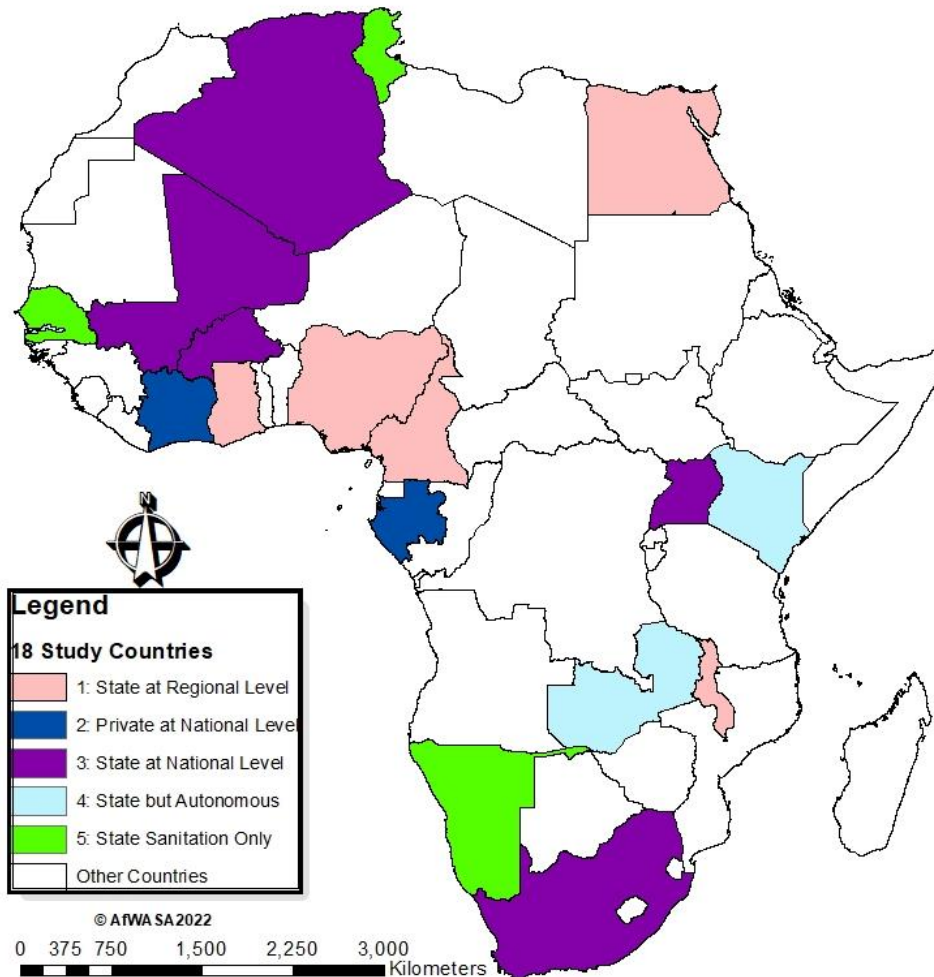
Scope of the Study..

- Develop utility performance pathways based on case studies of selected performance of utilities in Africa.
- Utilities selected based on grouping, geographical location
- Grouping is more institutional arrangements and five groups selected

Grouping of the utilities..

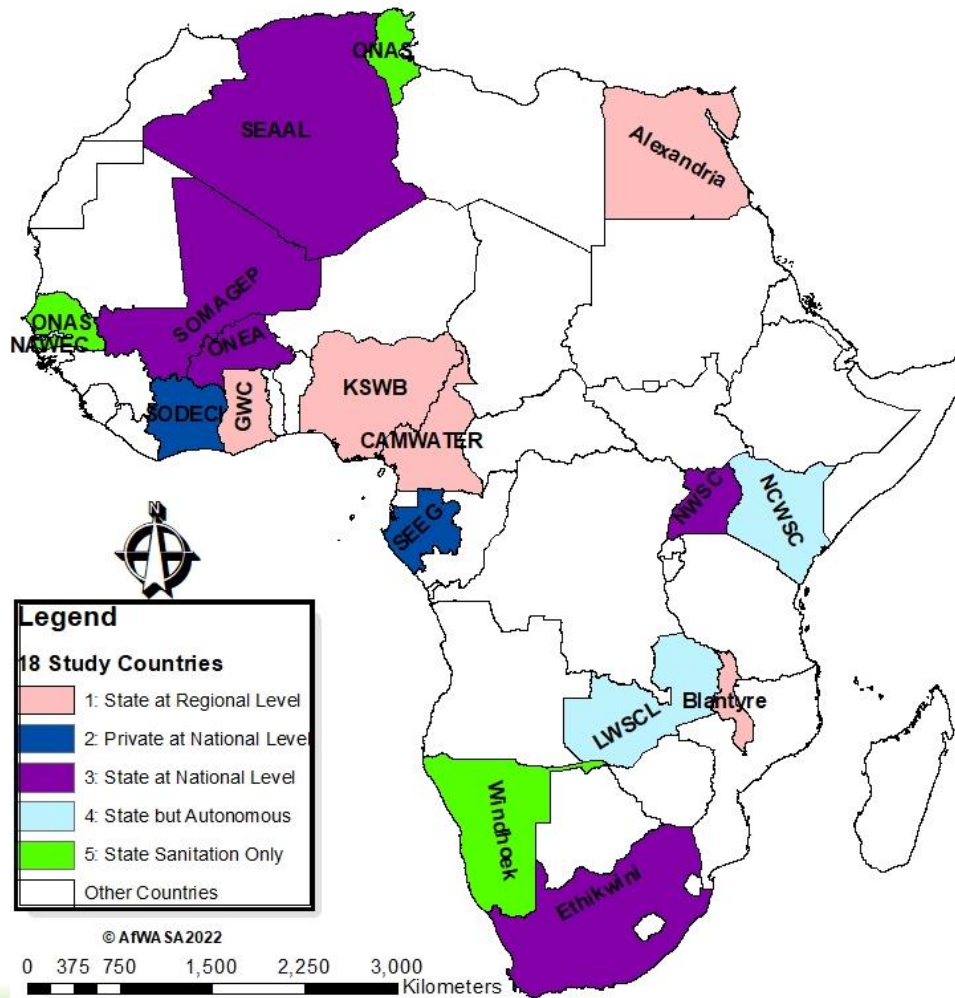
- State/regional/municipal owned providing water only or water and electricity at a national/regional level
- Private water or multi-utility operators providing the service to all urban areas in the country
- State/regional/municipal owned providing water and sanitation and water, sanitation and electricity at a national/regional level.
- State or private water operators operating as water and energy suppliers under an autonomous regulatory framework
- State owned and municipal sanitation only service providers

Scope of the Study..



Cat.	Countries
1	Egypt, Nigeria, Cameroon, Ghana, Malawi
2	Cote D'Ivoire, Gabon
3	Burkina Faso, Algeria, South Africa, Mali, Uganda
4	Gambia, Zambia, Kenya
5	Senegal, Tunisia

Scope of the Study..



Cat.	Utilities
1	City of Alexandria, KWSB, GWCL, CAMWATER, BWB
2	SODECI, SEEG
3	ONEA, SEAL, Ethikwini Municipality, SOMAGEP, NWSC
4	NAWEC, LWSC, NCWSC
5	ONAS (Senegal), ONAS (Tunisia)

Structure of the study

a) Dimension 1: Utility Enabling Environment

- Policy framework (Key policy instruments)
- Legislative framework (what are the legal provisions for the mandate to provide water and sanitation?)
- Institutional arrangements (Municipality? Private? Corporate?)
- Regulatory framework (Who regulates, how and what?)
- Governance (Oversight of the utilities)
- Service provision (Water? Water and Sanitation? Sanitation only?)

Structure of the study..

b) Dimension 2: Utility operational Performance

- Service to customers: Reliability, Response time, Customer satisfaction, customer charter, etc
- Organization and strategy (Strategic direction, Business plans, Performance improvement strategies like performance contracting)
- Human Resources Management (Organogram, Staff appraisal, staffing costs, staff per 1000 connections?)
- Technical operations (Key indicators, water quality, capacity utilization, PPM, NRW, etc)
- Financial management (OCCR,
- Commercial operations (Collection efficiency, Billing efficiency, connection efficiency, metering efficiency, etc)

Structure of the study..

c) Dimension 3: External Factors

- Water Resources environment: How can service providers contribute to ensuring sustainable use?
- Utility resilience:
 - against Covid-19 and other diseases: How can the service providers mitigate negative impacts of these diseases?
 - Climate change: How can the impact on water and sanitation be mitigated?
- Sanitation: Very low levels of access. Some utilities not involved in non-sewer sanitation, existing innovative solutions for increasing access?
- Services to the urban poor: Innovative approaches to provision of services to the urban poor. Water kiosks, Public taps, prepaid taps, etc

The Consultancy Firms

1. 2ML Consulting Ltd

- A Ugandan Management and Technical Advisory services, founded in 2013.

2. Losai Management Ltd

- Engineering, planning and environmental consultancy services for water and sanitation projects
- Founded and registered in Kenya, since 2004

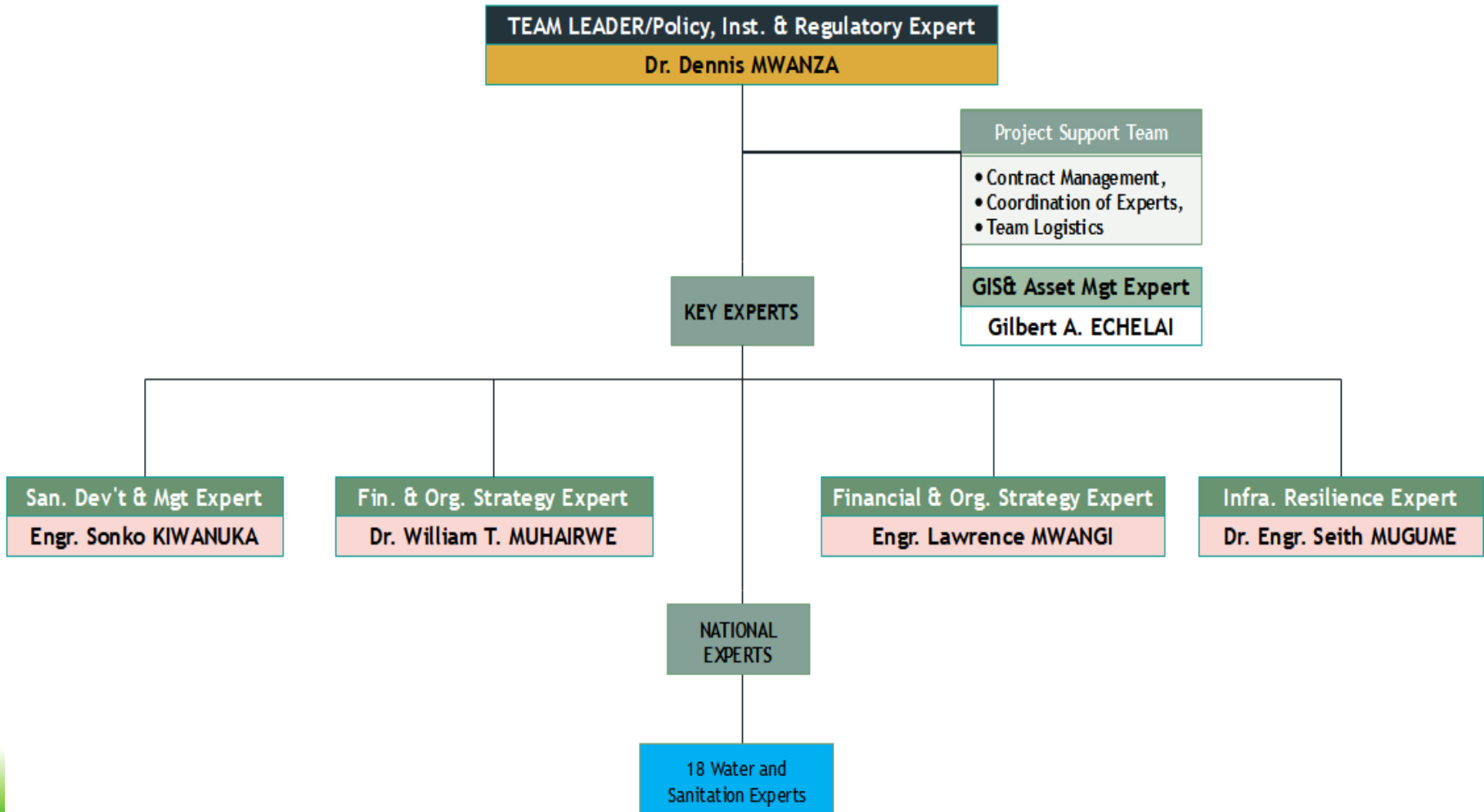
The Consultancy Firms



Partners

AfWA, AfDB, GiZ, World Bank, Unicef, Water.Org, ICRC, AfD and Islamic Development Bank

The Consultancy Team



Expected Deliverables

- i. Case study Reports for each of the 18 countries
 - Enabling environment (Policy, Mandate, Regulation, Governance, etc)
 - Service Provider performance (HR, Organization and strategy, Customer service, Technical Ops, Commercial, financial, etc)
 - External factors (Climate change, Covid 19 pandemic, sanitation, urban poor services, etc)

- ii. Performance Improvement Pathways
 - Enabling environment (Policy, regulation,
 - Service provider performance
 - External factors

METHODOLOGY

Methodology

a) Country case study

- ❖ Engaged country-based experts to develop utility performance report
- ❖ Training of country experts
- ❖ Template of country reports shared
- ❖ Data collection methods
 - Literature Review
 - Data collection questionnaire on the 4 domains-
 - Key Informant Interviews
 - Focus Group Discussions

Methodology...

b) Development of Utility Performance Pathways

- Five experts – within the five domains
- Country reports – starting point
- **Enabling environment** – Policy, Institutional arrangements, legislative framework, regulatory framework
- Technical operations – Strategic management,
- Design of data collection tool and its validation with client
- Training of the national experts
- Report Writing
- Adjustment of timelines/Deliverables

Methodology...

b) Preparation of Inception Report

- Country reports – based on the five groupings
- Literature
- Liaison with the Utilities
- Design of data collection tool and its validation with client
- Training of the national experts
- Report Writing
- Adjustment of timelines/Deliverables

CHALLENGES?

Challenges

a) Local Experts, Availability and quality of Data

- Algeria
- Gabon
- South Africa

b) Responsiveness of National Experts

- Delays in submitting deliverables
- Unavailability of some experts
- Utilities not clear of the purpose of the work

WHERE ARE WE?

Where we are

i. Preparation of Country Reports

- Prepared and Submitted
 - 12 Countries
 - 3 under final review
 - 3 Challenges

ii. Performance Pathways

- Documentation, correlation and Submission
 - Correlating country performance in line with enabling environment, and external factors

NEXT STEPS?

Next Steps

- i. Completion of the remaining country reports
 - Algeria
 - Gabon
 - South Africa

- ii. Finalization of performance pathways
 - Addressing the three key aspects (Enabling environment, Utility performance and external factors) in line with the types of water and sanitation providers

Next Steps

i. Enabling Environment

- Clear legally defined mandate
- Clear definition of policy and institutional arrangements
- Setting of standards
- Utility regulatory arrangements

ii. External Factors

- Mitigation arrangements
 - Climate change
 - Epidemics

iii. Utility Performance

- Targets (Reliability, Coverage, OCCR, staff/1000 conn, NRW, etc)
- Continual improvements
- Benchmarking

THANK YOU!!