

Domestic Private Sector Participation

Managing Public Water Service in Medium-Sized African Cities

Taibou Adamou Maiga

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About the program

Domestic private sector actors play an important role in providing wider and more cost-effective access to improved water supply and sanitation services, particularly to the poorest in peri-urban, small towns, and rural areas. WSP's Domestic Private Sector Participation (DPSP) project works to better understand and further assist the domestic private sector participants to maximize the impact of their involvement. For more information, go to <http://www.wsp.org/content/domestic-private-sector-participation-dpsp>.

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COMPARATIVE ANALYSIS OF PRACTICES AND LESSONS LEARNED IN ENGAGING THE PRIVATE SECTOR TO IMPROVE SERVICE

Almost 37 percent (Source: JMP 2013) of Africa's population lacks access to clean drinking water and faces dire health and economic consequences as a result. Governments continue to struggle to generate the financial resources necessary to bring this infrastructure to areas outside large cities. It is therefore vital to tap into the investment and technical resources of the private sector in delivering these services.

This note analyzes the experience of six African countries (Niger, Benin, Burkina Faso, Kenya, Uganda and Senegal) in creating the policy and institutional frameworks necessary to accelerate private sector involvement in water service delivery. While the situation in rural areas is well known, the need for water service is also particularly acute in medium-sized cities throughout Africa. These urban areas (with populations of 3,500 to 40,000, depending on country definitions) are growing rapidly and face many challenges that may not be present in capital cities.

Medium-sized African cities are generally characterized by strong growth and features placing them at the intersection of rural and urban worlds. They offer economic opportunities and are crucial in the mitigation of rural exodus and overcrowding in poor peri-urban slums. However, rapid population growth in medium-sized, rural towns and the subsequent growth in water demand present great challenges for the quality and sustainability of public water service.

The countries in focus have all conducted water sector reforms, often as part of larger reform efforts, and promote the delegation of public water management to the private sector in rural and urban areas. Although the methods vary, there is movement across the board towards delegated water management in medium-sized cities as well.

KEY FINDINGS

Medium-sized cities are growing rapidly. It is crucial to explore the real challenges and limits of water supply in these cities and to define sustainable management solutions. Key challenges include:

- **Difficulty mobilizing the private sector.** The private sector is reluctant to engage in partnerships with communities in the management of water services in medium-sized cities for diverse reasons..
- **Lack of regulatory, institutional and contractual enforcement.** Roles and responsibilities must be clearly defined to allow for enforcement and broad ownership of governance and to shift responsibilities from inexperienced municipalities to stakeholders with more expertise.
- **Lack of technical and managerial competence.** Lack of technical and managerial skills is seen as a handicap for the transition to delegated management in some countries.
- **Reluctance of the population.** Local populations are not always favorable to private sector involvement in water management. There is a need for increased awareness among civil society and for establishing communications plans promoting delegated management.

WHAT IS A MEDIUM-SIZED CITY?

The issue of water service to medium-sized cities is considered differently in each country, especially as the definition of a medium-sized city differs from one country to another. In Niger, Benin and Uganda these areas are defined as centers with populations ranging from 10,000 to 15,000 people. However, in Burkina, towns of 3,500 inhabitants are considered medium-sized cities while in Kenya such cities must have populations between 35,000 and 40,000. Senegal does not have a precise definition of medium-sized cities. Instead, a distinction


is made between leased perimeters that fall under urban water jurisdiction and non-leased, rural water areas.

The following case studies provide insight into how water is managed in medium-sized cities in the six highlighted countries, including challenges faced and best practices:

Niger

In Niger efforts to increase access to drinking water are categorized as either urban or rural. The government’s urban water reform in 2001 resulted in the creation of two key entities. The first is La Société de Patrimoine des Eaux du Niger (SPEN), a government body (Public company) responsible for investment programs and debt service repayment. SPEN is linked to the government by a concession contract. Secondly, La Société d’Exploitation des Eaux du Niger (SEEN) is a private company responsible for the operation of infrastructure and marketing of water services. Individual water schemes and projects, also called centers, under the purview of SPEN are considered urban water areas. All other centers fall within rural water areas.

There are currently 54 urban water centers managed by SEEN through an affermage contract.¹ The initial contract, signed in 2001 for a period of 10 years, was extended for another ten years in 2011. The creation of public and private entities for delegated management in the urban areas has led to considerable progress in terms of quality of service and access to drinking water in the cities. The coverage rate was 65 percent in 2001 and increased to 87 percent by December 31, 2013.



Since 1990, Niger’s local communes have delegated 846 systems to 93 local private operators, all of which are legal entities.

¹ Affermage contracts are generally public-private sector arrangements under which the private operator is responsible for operating and maintaining the utility but not for financing the investment. Source: WB PPP in Infrastructure Resource Center

In rural areas, the Public Water Service (SPE) document provides guidance on water supply organization and management methods for rural populations. The infrastructure involved includes one-off water points (drilling and wells) and water supply systems of varying complexity. The quality of service and the coverage rates (Table 1) are generally low while tariffs tend to be two times higher than those for urban water. But this does not mean that all rural water supply systems are badly managed. The SPE Guide outlines the roles and responsibilities for all stakeholders: municipalities, technical services, delegated operators, users associations, and advisory support structures. As of late 2013, the portfolio of water infrastructure in medium cities consisted of about 1,057 water supply systems. Almost 80% of these systems are under delegated management.

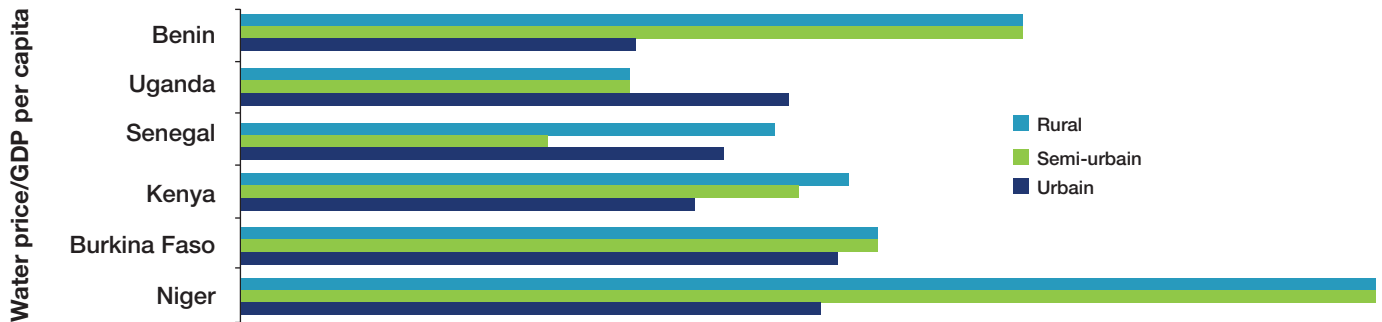
TABLE 1: QUALITY OF WATER SERVICE IN NIGER

Performance Indicators	Urban Areas	Rural Areas
Theoretical Coverage/Access rate at the end of 2013	87%	51 %
Financial losses (due to network inefficiencies and poor bill collection rates)	15 %	20 to 35%
Employees /1000 customers	5 to 6	10 to 250
Average tarriff in XOF:	303	500

Niger’s rural water system also features larger, more developed centers that require improved service quality. Managing water supply in these medium-sized cities is difficult for local operators, who lack the technical and managerial skills necessary for their services to meet the required standards. The consequences include poor quality pipes and household connections, operators without a working familiarity with their networks, high technical and financial losses, poor service quality and unregulated water quality. Subsequently, a third group of suppliers has emerged—not strictly for rural or urban areas—but still requiring better management skills. It is necessary to find the best way to manage this third segment, as it contains a growing number of water supply centers.

The Government of Niger has considered the transfer of a number of these rural centers (40 by 2015) to the SPEN in order to better address the problem. However,

FIGURE 1: RELATIONSHIP BETWEEN THE PRICE OF WATER AND GDP/CAPITAL AT PURCHASE PRICE PARITY IN THE SIX COUNTRIES



many questions remain: How can the government transfer these more advanced centers to the urban system’s purview without jeopardizing the financial equilibrium of the urban water sector? Considering that the more advanced rural centers contribute to a balanced tariff in rural areas, what support measures should be considered to prevent a negative impact on the price of water in the centers that remain within the rural classification? Water tariffs are not the same in urban, semi-urban (medium-sized towns) or rural areas, which often have higher rates. The high cost of water (Figure 1) is also similar in the 5 other countries studied, and, in the case of rural and semi-urban areas, is lower than in Niger.

The following sections will shed light on the water management situations of rural medium-sized cities in other African countries and analyze local dynamics, challenges and solutions that may be applicable to the situation in Niger.

Benin

In Benin, the urban environment is composed of cities of over 10,000 inhabitants. There has been significant growth among “secondary cities,” defined as a subset of urban centers (characterized by the establishment of administrative and hospital services). Water infrastructure is owned by the state and operated by SONEB.

Rural areas include towns of less than 10,000 inhabitants and are home to 72 percent of the population. Medium-sized cities are home to between 2,000 and 10,000 inhabitants and are supplied with water by Adductions d’Eau

Villageoise (AEV), village entities whose management was transferred to the municipalities within the framework of the law on decentralization. Rural communes delegate the management of 53 percent of AEVs to private operators under various types of contracts. Tripartite contract formulas between communes, user associations and the delegated manager in the contractual delegation schemes were designed to retain certain rights for user associations. Forty seven percent of AEVs are managed by user associations but this model seems inappropriate in Benin. In addition, Benin supports the provision of business development services to AEVs to improve knowledge of the assets, control operating conditions and standardize the monitoring of performance. An assessment study on this model was conducted with the support of the World Bank Water and Sanitation Program (WSP). The findings of this assessment had led to undertake a reform in order to sustain the service delivery in rural area.




A stand pipe in the region of Maradi, Niger
(Photo: Taibou Adamou Maiga)

This reform has led to the establishment of four subsidized concession contracts for 8 years for 10 Mini AEP in three municipalities with three different private operators. WSP and IFC have planned to invest a total of 1 million USD (of which 277,000.00 USD from domestic private operators). 1071 new household connections for 48500 additional persons. The results went over the initial target.

Burkina Faso

In Burkina Faso, the urban environment consists of cities of over 10,000 inhabitants, which represent 22 percent of the population. Drinking water supply is provided by a public company, the National Office for Water and Sanitation (ONEA).

Rural areas include cities with fewer than 10,000 inhabitants, which represent 77 percent of the population.



Since 2006, Burkina's local authorities have delegated 310 systems in medium-sized cities to local private operators.

The Water Ministry is responsible for supplying drinking water to these areas. However, the decentralization law in 2006 and its implementing decree of 2009 provide for the transfer of responsibilities to local government authorities.

In the rural areas, medium-sized cities (defined as those with 3,500 to 10,000 inhabitants) are equipped with simple drinking water supply systems. Small towns of less than 3,500 inhabitants are equipped with one water point per 300 inhabitants, with capacity to carry water up to 500 meters. Over 40 percent of these simple systems, 310 of them, have delegated management, among which:

- 23 percent are operated by small, medium and micro African businesses, including PPI, SAWES and Hydro-Sahel.


- 15 percent are operated by NGOs and humanitarian organizations.
- 3 percent are operated by ONEA. Medium-sized cities, unable to manage their own resources, have appealed to the State and other donors to enter into a lease contract with ONEA for the management and expansion of infrastructure.

About 58 percent of the simple water supply systems are still managed by communes and water user associations. Currently, tests are being implemented in two regions to extend the delegation of management in some of these centers.

Kenya

In Kenya, the management mechanisms for water systems are the same in both the urban and rural settings. About 22 percent of Kenyans live in urban areas and 78 percent in rural areas. (Source: Kenya Bureau of statistics 2013). The drinking water access rate is 59 percent at the national level, but only 52 percent in rural areas.

There are five key public water service actors. The Ministry of Environment, Water and Natural Resources is responsible for developing and overseeing policy and legislation in the domestic sector, supporting the counties in the provision of water services, facilitating the financing of the sector (capital and subsidies), and overseeing the coordination and sector strategy. Water Service Boards (WSB), regional public establishments, are responsible for water service and are required to be financially autonomous. The law also requires that the WSBs be statutory owners and managers of asset development and services. As such,



In 2002, Kenya's Water Services Board delegated the management of one medium-sized city water system to local private operators and approved communities.



A stand pipe for water supply in the region of Tahoua, Niger
(Photo: Taibou Adamou Maiga)

it is expected that they have access (by simple transfer or concession) to infrastructure. Before the reform, this function belonged to the Ministry of Water, the national water company or municipalities and local governments.

Following the decentralization law, a transfer of powers to counties occurred, making counties responsible for managing local water services. WSBs delegate the management of the public water service to Water Services Providers (WSP), with operators bound by performance contracts. These WSPs are overwhelmingly communes or user associations: they operate almost all water services. Public water service is regulated at the national level by the Water Services Regulatory Board (WASREB), which grants licenses to WSBs and monitors the performance of WSPs. Following the decentralization law, the way licenses will be issued jointly by the counties and WASREB has yet to be defined. A final body is being created: the National Commission on Water Services, which will be responsible for developing and managing critical and strategic national as well as regional water infrastructure.

Kenya seeks to promote the delegation of management to private operators through pilot projects, the most representative are those taking place in Kisumu and Kiamumbi. Kisumu, the third largest city in Kenya with 350,000 inhabitants, has had its water managed by KIWASCO, a private operator, since 2003. The company was created in the context of the reforms, which sought

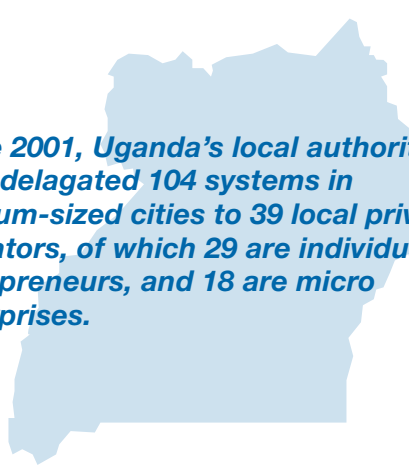
to privatize essential services, and was mandated by the Department of Water and Sanitation of the City Council of Kisumu. KIWASCO expanded infrastructure to improve access to water, with a loan from K-Rep Bank. Users pay their water consumption via a fixed monthly share (network connection fees, costs of the loan, etc.) and a variable amount per cubic meter consumed. The Kiamumbi Water Project is itself a pilot project developed to meet the demand of a peri-urban community to have its own water supply network. This project involves the provision of drinking water for 750 households from a dam belonging to an agricultural cooperative. The community borrowed \$135,000 from K-Rep bank to complete this project. Once completed, the community hired a private manager to operate the system on a three year management contract.

The project generates \$10,000 in monthly revenue and debt service is paid monthly to K-Rep bank. The project successfully achieved the goal of connecting to homes, envisioned in the business plan for the first year of implementation.

Uganda

In Uganda, urban and rural areas have different management systems for public water service. In all cases, systems for delegating water service management are well established. This is especially true in smaller towns, where Uganda has mechanisms in place to facilitate access to finance and technical expertise.

Urban Uganda, consisting of cities with more than 5,000 inhabitants (representing 18 percent of the population), is divided into two categories. Large cities, with more than 15,000 inhabitants, representing 11 percent of the population, are managed by the National Water and



Since 2001, Uganda's local authorities have delegated 104 systems in medium-sized cities to 39 local private operators, of which 29 are individual entrepreneurs, and 18 are micro enterprises.

Sewerage Corporation (NWSC), which is 100 percent state-owned. In contrast, “small and medium-sized cities,” with 5,000 to 15,000 inhabitants (representing 7 percent of the population or 2.4 million people), are not supported by the NWSC. These “medium-sized cities,” have delegated management. In all cases, infrastructure remains under the ownership of the state.

Rural Uganda consists of towns of less than 5,000 people and represents 82 percent of the population. Of particular interest are the cities with 2,000 to 5,000 inhabitants (72 percent of the population living in rural areas), which are called rural growth centers. Rural development, operation and maintenance of water supply are largely done by Community Based Maintenance Systems (CBMS) managed by the community. In Uganda, the delegation of water service was introduced in 2001 in small and medium towns where water supply had been previously managed by the government managed in a highly centralized system. The Water Act defined the key actors and water management roles and empowered the Ministry of Water to identify and declare territories as “water supply areas” and appoint local community ‘Township Councils,’ as delegating authorities for the areas. The Councils set up executive bodies (WSSBs), which negotiates rates with operators and oversee water infrastructure and services. WSSB activities are funded by a 5 percent tax levied on user water fees. The WSSBs can make the choice to manage their own water service (23 percent of cases). Of the 156 cities considered medium-sized, 108 have water supply networks and 104 have adopted delegated management systems (76 percent of which have done so using private operators).

Private operators are generally micro businesses that can manage multiple water supply networks. In February 2012, Uganda had 21 different private water operators, grouped in a lobbying association, the Association of Private Water Operators (APWO). There are also a significant percentage of individual operators. To help local communities gain access to technical resources to maintain their infrastructure, umbrella associations were put in place: these associations depend on WSSBs, intervene at a regional level, and provide technical support for infrastructure maintenance.

The regulatory authority, the Directorate of Water Development, was established within the Ministry of Water. The possibility of creating a truly independent regulator

(UWASRA) is being studied. The Ministry is currently responsible for overseeing the performance contracts with local authorities and reviewing tariffs in small towns.

Senegal

In Senegal, as in the other countries, drinking water supply is addressed differently in urban and rural areas. Senegal, however, is unique in that the distinction between urban and rural areas is not based on population size but rather on whether locations fall under the geographic purview of the National Water Company of Senegal (SONES). Any city that, regardless of its size, falls outside of SONES’ scope is considered rural. In 2003, the state authorized the transfer of 10 medium-sized cities (5,000 to 30,000 inhabitants) previously considered rural to the purview of SONES, in effect reclassifying them as urban. The urban water sector supplies 45 percent of the population and is supported by SONES and a private operating company (SDE).

About 55 percent of Senegal’s population, 7 million people, live in rural areas. ASUFORs (water supply system user associations), introduced with the institutional reform of 1999, are licensed by the State to oversee the management of rural multi-village systems. They are in charge of outsourcing water distribution, as well as maintenance and renewal of equipment less than 10 years old. This fact is explained by the weakness of the accompaniment of the DEM to ASUFORs when they are set up. The recent water management reform in rural areas led to the creation of OFOR (Office of Rural Water Pipe Management) in 2014. This occurred because of the limitations of the current ASUFOR system. OFOR owns infrastructure, manages assets, and is responsible for large infrastructure renewals and extensions and is linked to the State through a 10-year performance contract. The new institutional framework gives OFOR the authority to delegate operations and maintenance to private operators. These private operator delegates will be responsible for the wholesale production of water from groundwater resources and will have a leasing contract with OFOR. They will bear the costs of operation and maintenance of infrastructure and pay a fee to OFOR. The tender for the recruitment of these wholesale producers is underway with one company recruited in December 2014 (SEOH). The profile of candidates is varied: construction companies in the field of electricity/water, large urban operators, SMEs, and foreign firms. These delegates will deliver water to ASUFORs, which will be responsible

TABLE 2: PUBLIC WATER SECTOR REFORMS IN THE SIX COUNTRIES STUDIED

Niger	<ul style="list-style-type: none"> • 2001—Water Sector Reform created two entites: La Société de Patrimoine des Eaux du Niger (SPEN), a public entity responsible for investments and debt service repayments, and La Société d’Exploitation des Eaux du Niger (SEEN), a private company in charge of water operations and supply. • In rural areas, the Public Service Water (SPE) document provides guidance on water supply organization and management methods for all stakeholders
Benin	<ul style="list-style-type: none"> • 2000—Law on decentralization transferred the responsibility of water services management to municipalities. An unclear legal and regulatory framework made this difficult to apply; Water Code is being revised. • In 2010 the reform in rural water supply has led to the establishment of four subsidized concession contracts. This new model is under test for 8 years period for 10 AEV.
Burkina Faso	<ul style="list-style-type: none"> • 2006—Adopted the National Program for Drinking Water Supply and Sanitation (PN-AEPA, 2006-2015), consisting of both rural and urban components. For better coordination and coherence of actions planned in rural areas, a “Unifying Framework for Intervention” (CUI) was established. • 2009—Government decree mandating the transfer of skills and resources. Established the Reform Implementation Program (PAR) to hold 2 companies responsible for the construction and operations of 5 networks under 5-year affermage contracts before returning them to their respective municipalities.
Kenya	<ul style="list-style-type: none"> • 2002—Adopted new “Water Act” with a phased implementation that was broadly deemed a success. The aim of the reform was to establish the conditions for sustainable recovery of potable water and sanitation services, involving users by adopting a decentralized organization. • 2010—Constitution of Kenya outlines a strategy of decentralization with opportunities to improve delivery of basic services, including water and sanitation. The structure of the water sector continues to change.
Uganda	<ul style="list-style-type: none"> • National Constitution of Uganda (1995) defines access to clean water as a national objective. • 1995 Water Statute & 1997 Water Act codify access, management, and water supply development. • Local Government Act of 1997 (revised 2000) decentralized services, transferring more responsibility to local governments.
Senegal	<ul style="list-style-type: none"> • Ministry of Water and Sanitation defines national policies and oversees sectorial planning, regulation, and project management of major infrastructure. The water code is based on a 1981 law, in revision. • 1996—Establishment of successful PPP in urban water sector. • 2005—Launched the Millennium Drinking Water and Sanitation Program (PEPAM), with the main objective of making the investments needed to achieve the MDGs by 2015. • 2005—The Public Service of Drinking Water and Sanitation (SPEPA) sector policy letter established government guidelines on private-public partnerships (PPP) in the water and sanitation sectors. The SPEPA law (2008) confirms this trend and organizes public drinking water supply and sanitation in the country. • 2014—Adopted a law reorganizing the water service in rural areas. This law created OFOR, an office in charge of managing rural water assets and contracting of the management of water supply systems to the private sector through PPP contracts.

for distribution via small local private operators (micro-enterprises, individuals). ASUFOR Licenses will be transformed into water distribution permits. They will sign water purchase contracts with wholesale producers.

CHALLENGES OF MANAGING WATER SERVICES IN MEDIUM-SIZED CITIES

Although the countries studied are at different stages in the management of water services, four common issues have been identified.

Challenge 1: Difficulty mobilizing the private sector.

The private sector is reluctant to engage in partnerships with communities in the management of water services for several reasons. The private sector encounters difficulties in accessing the financing necessary for implementation, including upgrading or expanding facilities. The necessary investments usually surpass the capacity of local actors and require the establishment of appropriate funding mechanisms (Niger, Burkina Faso, Senegal, Uganda, Kenya, and Benin).

In addition, the institutional and economic environment is perceived to provide little incentive for private operators. The contracting process is often not optimal; for example, contract life-spans are too short and not adapted to the expected lifetime of the equipment. Private operators also see their incomes erode because of inflation coupled with low tariffs (Kenya and Uganda). The lack of professional support in rural areas (supply of equipment and technical personnel) also contributes to the weak enabling environment for private operators. And in Uganda the transfer of the most efficient facilities to the public company made it difficult to mobilize the private sector to invest in the remaining facilities. Indeed, these schemes have been considered less efficient and less profitable, which makes them even less attractive than the assets owned by the central government.

Challenge 2: A regulatory, institutional and contractual framework must be enforced.

Roles and responsibilities of stakeholders must be clearly defined so that people take ownership of the governance arrangements in place (Burkina Faso, Uganda, Benin, and Niger). The responsibilities of municipalities, often inexperienced, should be transferred to stakeholders with more expertise (Benin, Burkina Faso, Kenya, and Niger).

Ineffective contracting processes often undermine the sustainability of services. Burkina Faso stresses that this process should be strengthened to enable the development of realistic financial projections, a clear and appropriate division of roles and responsibilities, and mechanisms to oversee the quality of services rendered. It is also important to ensure legal oversight of the sector through a regulatory structure or other appropriate mechanism (Niger, Kenya, and Uganda).

Challenge 3: Lack of technical and managerial competence.

Lack of technical and managerial skills is seen as an obstacle in the transition to delegated management in development in Burkina Faso, Niger and Senegal. Capacity building is also needed in Uganda and Kenya for local officials, who sometimes lack the expertise required for establishing and managing partnerships with the private sector.

Challenge 4: Reluctance of the population. Local populations are not always favorable to private sector involvement in water management.

Different actors have expressed a need for increased awareness among civil society and for establishing communications plans promoting the delegation of management to private operators. (Burkina Faso, Kenya).

RECOMMENDATIONS AND LESSONS LEARNED

Experiences in different countries provide best practices for addressing the issues mentioned above. Tables 3 and 4 offer recommendations, lessons learned and a comparative analysis of the different public water service management systems in medium-sized cities. These recommendations may serve as a starting point for other countries wishing to promote private-sector engagement in medium-sized cities.

TABLE 3: RECOMMENDATIONS TO ADDRESS THE CHALLENGES OF DELEGATED MANAGEMENT IN MEDIUM-SIZED CITIES

Challenge	Recommendations	Examples of Best Practices
Challenge 1: Difficulty mobilizing the private sector.	Some countries have been able to capitalize on the experiences of private involvement of water services in urban areas to support delegation in rural areas, by creating an affermage framework for centers of various sizes and by allowing for financial balance based on an equalization plan. A system of cross subsidization of small towns by the largest ones enables the poorest areas to develop.	Burkina Faso conducted a feasibility study before integrating new districts into ONEA's jurisdiction. The first pilot projects were successful and a review of success factors (political will, incentives to private operators, awareness and suitable water tariffs) will allow application of a similar strategy elsewhere. Niger and Senegal have also broadened the scope of their respective delegation of water management systems to include rural areas.
	Access to the financing required for network development and new connections is one of the obstacles to private sector investment. The establishment of financing mechanisms beyond public funds, with local banks or through a capital-investment for example, allows private operators to apply for loans and finance their projects.	In Kenya, K-Rep Bank participates in the financing of pilot delegated management projects in Kisumu and Kiamumbi. In Kisumu, K-Rep loaned funds to KIWASCO so that the company can expand infrastructure and improve access to water. Under the Kiamumbi Water Project, the community borrowed \$135,000 from K-Rep Bank, which is being repaid in monthly installments from project revenue.
	In order to address revenue declines of local private operators due to subsidized water tariffs, it is necessary to apply an appropriate tariff policy and establish a compromise between affordability and profitability.	Since 2010, Benin has undertaken reforms that have resulted in a greater participation of the private sector and through the type of contract (concession: contributions to investments), increasing its duration (8 years) and accompanying the process with capacity building.
Challenge 2: A regulatory, institutional, and contractual framework that must be enforced.	Strengthening of the regulatory, institutional and contractual framework happens through reforms that clarify the delegated management strategy, particularly as it relates to contracting procedures and stakeholder roles and responsibilities. A local communication plan is important to ensure that stakeholders take ownership of the delegated management strategy.	In the pilot integration 19 centers within the scope granted to the public water service project, Niger educated stakeholders (private operators, municipalities, user associations, and representatives of the Ministry) on the roles and responsibilities of all parties involved. Institutional reforms in Benin and Senegal have created rural concession areas that have enabled better distribution to risks and benefits between the public and the private.
	Strengthening the institutional framework must enable the poorest segments of population to access drinking water, through a tariff policy allowing for a pro-poor subsidy on the price of water.	Senegal, Kenya, Uganda and Niger have established a segmented pricing system consisting of cross-subsidization between categories of users: large or affluent consumers pay more for their water in order to reduce the prices for the poorest users. The increase in the number of subscribers for household connection in Benin would have enough room for sale at affordable prices
	The regulation of the water sector and the monitoring of its quality can be achieved through performance contracts, which are agreements between a government and a public authority (local authority, for example). These contracts are based on performance indicators and good governance and ensure compliance with laws and regulations in the water sector.	Since 2000, the Ugandan Government has held performance contract with the local water authorities. Within this framework, municipalities must provide technical and financial management of water supply networks, fees, a business plan, regular reports to the central authority, audits and inspections. The Government recognizes deserving municipalities by rewarding them with construction projects through its regional construction office, and delivers the final project to local authorities.

<p>Challenge 3: Lack of technical and managerial competence.</p>	<p>The strengthening of managerial and technical skills of local actors, whether public or private, can happen through training, with emphasis on skills for business plan development, facility maintenance, control management, and performance monitoring.</p>	<p>Under the pilot project to integrate 19 centers, Niger conducted a field training campaign to allow local private operators to master technical and managerial tools.</p>
	<p>To ensure mastery of skills over the long-term, as well as optimal infrastructure operations and maintenance, regional associations can help provide technical support to private operators.</p>	<p>In Uganda, private operators have formed a lobbying association, the APWO (Association of Private Water Operators), which represents the policy interests of its members, promotes the development of private sector skills and launches campaigns for the public.</p>
	<p>The deployment of Professional Support Services allows standardization of management (production, distribution, finance) and a better quality of reporting (internal to the municipality or to the Regional Water Service). Such services are based on the use of simple technology, allowing for the consolidation of information and efforts.</p>	<p>The mWater™ platform transmits production and management data via mobile networks. This platform currently exists in Benin and Niger has also deployed a pilot phase to test the system. The support of private operators in Benin during the last reform was a key to success</p>
<p>Challenge 4: Reluctance of the population.</p>	<p>Consulting with civil society is a good practice. It helps create a dialogue and exchange around the interests and expectations of communes, user associations, and/or private operators.</p>	<p>Training sessions in Niger in the pilot integration project of the 19 water projects included dialogue among stakeholders.</p>
	<p>Deploy a communication campaign to promote the involvement of private operators and to highlight the progress made in extending access to quality water</p>	<p>In Senegal, significantly more local private operators expressed interest in rural water PPP opportunities after the Ministry of Water and Sanitation hosted an official event and used a communications campaign to explain the opportunity and anticipated impacts.</p>

ACRONYMS

Niger

- SEEN: La Société d'Exploitation des Eaux du Niger/
National Water Operating Company of Niger
- SPEN: La Société de Patrimoine des Eaux du Niger/
National Water Asset-Holding Company of Niger
- SPE: Service public de l'eau / Public Water Service

Benin

- SONEB: Société Nationale des Eaux du Bénin /
National Water Company of Benin
- AEV: Adduction d'Eau Villageoise / Village Water
Supply

Burkina Faso

- ONEA: l'Office National de l'Eau et de
l'Assainissement/National Office for Water
and Sanitation

Kenya

- WSB: Water Service Board
- WSP: Water Service Providers

Uganda

- WSSB: Water Supply and Sanitation Board
- UWASRA: Urban Water Supply Regulatory Authority

Senegal

- ASUFOR: Associations des Usagers des Forages /
User Associations of Rural Boreholes
- OFOR: Office des Forages Ruraux/ Office of Rural
Borehole Management



Overhead water tank for water supply system in Niger
(Photo: Taibou Adamou Maiga)



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