



Water Utility Partnership **Workshop Report**

Contents

Background	2
Welcome and introduction	2
Improving utility management: The case of NWSC, Entebbe (Uganda) and Maseru (Lesotho)	4
Challenges and lessons learned	6
Discussion and wrap up	6

Appendices

Appendix A: Participant list	8
------------------------------	---



Background

Improving Water Utility Management and Reduction of Unaccounted-for-Water is a programme managed by the African Water Utility Partnership (WUP), and sponsored by the Swedish International Development Agency (SIDA). The Water Utility Partnership (WUP) is an organization established to help water utilities in Africa to improve their performance and achieve economic and environmentally sustainable service delivery. WUP works by building partnerships among African water supply and sanitation utilities and other key sector institutions, to create opportunities for sharing experiences and capacity building.

The project provided support to six water utilities in six African countries of Uganda, Kenya, Tanzania, Lesotho, Benin and Congo. The six participating water utilities were those of: Entebbe (Uganda), Kisumu (Kenya), Mwanza (Tanzania), Maseru (Lesotho), Cotonou (Benin) and Brazzaville (Congo). The project set out to bring about improvements in the management of these water utilities, with a view to providing better water supply and sanitation services to all customers, including the urban poor. At the heart of this project was a novel partnership of international expertise and participating utilities, which allowed for capacity building using participatory approaches. Severn Trent Water International (STWI) (UK) in association with the Water Engineering and Development Centre (WEDC), Loughborough University (UK) constituted the consultancy and backstopping team. All six African water utilities taking part in this project have developed Performance Improvement Plans and Action Plans for Unaccounted for Water, which have been the main mechanisms for bringing about improvements in the management of the utilities.

The half-day workshop was organised by WEDC in order to discuss and disseminate the lessons from the project to other African water utilities. The workshop was attended by some 20 water and sanitation researchers and practitioners from African water utilities, NGOs, and the donor community. Discussions during the workshop focused on the following:

- Why improvements were necessary, and which management improvements were undertaken;
- How any difficulties faced by the utilities in implementing this process were overcome; and
- How participating utilities have benefited from this project.

The workshop provided an opportunity for participating utilities (from the English speaking countries) to share their experiences. However, only two (i.e. Entebbe and Maseru) were represented at the workshop. The other utilities presented papers detailing their experiences at the 31st WEDC Conference held at the same venue. These will be available in the conference proceedings published by WEDC.

Welcome and introduction

The workshop was opened by Dr. Cyrus Njiru (WEDC), in his capacity as moderator. He welcomed the participants and noted that the workshop was an important opportunity to know more about improving water utility management and how water utilities can provide a more effective service. Dr. Njiru introduced Mr. David Young, one of the project team members from Severn Trent Water International (UK), and requested him to give a brief background of the WUP project.

David presented a background paper detailing the inception, objectives, methodology and key outputs from the project. The project formed part of WUP's Action Programme designed to meet its objectives of improving utility performance, improving services to the urban poor and creating a framework for collaboration among water utilities and various training and research organizations. The project was undertaken in two phases. Phase 1, undertaken in 2001, involved selection and performance audit of representative African utilities. The main tasks for this phase included development of audit methodology, training of audit teams, performance audits and evaluation. Phase 2 of the project commenced in July 2003, and involved preparation of Performance Improvement Plans and Action Plans for the Reduction of Unaccounted for Water. This workshop was concerned with the activities and results of phase 2.

David further explained that the purpose of phase 2 was to:

- Improve management skills through seminars and workshops
- Prepare Performance Improvement Plans (PIPs) with each utility and provide support
- Train participants and demonstrate the importance of reducing Unaccounted for Water (UfW)
- Prepare and develop pilot zones for UfW reduction
- Allow for an expansion of services to peri-urban areas
- Monitor progress and report regularly
- Raise operational and management standards so that participants may operate with financial autonomy
- Provide material, training and expertise to enable the participants to help other utilities.

The scope of the work to meet these objectives was made up of the following key tasks:

- Preparation of a training course on best practices in commercial and customer-oriented water utility management
- Development of a general PIP and UfW reduction plan
- Implementation of training
- Assistance during PIP preparation
- Dissemination seminar on draft PIP plans
- Backstopping support during final plan preparations
- Dissemination to other African utilities (the purpose of the workshop).

The above project tasks were carried out in a participatory manner to maximize ownership of the project objectives by the staff of the participating utilities. A key aspect of the methodology adopted was that the project team (STWI and WEDC) acted as facilitators, while the participating utilities planned and produced the project outputs. Local staff of participating utilities have knowledge of the prevailing situation and problems in the organization, while external experts have knowledge of best practices and experiences from different parts of the world. The resulting partnership of international expertise and local knowledge played a crucial part in achieving project objectives.

David also pointed out that a key component of the project was the concept of Performance Improvement Plans (PIP). A performance improvement plan is a comprehensive work plan developed to address a variety of management issues in a utility, with the intention of enabling the utility to achieve its objectives emanating from its mandate and mission. It is therefore an important tool for use by utility managers for effective and efficient water utility management. The PIP was based on the following strategic questions:

- Where is the utility now?
- Where does the utility want to be?
- How might the utility get there?
- How does it ensure success?

The PIP framework developed for this project also incorporated an action plan for reduction of UfW. To address the problem of UfW, the project used a strategy which involves: (1) measurement of flows (supply and demand); (2) validation of readings; (3) identification of the problem (leaks and commercial losses); and (4) rectification (repair of leaks and correcting billing databases). In order to manage UfW, the project recommended the establishment of District Meter Areas as the most effective way to measure, validate, identify and rectify both technical and commercial losses.

The background paper concluded by highlighting the key output of the project - participating utilities now appreciate the need for strategic planning. They have developed utility management and planning skills, and each have a Performance Improvement Plan (PIP) developed by the utility's staff.

Improving utility management: the case of NWSC, Entebbe (Uganda) and WASA, Maseru (Lesotho)

Presentations by Sylvia Tumuheirwe and Momosebi Pholo

Sylvia and Momosebi presented cases of National Water and Sewerage Corporation (NWSC), Entebbe (Uganda) and Water and Sewerage Authority (WASA), Maseru (Lesotho) respectively. NWSC Entebbe was selected to participate in the project due its high level of UfW of 30% at the inception of the project. On the other hand, WASA's corporate plan had lapsed at the time this project started. Thus the project provided a good opportunity for comprehensive review of past performance and development of a new plan.

How Utility PIPs were developed

Sylvia and Momosebi outlined the process each utility went through to develop their Performance Improvement Plans. The process involved the following stages:

1. Institutional analysis
2. Training for developing the PIP
3. Preparation of draft PIPs
4. Review of draft PIPs
5. Finalization of PIP documents
6. Dissemination of PIPs to stakeholders

Institutional analysis: The project team facilitated top and middle managers of the utility to undertake a comprehensive analysis of strengths, weakness, opportunities and threats (SWOT) of the organization. A political, environmental, social and technical (PEST) analysis was also undertaken. Furthermore, managers of the utility carried out a preliminary analysis and formulation of objectives of the organization, as well as preliminary plans and strategies for improvement. All these were discussed with stakeholders in a participatory way to solicit in-house consensus on the issues.

Training for capacity building: Two week training courses were organized and facilitated by the project team in Durban, South Africa. The training courses were aimed at equipping top and middle managers with skills and knowledge necessary for developing and implementing effective PIPs. The training focused on familiarising managers with the principles applied in the technical, commercial and financial operations of modern utilities. In particular, the following aspects were covered:

- Institutional analysis and development
- Commercialization and customer services
- Financial management
- Management of human resources
- Operation and maintenance management
- Management of UfW
- Contracting out utility activities and private sector participation
- Planning and development of PIPs
- Change management.

Sylvia and Momosebi also noted that the training course followed a participatory approach, based on shared learning and experiences. A variety of learning methods were used including lectures, case study presentations, field visits and discussions on the above subjects using cross-utility and utility working groups. The key output of the training course was an outline framework for PIPs and an action plan for UfW for the utility. Managers worked in their own utility teams to develop the PIP framework. Each utility group presented their outline PIP to the whole group, and received comments from participants and resource persons.

Preparation of draft PIPs: Following the two-week intensive course, utility managers embarked on the process of preparing draft Performance Improvement Plans. Using information revealed by institutional analysis, each utility agreed on a vision and mission derived from the organization's mandate and obligations. Top and middle managers from each utility then developed and clarified objectives, in line with their respective vision and mission statements. To realise these objectives, each organization developed and agreed on performance standards and targets that are specific, measurable, achievable, realistic and time bound (SMART). The general outline of the PIP was therefore as follows:

- Background information on the project
- Analysis of the present status of the utility using both PEST and SWOT tools, as well as key performance indicators (i.e. where the utility is now)
- Vision and mission statements, goals and objectives (i.e. where the utility wants to be)
- Strategies to be employed (i.e. how the utility wants to get there). Common strategies adopted by all participating utilities included: developing new management structures that are more commercially oriented; management of UfW using pilot District Meter Areas (DMA); customer relations management; human resources; management information systems (MIS), preventative and planned maintenance and financial management
- Resource requirements (financial and non-financial)
- Monitoring and evaluation mechanism
- Financial plan showing the cash flow derived from the PIP strategies and the financial model.

PIP review and finalisation: The draft PIPs for the utility were subjected to a participatory review by the project team and managers of other utilities. This was done in two ways. First, a joint review was undertaken with the team of managers from each utility assigned to prepare the plan and the team of experts from WEDC and STWI who visited each utility. Secondly, a one-week seminar was held where each organization presented their draft PIPs for peer review, discussion, comments and recommendations by the participating and invited water and sewerage utility managers. The PIPs were finalized by incorporating recommendations that arose from the reviews, and getting the document accepted by key stakeholders and authorized by relevant bodies before formal implementation.

Results registered so far

Sylvia and Momosebi outlined the achievements that have been registered so far as a result of the PIP process. Although implementation of the plans is dependent upon adequate financial resources being made available (either from within the utility or externally sourced), the utilities have registered some achievements as a result of the project in general. For instance, the utilities now have a better vision of what needs to be done to improve the overall financial performance and as a consequence enable a better level of service to be provided to their customers. Other achievements include:

- Reviewing and improving billing efficiency
- Reviewing connection policy/illegal connections
- Putting into place new UfW/Revenue sensitive management structures
- Enhanced understanding of the importance of UfW reduction
- Better planning enhanced by financial modelling. The financial model developed for each utility has proved to be a very important tool in carrying out a situational analysis of the organization, setting

and shaping SMART targets, and analysing the financial implications of the strategies and thus allowing timely adjustments

- Encouragement of benchmarking among utilities. Indeed, the project has created a spirit of “competition” between participating utilities - all wanting to become “winners”, by learning from others and adopting sound utility management practice
- Implementation of DMAs as an effective tool for UfW reduction. Entebbe Area demarcated three zones
- Improved personnel regulations and divisional restructuring
- In the case of WASA, the re-emergence of the five year corporate plan, with commitment towards a new institutional mission and vision
- Increased capacity of senior and middle management staff (of participating utilities) in strategic planning.

Challenges and lessons learned

Cyrus and David highlighted some of the problems and challenges encountered during the project. The main challenges were:

- Changes in senior management in some utilities (e.g. Kisumu and Maseru)
- Institutional changes (e.g. Cotonou.
- Financial constraints within some utilities (e.g. Cotonou)
- Long period of time between phases 1 and 2 of the project resulting in changes of staff and even institutions in the intervening period.

However, they noted that despite the above challenges, the project achieved its objectives as is evident from the quality of the plans produced by the six participants. They particularly noted three features of the project which distinguish it from other projects and make its scaling up to other utilities very worthwhile:

- The participatory approach - whereby the project experts facilitate and the participants produce the project outputs
- The concept of the UfW pilot action plan using DMAs
- The concept of the Performance Improvement Plan (PIP), which has now been prepared by each of the participating utilities. Implementation of the PIPs by each utility is expected to bring about significant improvements in performance.

Discussion and wrap up

The above presentations were followed by a discussion. Participants raised the following questions or issues:

- For those utilities already involved in various performance enhancement programs (e.g. NWSC Entebbe), what was the added value from this project?
- How will the utilities ensure continuity of the culture of strategic planning?
- On what basis were DMAs demarcated (considering the difficulties created by hydraulic differences between network zones)?
- Will there be some documentation of the project for reference purposes, especially the PIP process?

On the question of whether the PIP process has added any value to existing performance programmes in NWSC, Entebbe, Sylvia and other speakers noted that it was still too early to evaluate the impact of the project. However, she reported that the concept of District Meter Areas has registered some



achievements, notably the reduction of UfW from 30% at the start of the project to 24%. Further, the DMA has allowed for clustering of the network and putting in place a meter management policy and database. On the question of how utilities can ensure continuity of the strategic planning culture, it was noted that top management commitment was critical in developing the right organizational culture.

As regards the basis for demarcating DMAs, Dr. Sam Kayaga (Regional Expert on the consultant team) explained that the DMAs were selected on the basis of simplicity. He urged that since DMAs were being established on a pilot basis, it was necessary to select the simplest zone (hydraulically) so as to facilitate the learning process.

Finally, regarding documentation of the project, Dr. Cyrus Njiru explained that a project brief will be posted on the WEDC website. He advised participants to regularly check the website for additional information, and the 31st WEDC Conference proceedings for utility-specific experiences. Dr. Njiru wrapped up the workshop by noting that the PIP process was an innovative idea, and urged other African utilities to adopt it in their efforts to improve management and performance.



Appendix A: Workshop participant list

No.	Name	Organization/Designation	Contact Address/email
1	Dr. Cyrus Njiru	Research Manager, WEDC Loughborough University (Workshop Moderator)	LE11 3TU, Leicestershire, UK C.Njiru@lboro.ac.uk
2	Momosebi Pholo	Water and Sewerage Authority (WASA)	P.O Box 426, Maseru-Lesotho mamose@wasa.co.ls
3	Sylvia Tumuheirwe	National Water and Sewerage Corporation (NWSC), Entebbe	P.O Box 79 Entebbe, Uganda sylvia.tumuheirwe@nwsc.co.ug
4	Edmond Odaba	Kenya Water for Health Organisation (KWAHO)	P.O Box 00200 61470, Nairobi e.odaba@kwaho.org
5	Lutaakome Amulan	NWSC, Entebbe	P.O Box 79 Entebbe, Uganda amulan.lutaakome@nwsc.co.ug
6	Ndegeya Joseph	NWSC – Kampala HQ	joseph.ndegeya@nwsc.co.ug
7	Barbara Gerhager	GTZ/MWLE	Barbara.gerhager@gtz.de or gerhager@ruwasa.co.ug
8	Eng. R.A. K. Jimoh	Federal Ministry of Water resources	P.M.B 159, Abuja, Nigeria dejijim@yahoo.com
9	Edward Martin Rwarinda	Ag. Senior Water Officer Directorate of Water Development	P.O Box 20026, Kampala (U) emrwarinda@yahoo.com
10	Shonki, A. Ajak	Water & Environmental Sanitation Project, UNS/Sudan	c/o Samuel, M. Riak sriak@unicef.org
11	Mutikanga Harrison	Manager, NWSC – Kampala Water (City Branch)	harrison.mutikanga@nwsc.co.ug
12	Charles Ekure	Area Manager, NWSC - Soroti	charles.ekure@nwsc.co.ug
13	Tom Robert Mugoya	Regional Water Manager, Carlbro International	P.O Box 2450, Kampala tmu@carlbro.co.ug
14	Mlelwa Florence	DSM, TZ Program Officer	P.O Box 38340, DSM mlelwauk@yahoo.co.uk
15	Victor White	IAS, South Sudan	
16	Sam Kayaga	WEDC, Loughborough University	LE11 3TU, Leicestershire, UK s.m.kayaga@lboro.ac.uk
17	Josses Mugabi	WEDC, Loughborough University	LE11 3TU, Leicestershire, UK j.mugabi@lboro.ac.uk
18	Eng. Amayo Johnson	NWSC, Uganda	johnson.amayo@nwsc.co.ug
19	Gerry Garvey	Technical Adviser/Directorate of Water Development	dorsch@dwd.co.ug
20	David Young	Adviser, Severn Trent Water International (STWI)	carol.herbert@stwi.co.uk