



Presentation from  
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Week in Stockholm**

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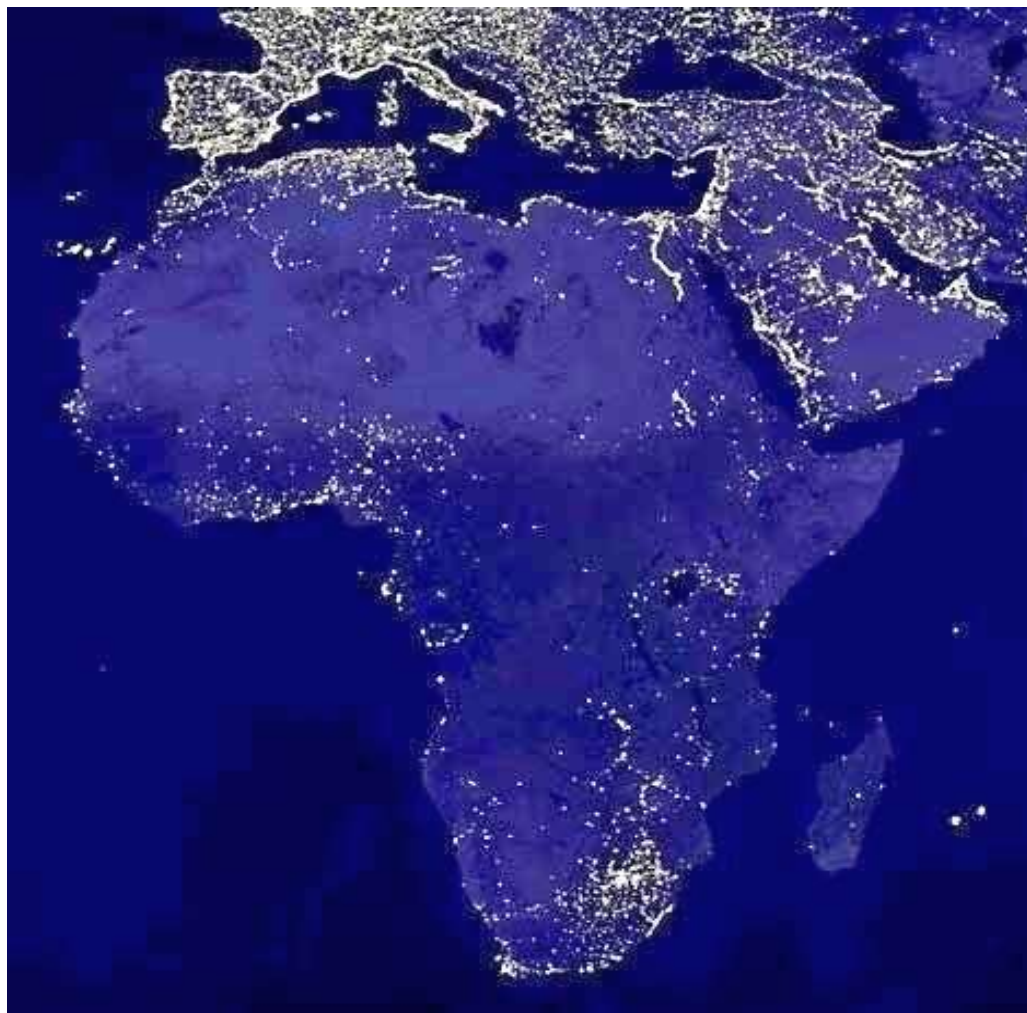
# The politics and practice of getting water to the urban poor *Lessons from African cities*

Chris Heymans  
World Water Week, August 2016



# *Background*

# Africa's urbanization rapid, many newcomers low-income, cities & institutions face big challenges



1. **200m urban Africans have water connections; 400m more will need new connections in next 20 yrs.**
2. **Access increasing, but lack of piped water a reason for concern**
3. **Density increases risks of inadequate services**
4. **High proportion of people living in slums and low incomes make it challenging**
  - financing,
  - maintaining and extending
  - reaching the poor
5. **Massive service demand & investment requirements**
6. **Only a few utilities respond with effect: can we learn from them?**

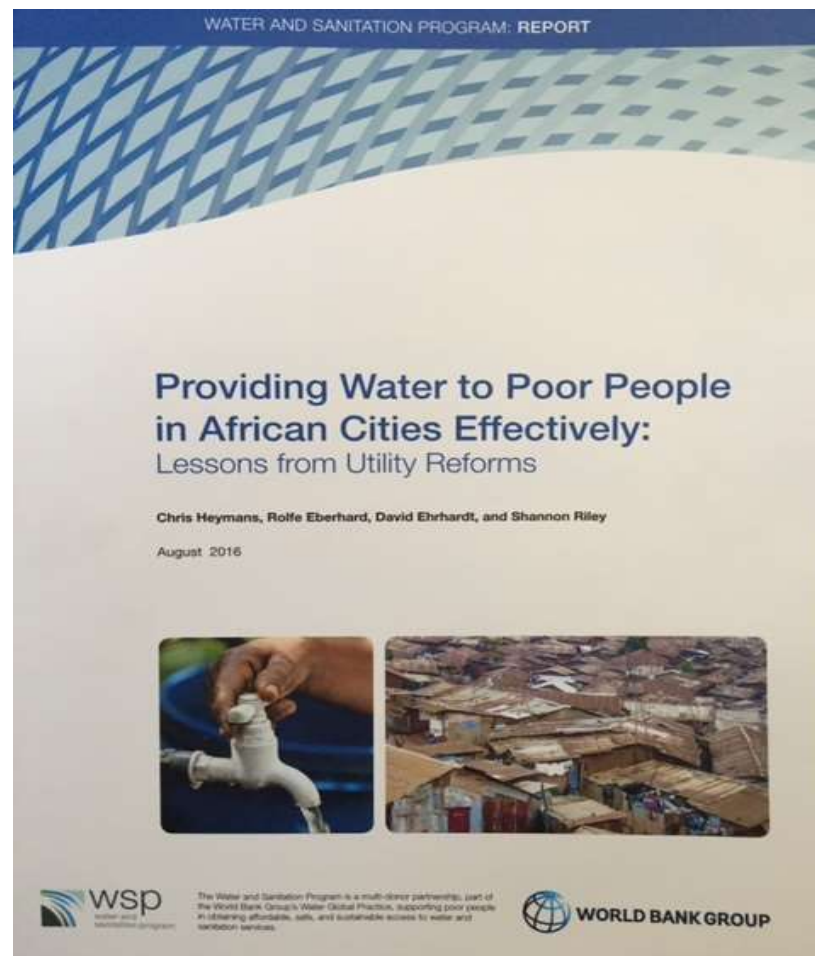
# New World Bank study on how cities/utilities have been dealing with these challenges

**Why & how do some African cities cope better than others, also serving the poorest 40%?**

**Household survey & utility data from 17 cities**

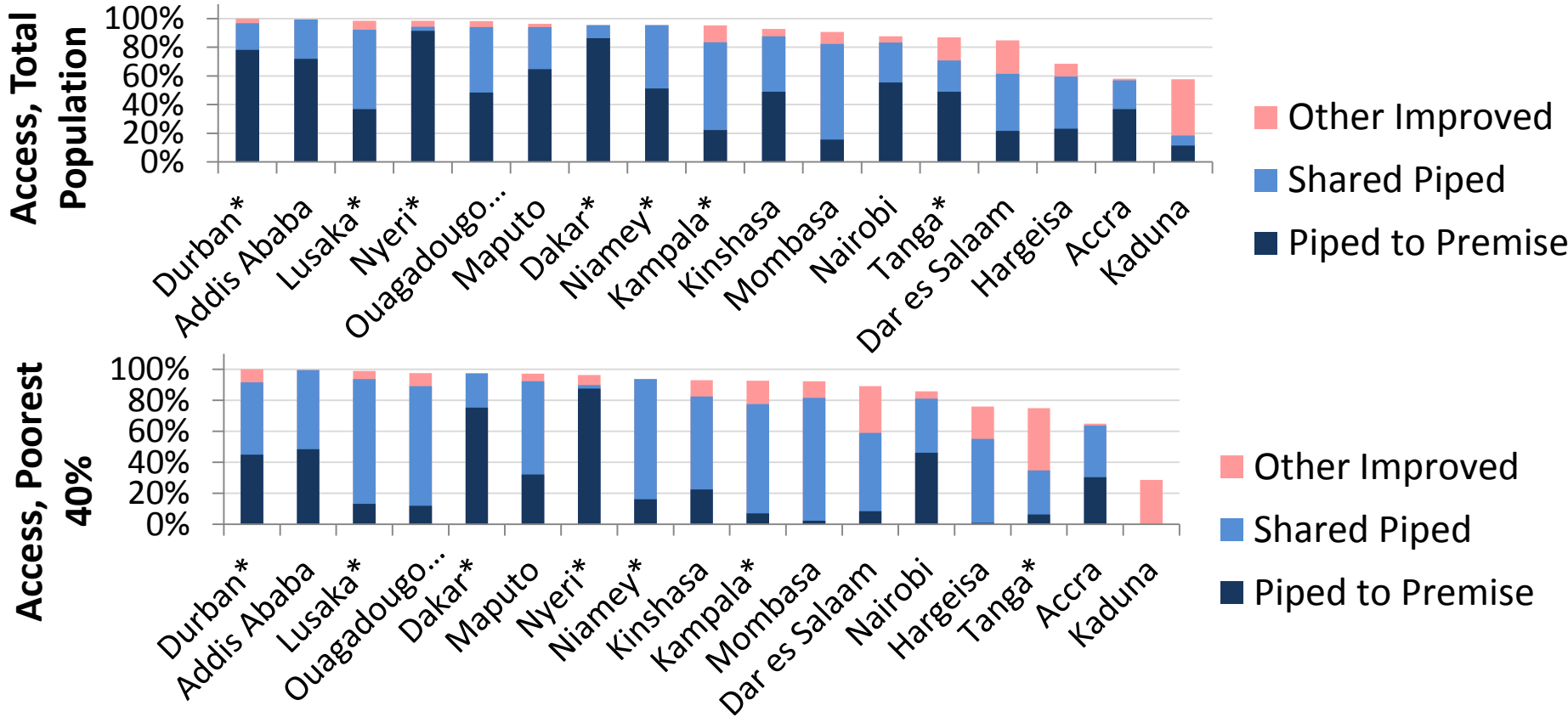
- **Highlights lessons from 5 more successful cities**
- **Focus on water, but recognizes sanitation lags even further behind**

**Looks at technical, financial and institutional/political economy factors**



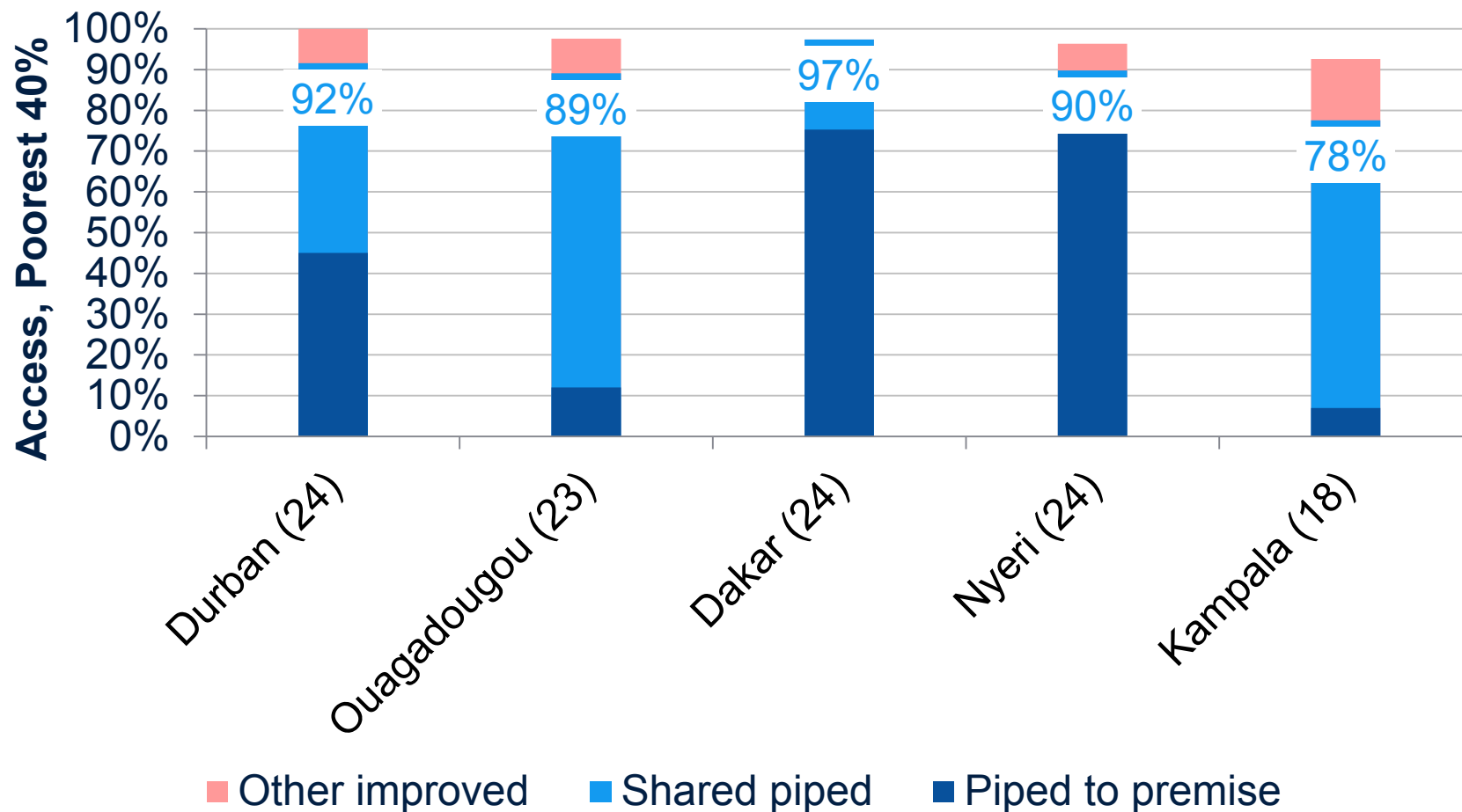
# *Key messages*

# 1. The trends are varied: most cities are still far from delivering reliable, safe, affordable services to all



Cities with higher benchmarking scores for general performance

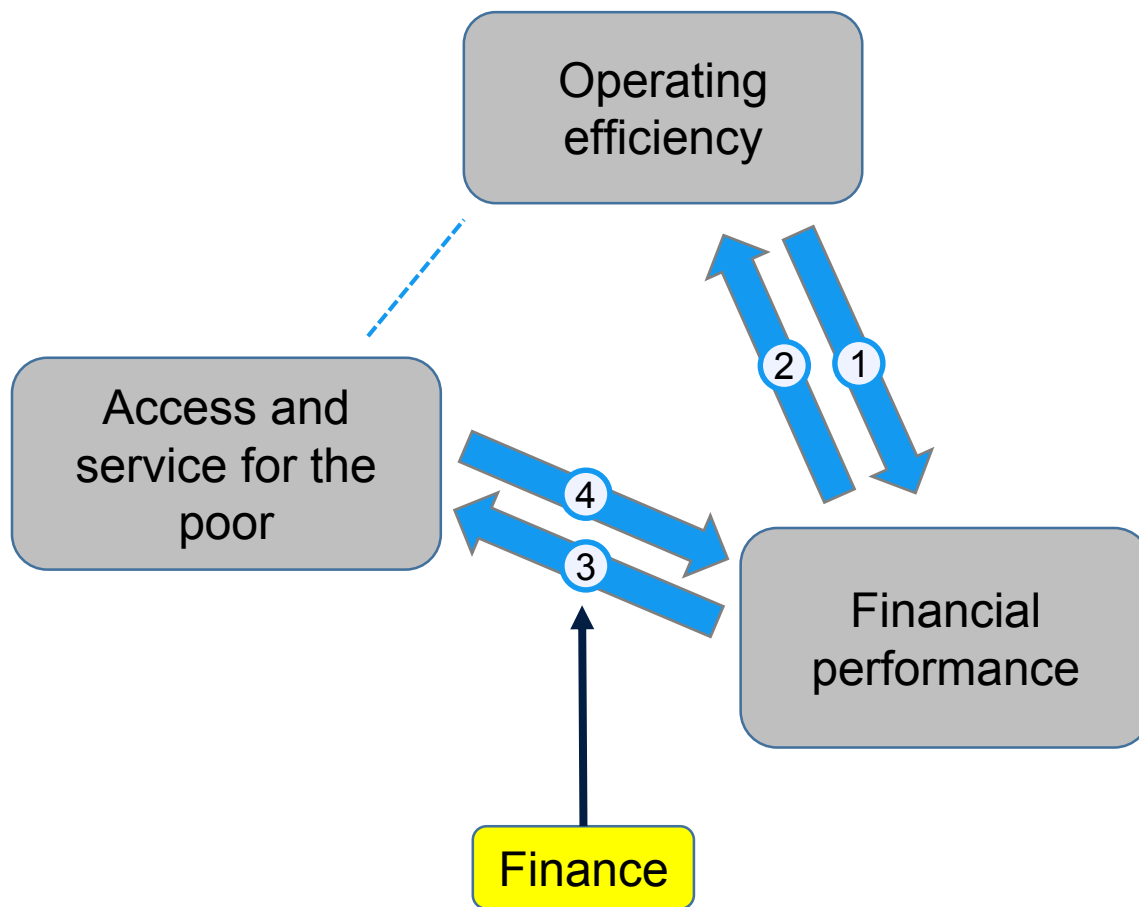
## 2. Some African cities do serve the poor quite well



Number in parentheses is hours of water supply per day, on average



### 3. Serving the poor starts with getting the basics of service delivery performance right...



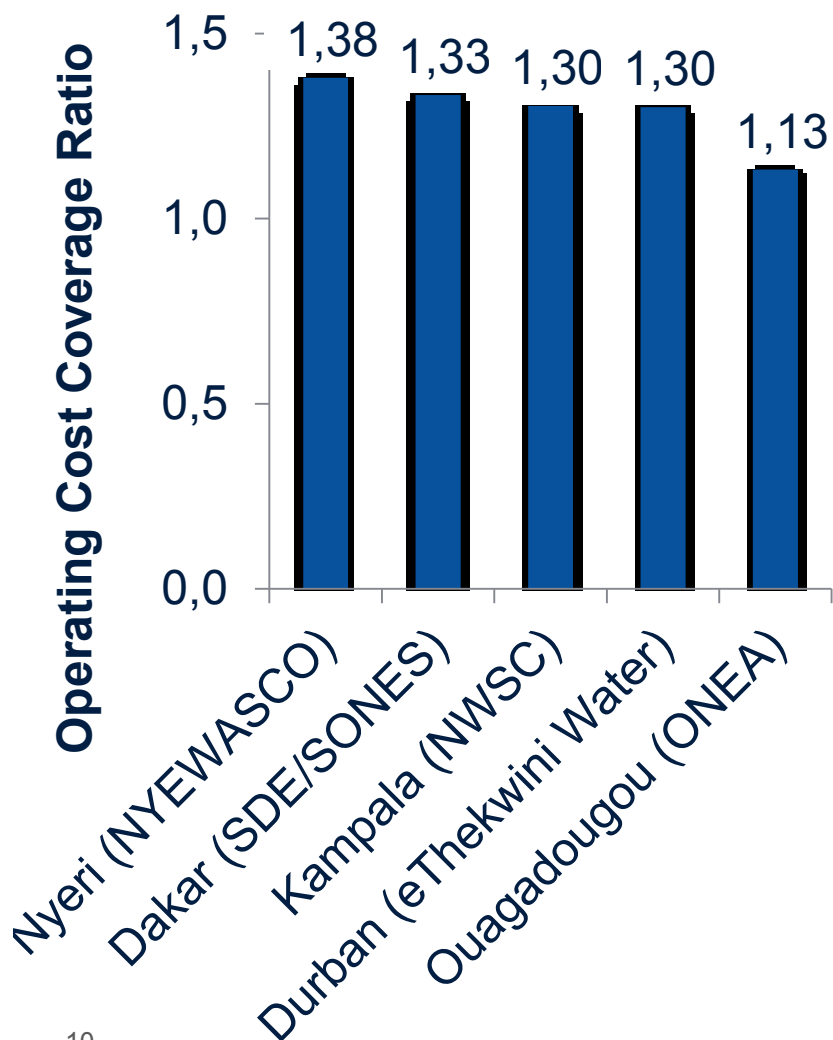
**Financial performance and operating efficiency linked:**

- 1) O&M costs controlled
- 2) Make operational improvements

**Financial performance and service to poor linked:**

- 3) Strategic investments in infrastructure
- 4) Generate cash or access finance to pay for network expansion, bulk water supply, etc.
- 5) Revenues increase

# ...as the basic indicators show



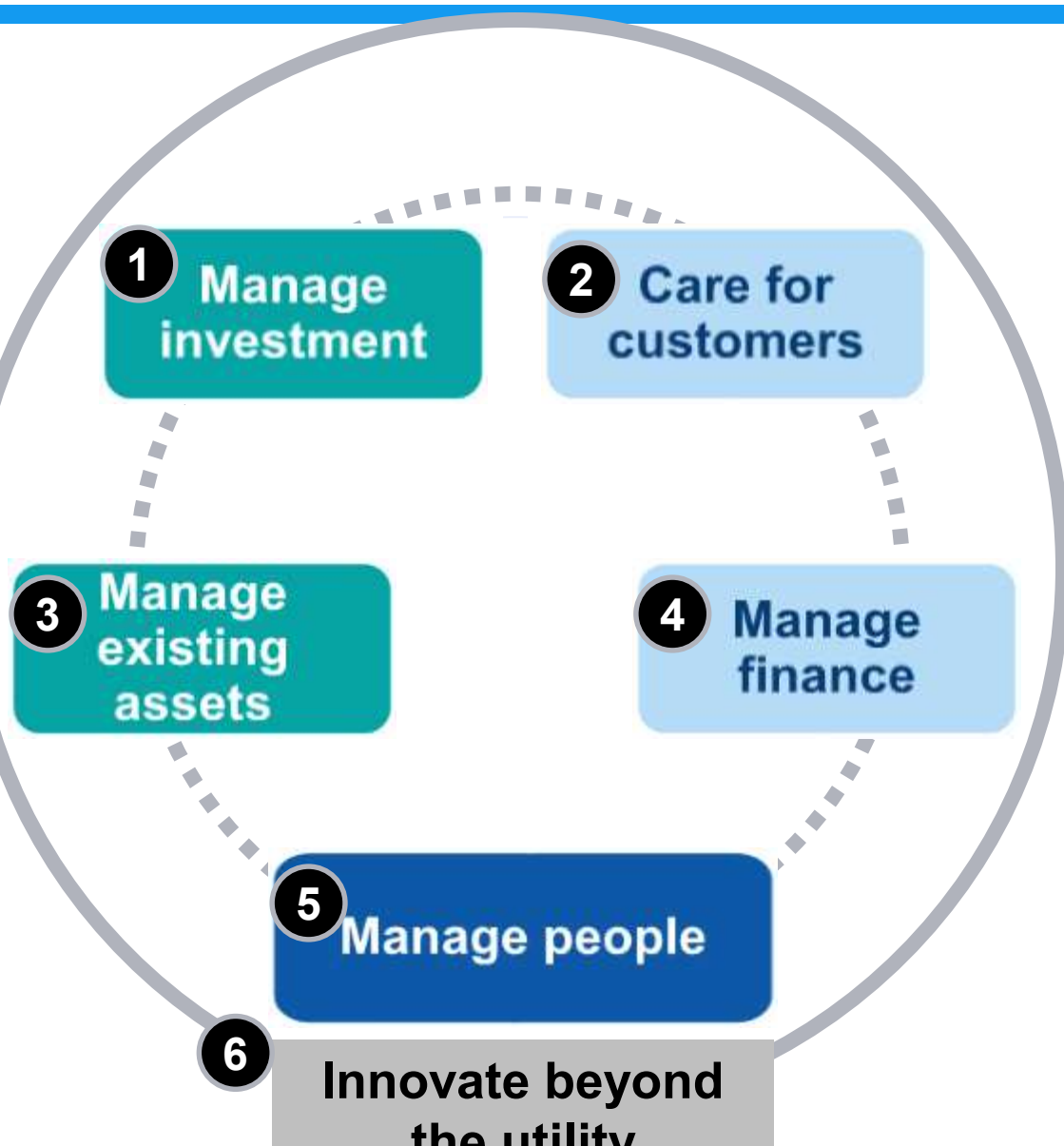
Utility	NRW	Staff Prod.	Coll. Ratio
Dakar (SDE/SONES)	20%	2.4	94%
Durban (eThekweni)	39%	3.5	98%
Kampala (NWSC)	35%*	5.3	96%
Nyeri (NYEWASCO)	18%	3.2	107%
Ouagadougou (ONEA)	18%	2.9	97%

NRW = non-revenue water (NWSC says in 2016 Kampala figures now near 20%)

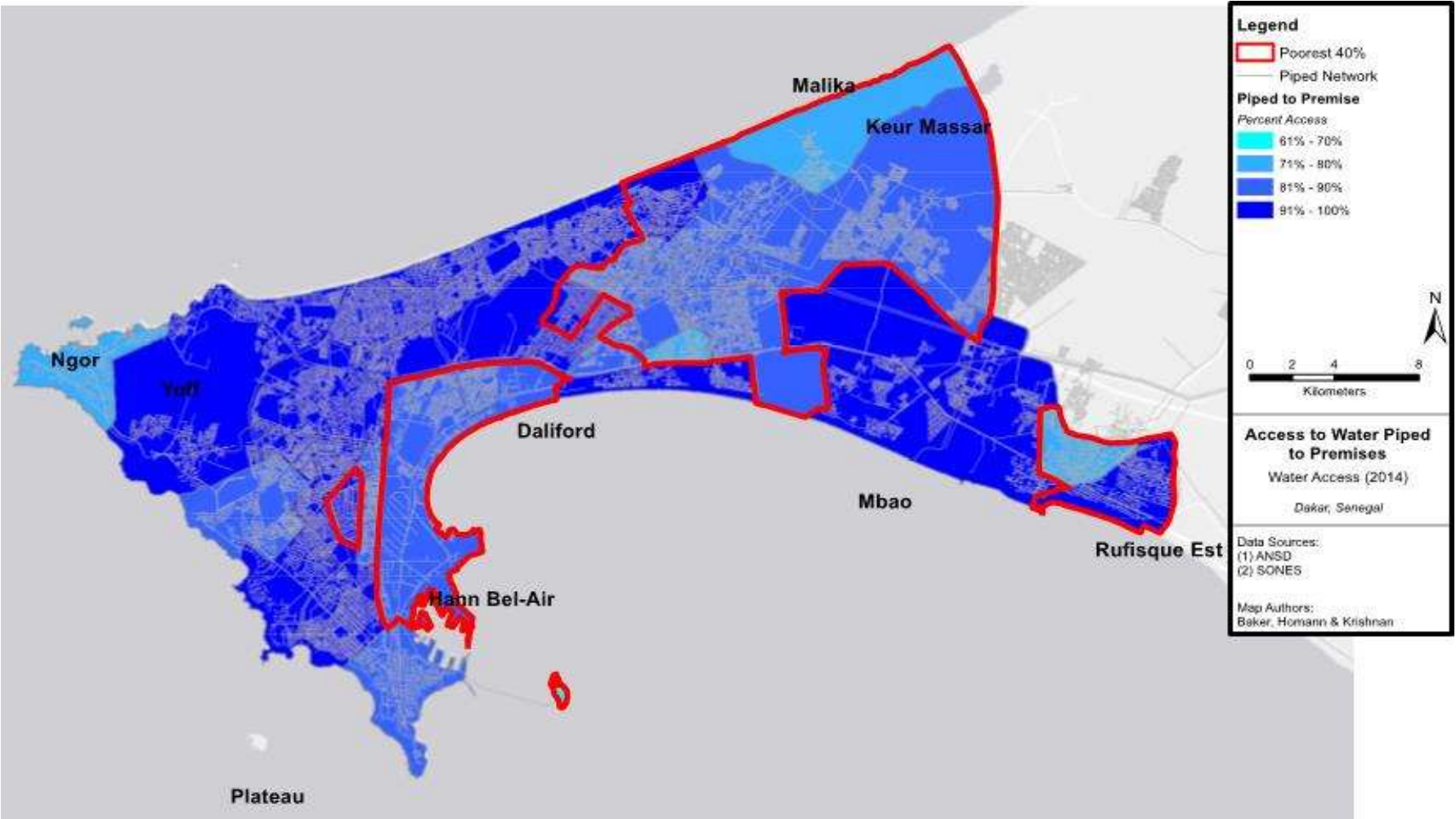
Staff prod. = Staff per 1,000 connections

Coll. Ratio = collection ratio

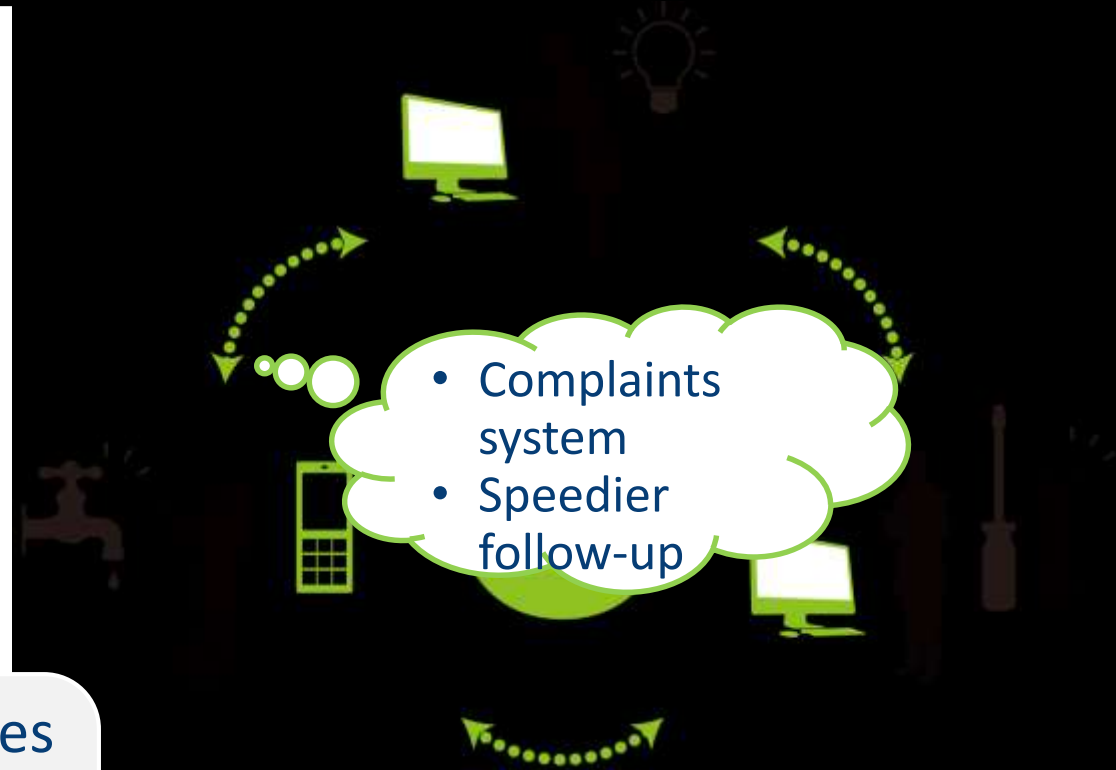
## 4. Therefore...serving the poor is integral to utility management – not something separate



# 4.1 Investments strategically managed e.g. Dakar's network extension brings water close



## 4.2 Customer care improved (e.g. eThekwini, Nyeri,, NWSC: metering, payment, complaints etc.

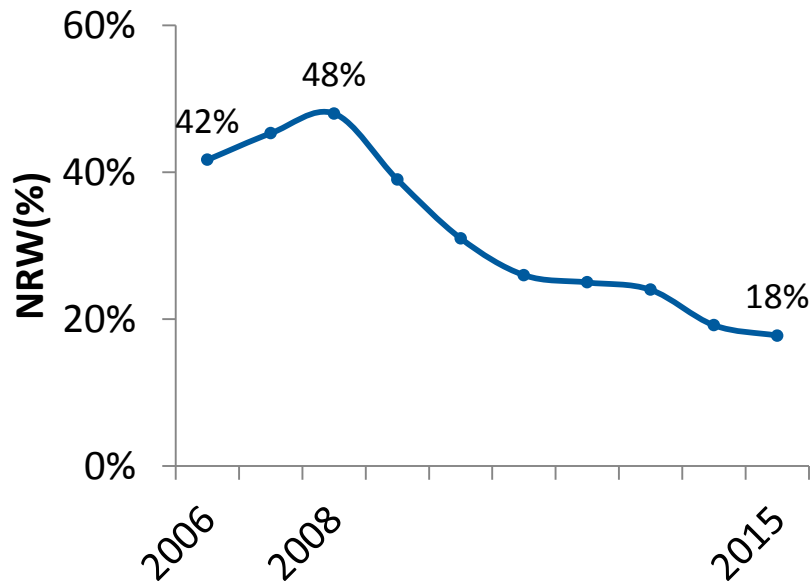


Immediate interfaces easier

- Cellphone metering
- Cellphone payment in manageable portions
- Prepaid meters

## 4.3 Existing assets managed & NRW controlled

### NYEWASCO (Kenya)

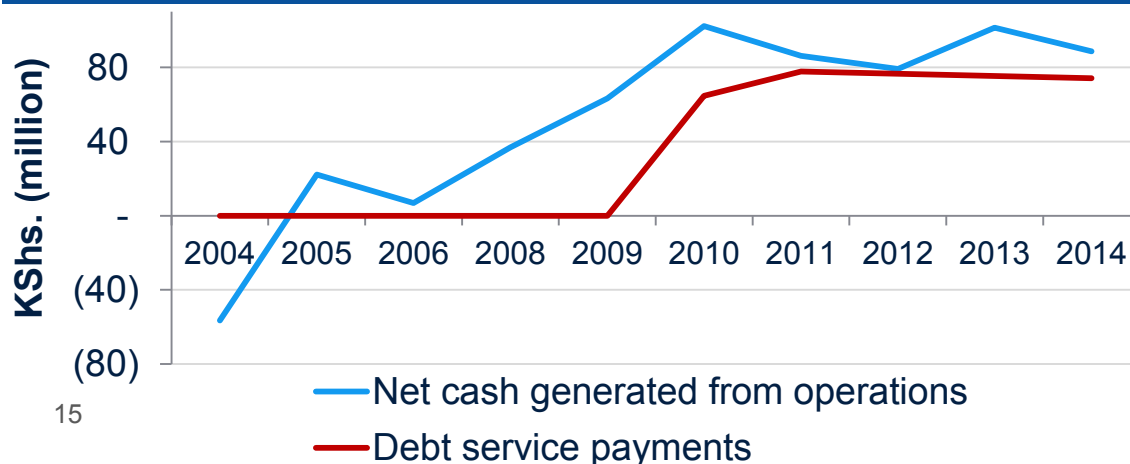


- **2008:** Implemented a 10-technician unit to manage NRW, which had increased from 2006 to 2008 due to upgrading of the water supply system.
- Purchased leak detection equipment and upgraded piping material. Analyzed NRW regularly.

## 4.4 Improved services financed through multiple sources, not grants alone

	NWSC (2002-2011)	NYEWASCO (2005-2014)	ONEA (2002-2013)	SDE/SONES (1996-2013)
Estimated total capital investment	US\$100 million	US\$19 million	US\$600 million	US\$770 million
Percent grant-financed	28%	5%	52%	29%
Percent financed by internal cash flow	52%	14%	19%	23%
Percent financed by loans	16%	80%	29%	47%
Capital investment/ person served /year	US\$4	US\$22	US\$23	US\$10

### NYEWASCO services debt with operating cash



## 4.5 People management improved

- Develop strong managers
- Develop strong performance culture
- Get staff committed to the utility mission

### NWSC

- Internally delegated management contracts (IDAMCs)

### ONEA

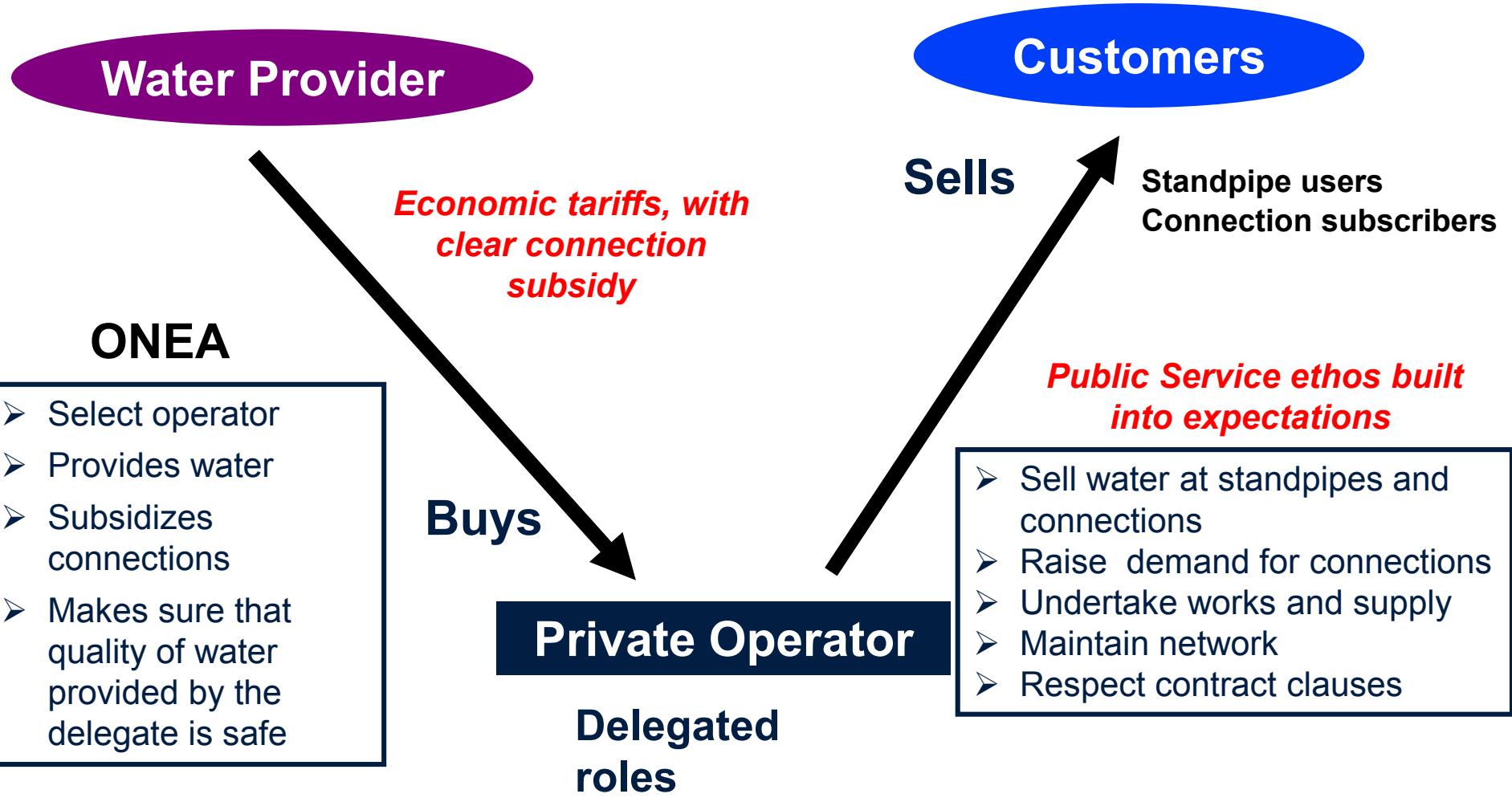
- Quality (Performance) Management – all staff have annual performance targets, based on balanced scorecard

### NYEWASCO

- Culture of transparency and empowerment



# 4.6 Innovating beyond utility (e.g ONEA)

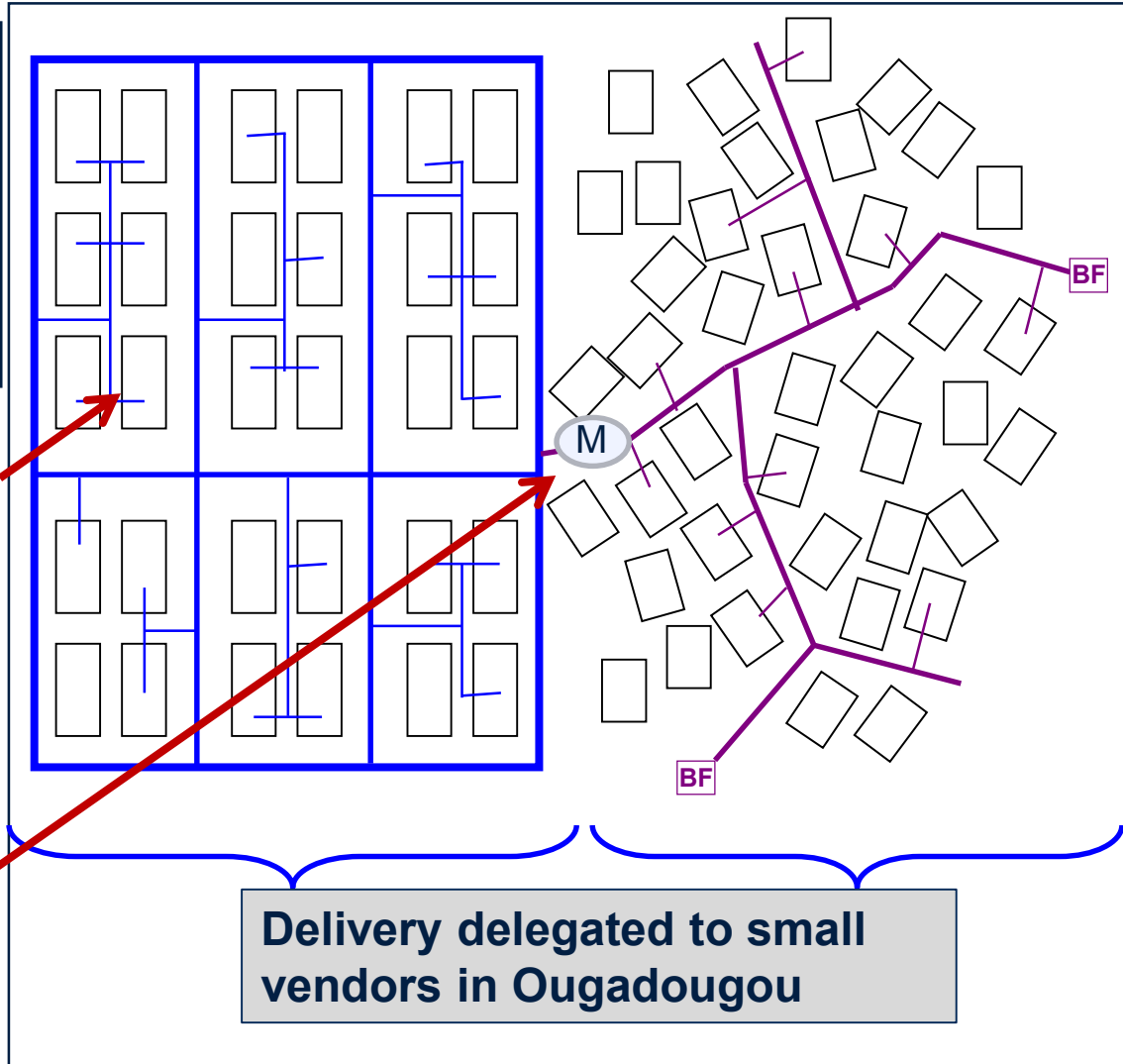


# ...getting piped water to informal areas

Reducing poverty is government and ONEA policy...  
...but innovative solutions needed to improve supply in informal areas

Conventional piped water supply from ONEA to households in formal areas

ONEA piped water supply to informal areas through bulk meter at the boundary



Delivery delegated to small vendors in Ougadougou

# 5. But often managing the politics is critical

Maintain status quo (low access, poor service)

Increase access and improve service

Receive kickbacks from contractors for political party or family

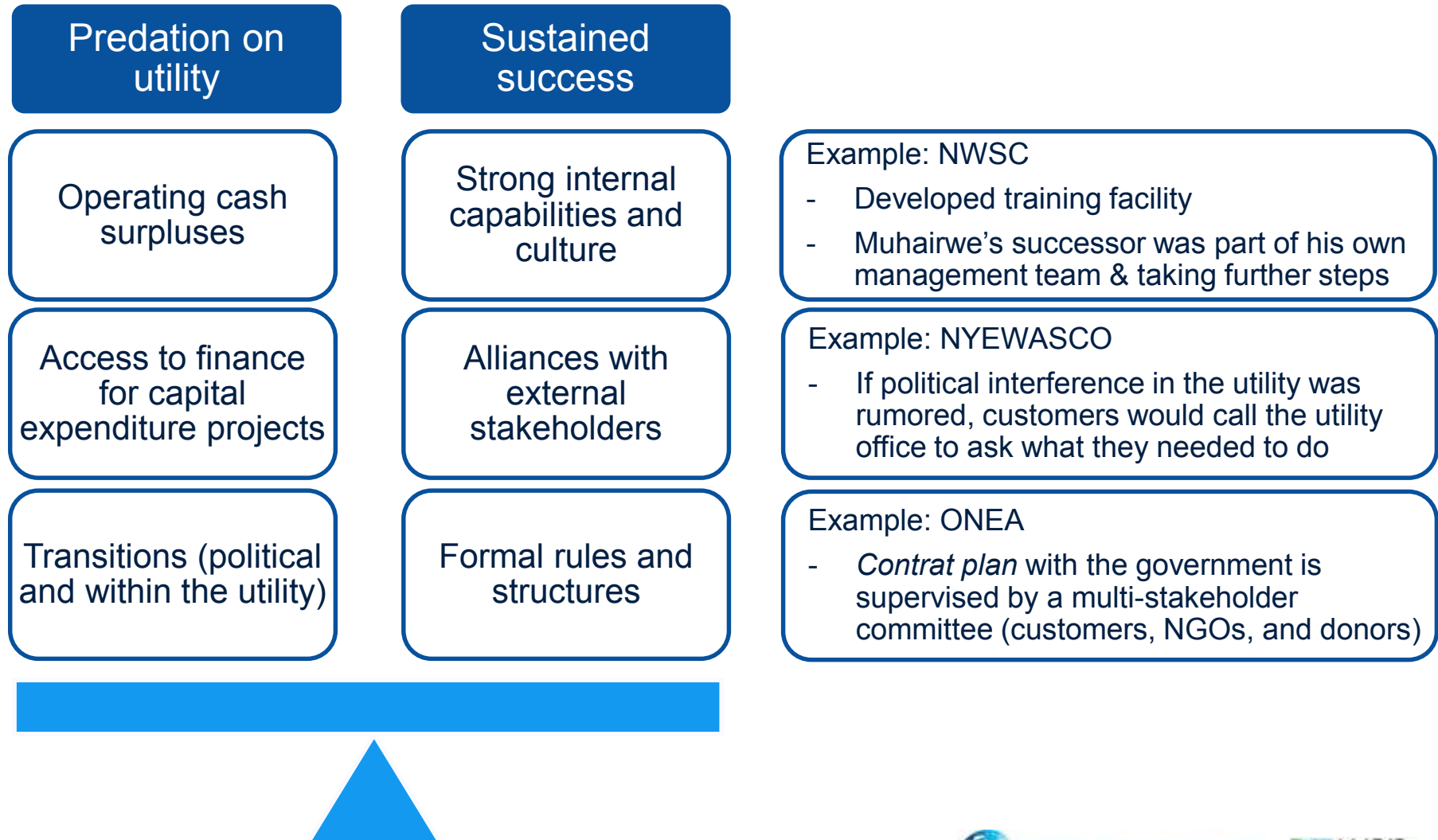
Punish and reward through supply of water (a scarce resource)

Provide jobs for constituency through utility

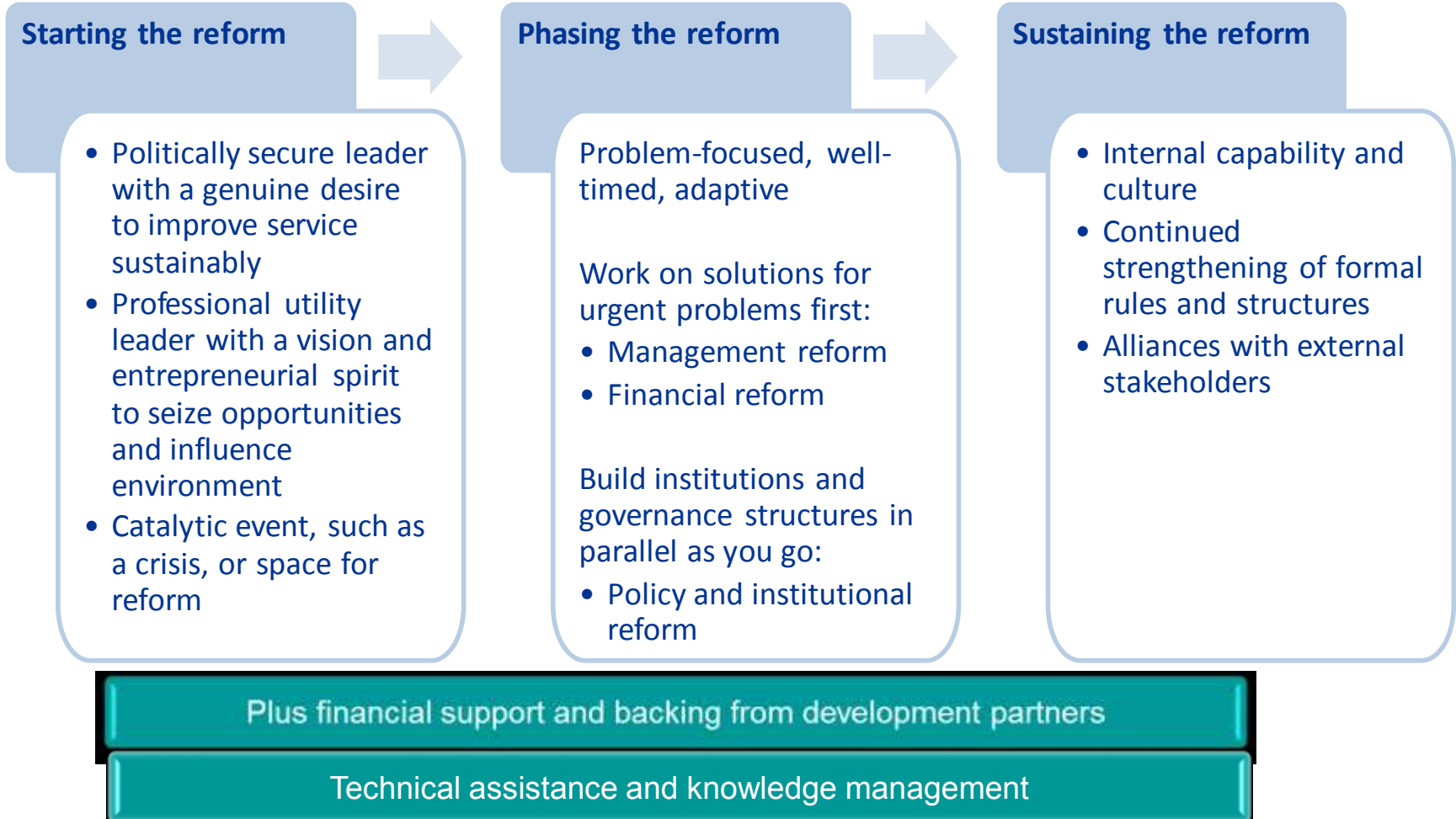
Win votes from happy customers, stay in office

So, in the context of the general political environment and poor governance arrangements, why do some African utilities perform well?

# 5.1 Paradoxically, as performance improves, benefits of predation increase – need mitigation



# 5.2 Useful framework for understanding... Starting, phasing, and sustaining reform



## 6. Lessons and opportunities in brief

**There is success in Africa which can be learned from in all regions.**



**Technical /managerial and financing solutions have worked well in several contexts**



**Managing the politics of reform has to be context specific, and 'solutions' cannot be imposed from outside.**

**Drivers: strong political & utility actors, catalytic event, coalitions; sensitive development assistance working with the grain**