



Financial Sustainability of Rural water Supply

RWANDA

Presented by James SANO
Chief Executive Officer
Water and Sanitation Corporation (WASAC)
Rwanda

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HISTORICAL BACKGROUND OF MANAGEMENT AND PAYMENT OF WATER FEES IN RWANDA

- ❑ 1950-1984: Non payment of water services
Management by the Government through local authorities
- ❑ 1984-2004: Community Management – Cooperatives/ Associations
 - ❑ The payment of water fees was voluntary and paid in
 - ❑ lump sum - NOT cost reflective
- ❑ 2004 up today : Public – Private Partnership Policy- Payment of water services to cover operation and maintenance costs (O&M)



Typical water point serving communities in Rwanda



STRATEGIES TO IMPROVE MANAGEMENT OF RURAL WATER SERVICES



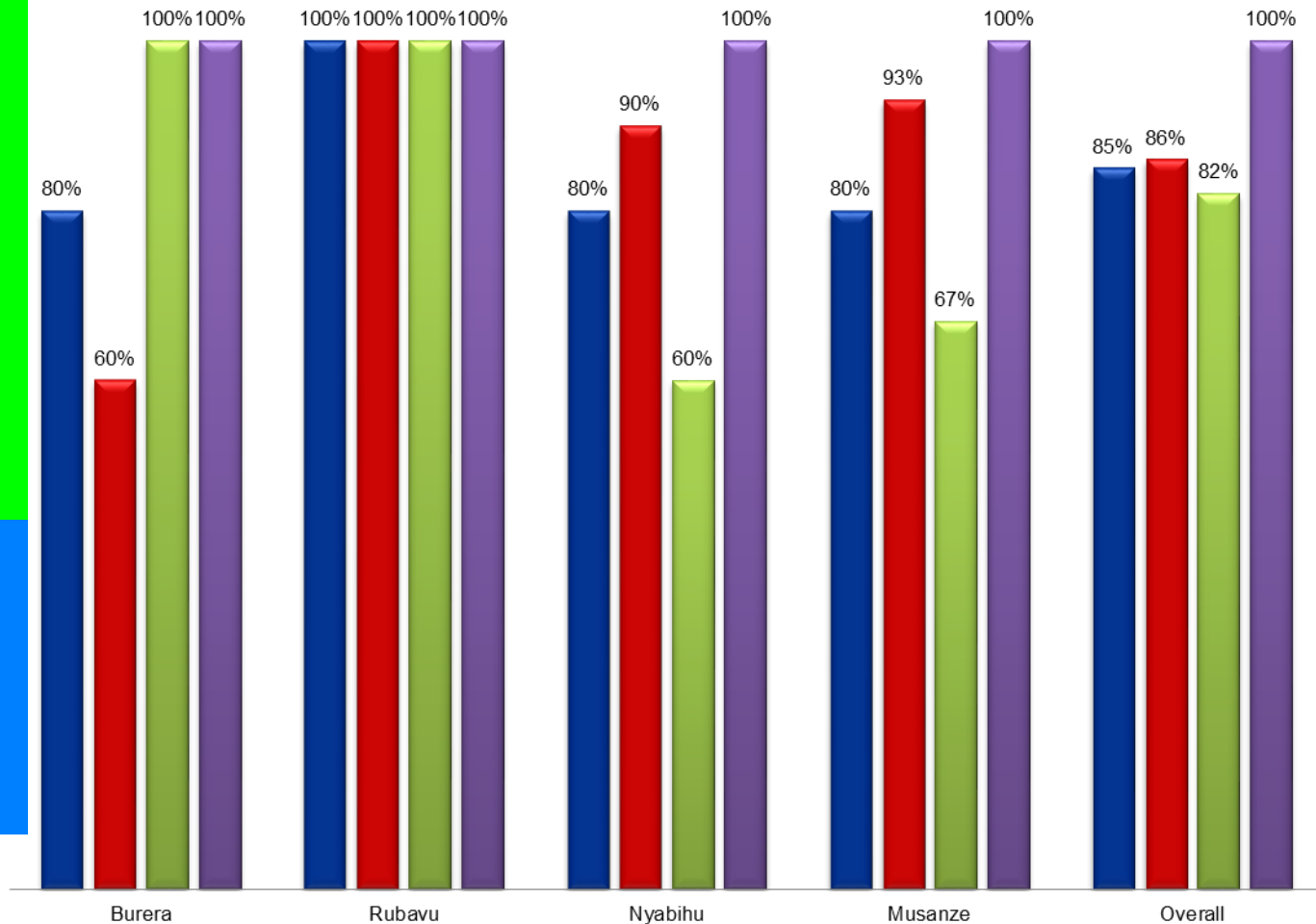
- ❑ Inline with GoR decentralization policy, Rural water supply systems belong to District Authorities which delegates operation and maintenance plus service delivery to private water operators (PWO) who are small entrepreneurs
- ❑ The District signs a service contract with private operators after competitive bidding by entrepreneurs, who indicate their financial and technical capacities to manage the system
- ❑ To ensure affordable tariff, the districts are encourage to cluster water systems to attain large economies of scale and be able to undertake cross subsidy
- ❑ As in urban areas, cost recovery tariff is critical in ensuring sustainable infrastructure management and quality service delivery and subsidies required in order to sustain water services
- ❑ Regulatory Authorities need to prioritize providing technical support and tariff development to rural water systems⁴



Monitoring Sustainability

Financial Sustainability Indicators - 2014

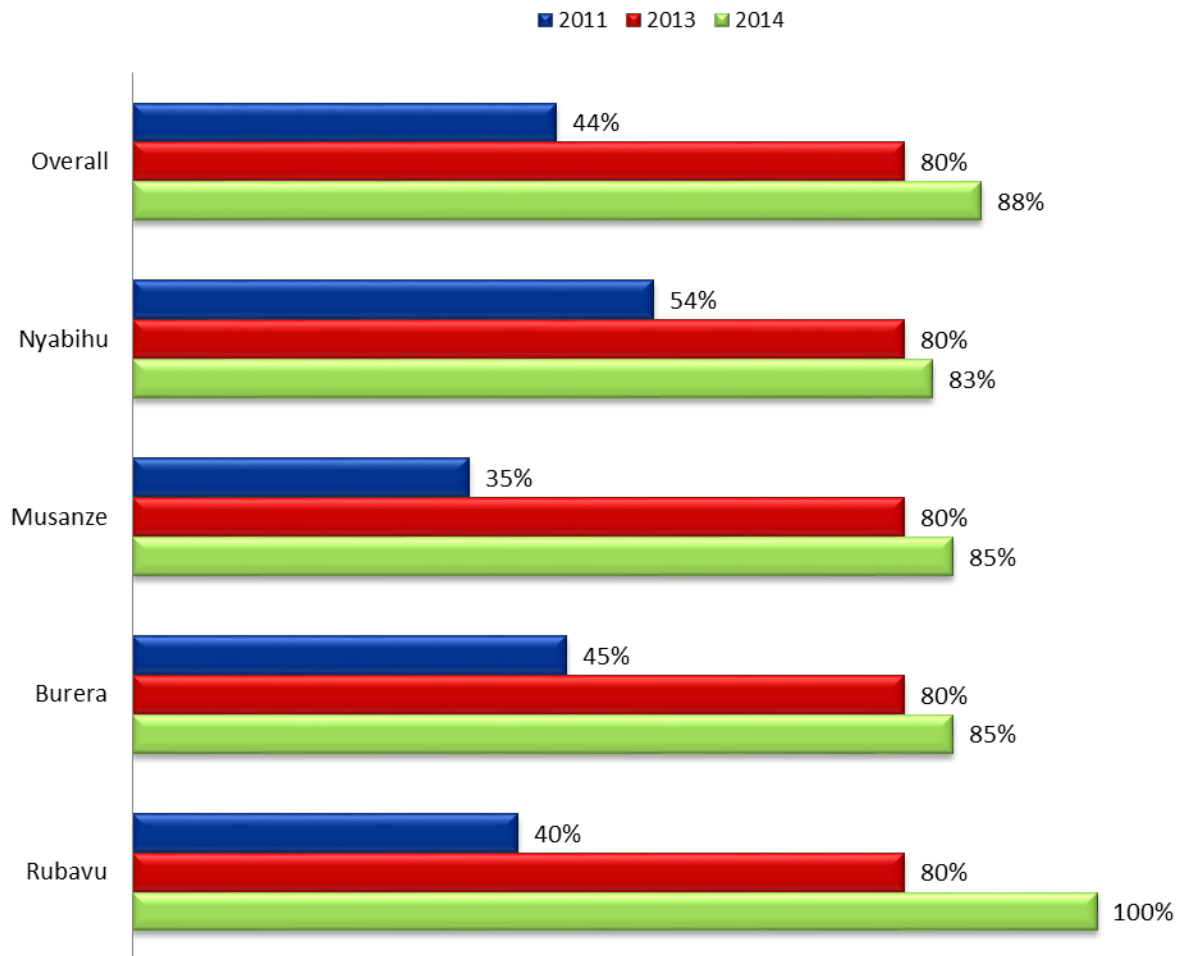
- System to collect and manage funds is functional
- Quality of financial records
- Income is superior or equal to expenses
- Financial capacity of the District for major repairs



Sustainability Check – Case studies



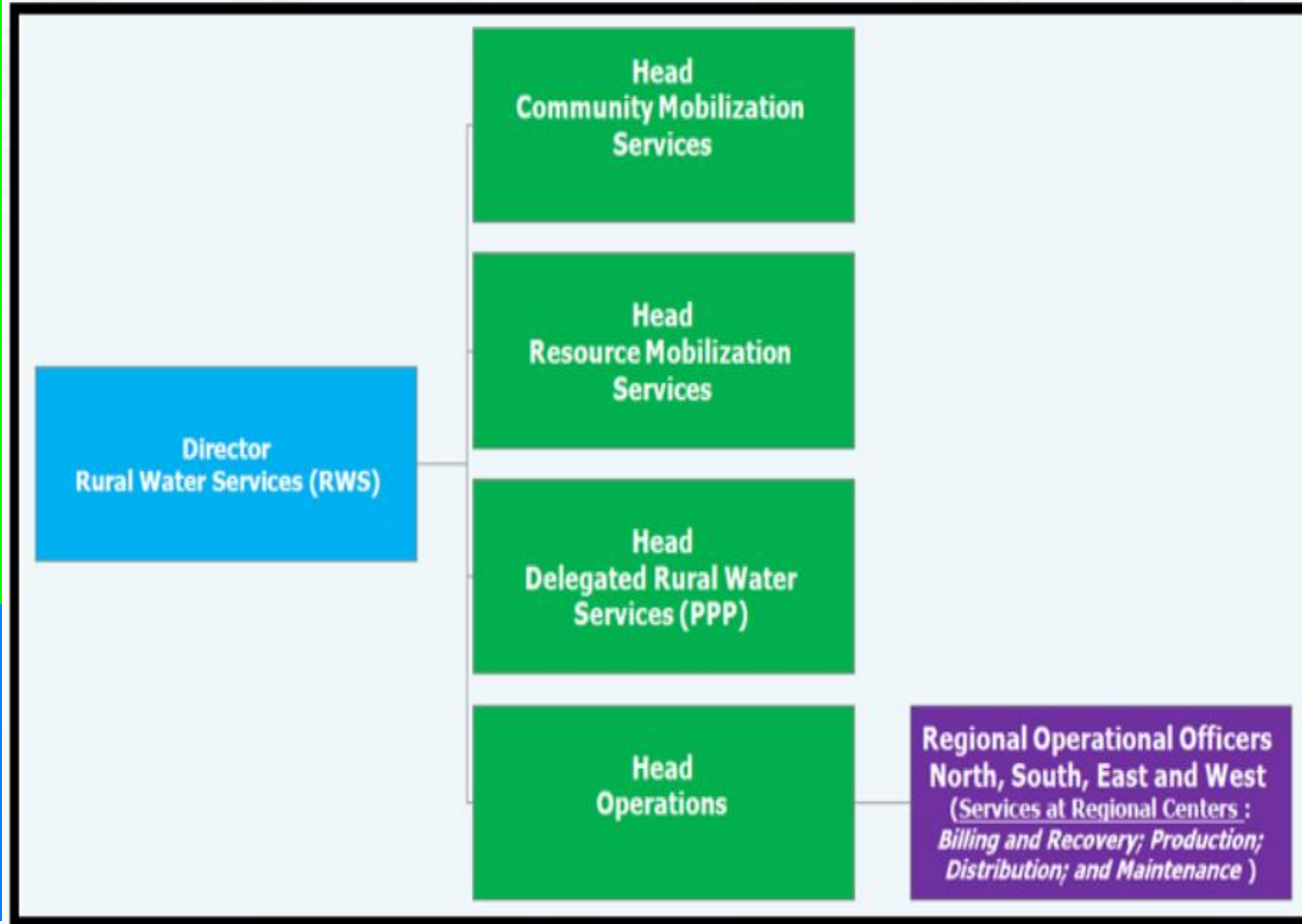
Financial Sustainability Scores 2011 - 2014





STRATEGIES TO IMPROVE MANAGEMENT OF RURAL WATER SERVICES

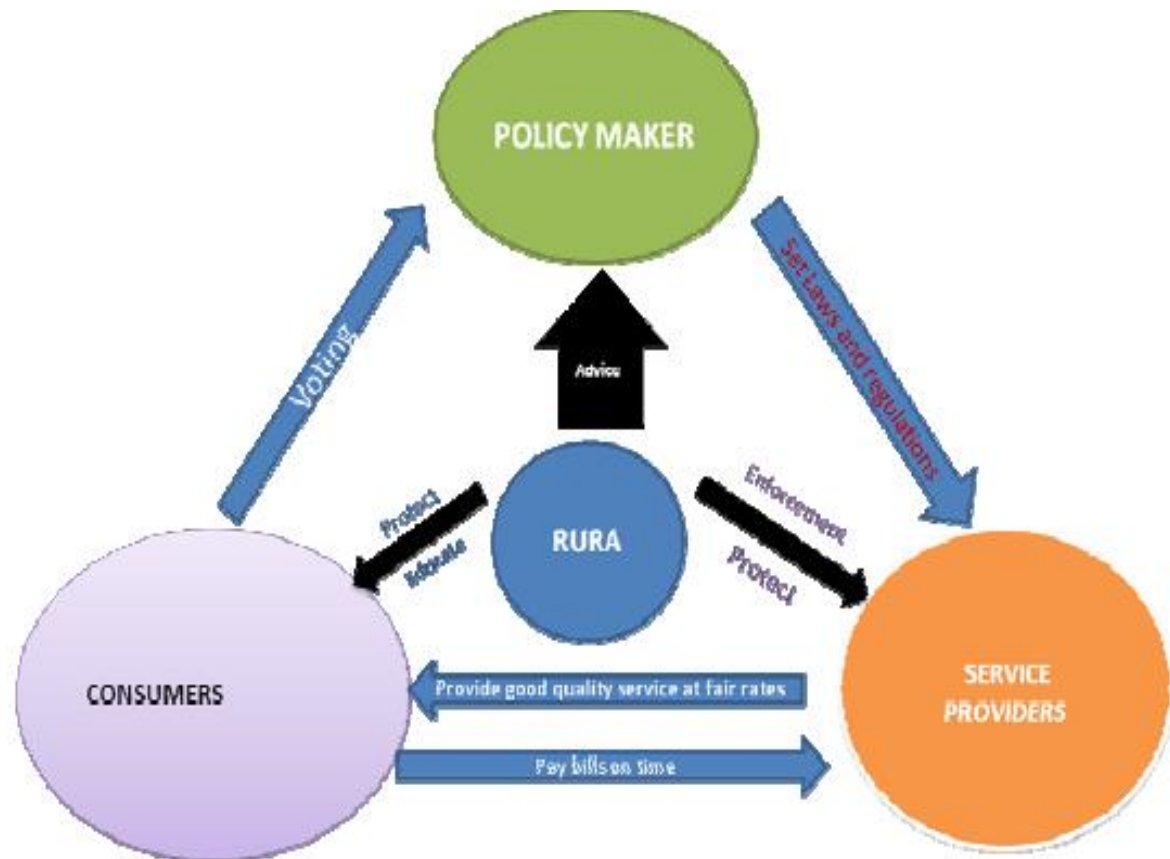
WASAC has created a dedicated department to ensure financial and technical sustainability of Rural water supply services



Role of Regulator



- Effective **regulation** requires close cooperation with Utilities especially small ones and sector institutions.
- RURA has an independent position and participates in sector consultations on technical standards, service levels, tariffs, benchmarking, standard contracts and terms of reference





**THANK YOU
FOR YOUR
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