



Urban utilities don't operate in a vacuum:  
assessment and strengthening of the  
enabling environment

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Supporting water sanitation  
and hygiene services for life

# Introduction

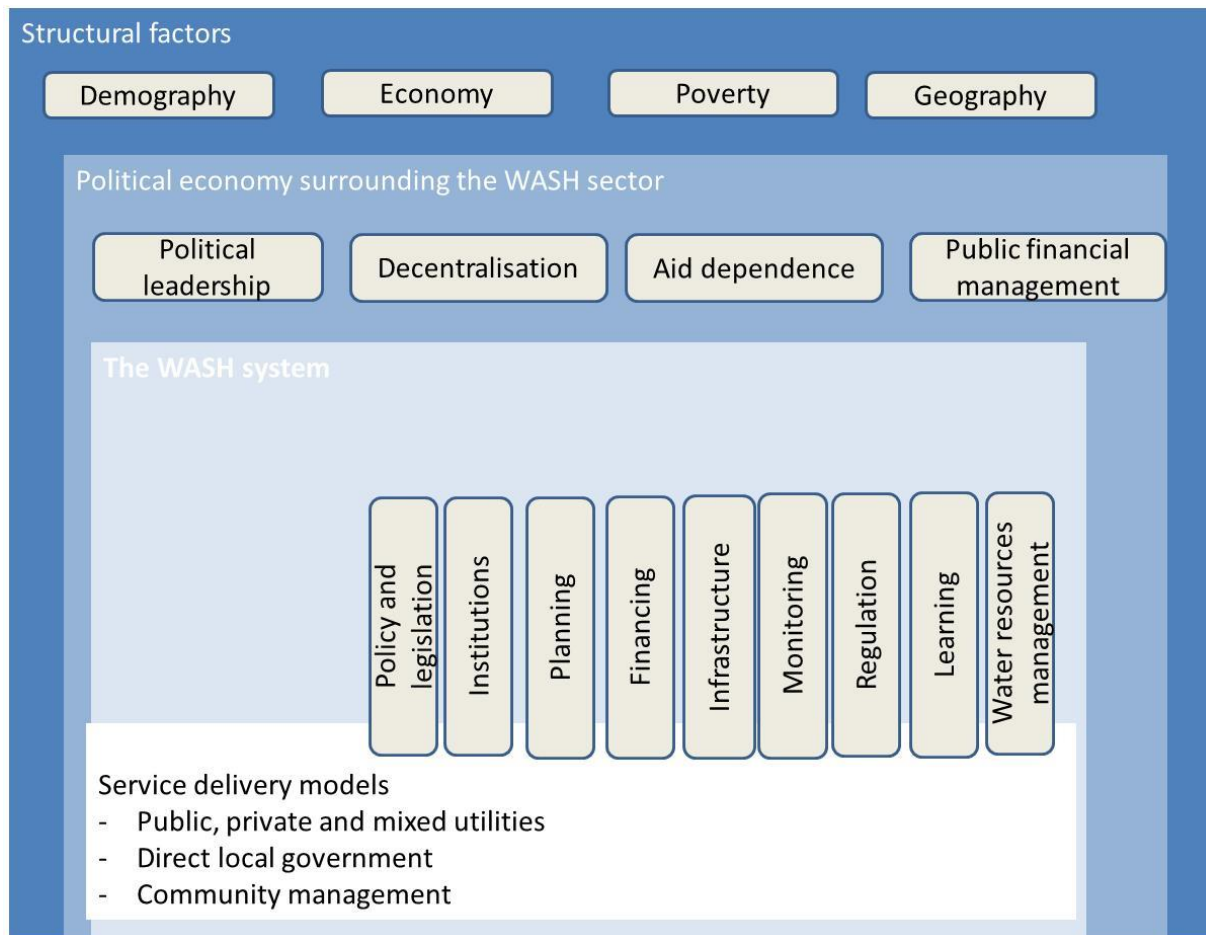
- Context: small and medium water operators in small towns and (semi) rural areas
- Water Operator Partnerships strengthening operators
  - But, not addressing Enabling Environment
  - Implications for sustainability and scale
- Partnerships assessed in: Ethiopia, Kenya, Rwanda, Mozambique, Vietnam & Colombia
  - Light mixed methods approach
- Helped identify where Enabling environment strengthening had potential

# Rationale for strengthening enabling environment

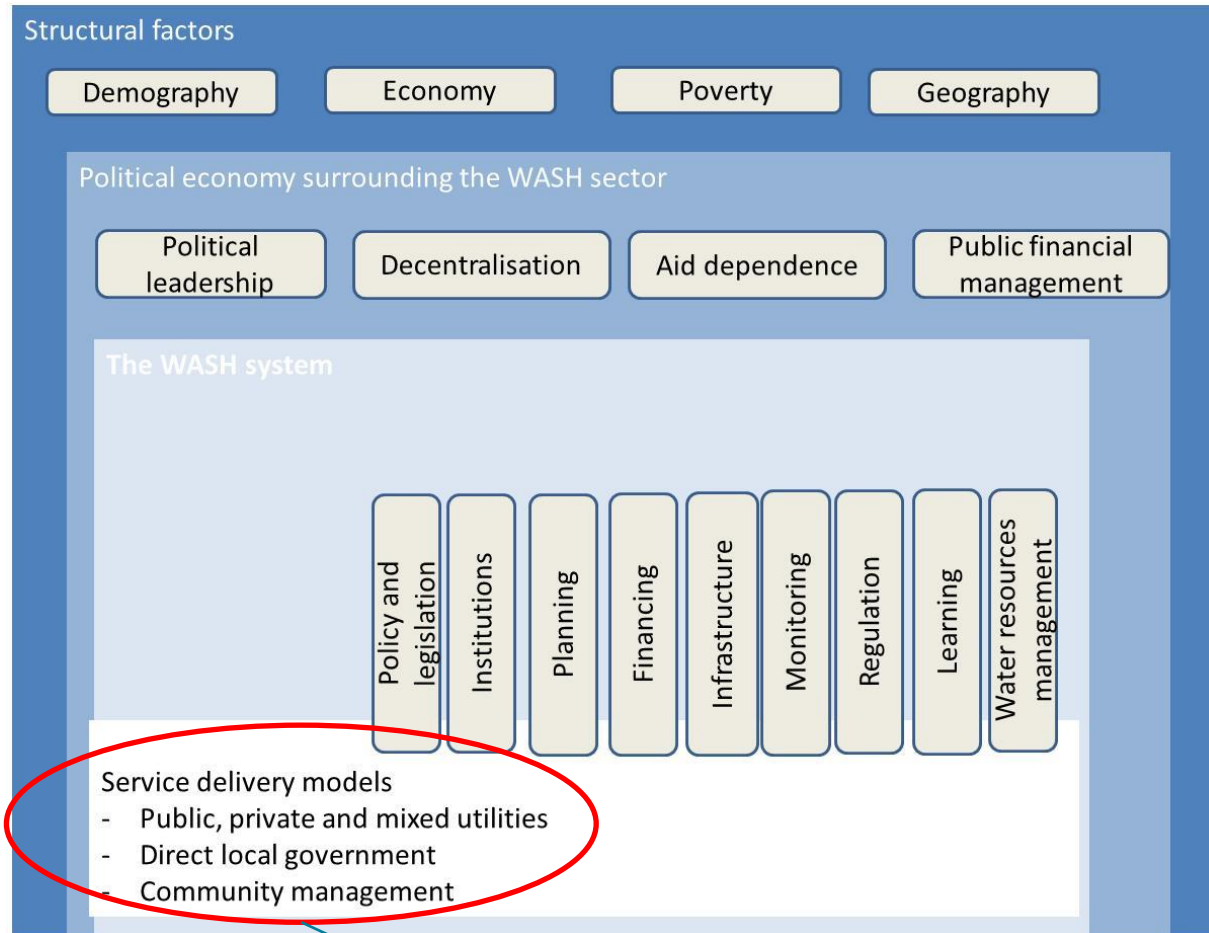
- Utility reform depends on a number of internal factors: leadership, culture change, capacity development and financial headroom (SECO, 2016)
- As well as on factors external to the utility
  - Political relationship between utility and relevant authority – *“reform processes are inherently political”* (WB, 2009; WB, 2016)
  - In the broader environment of rules and structures – *“Success is unattainable without reforming the external environment”* (WB, 2009)



# Assessing the enabling environment

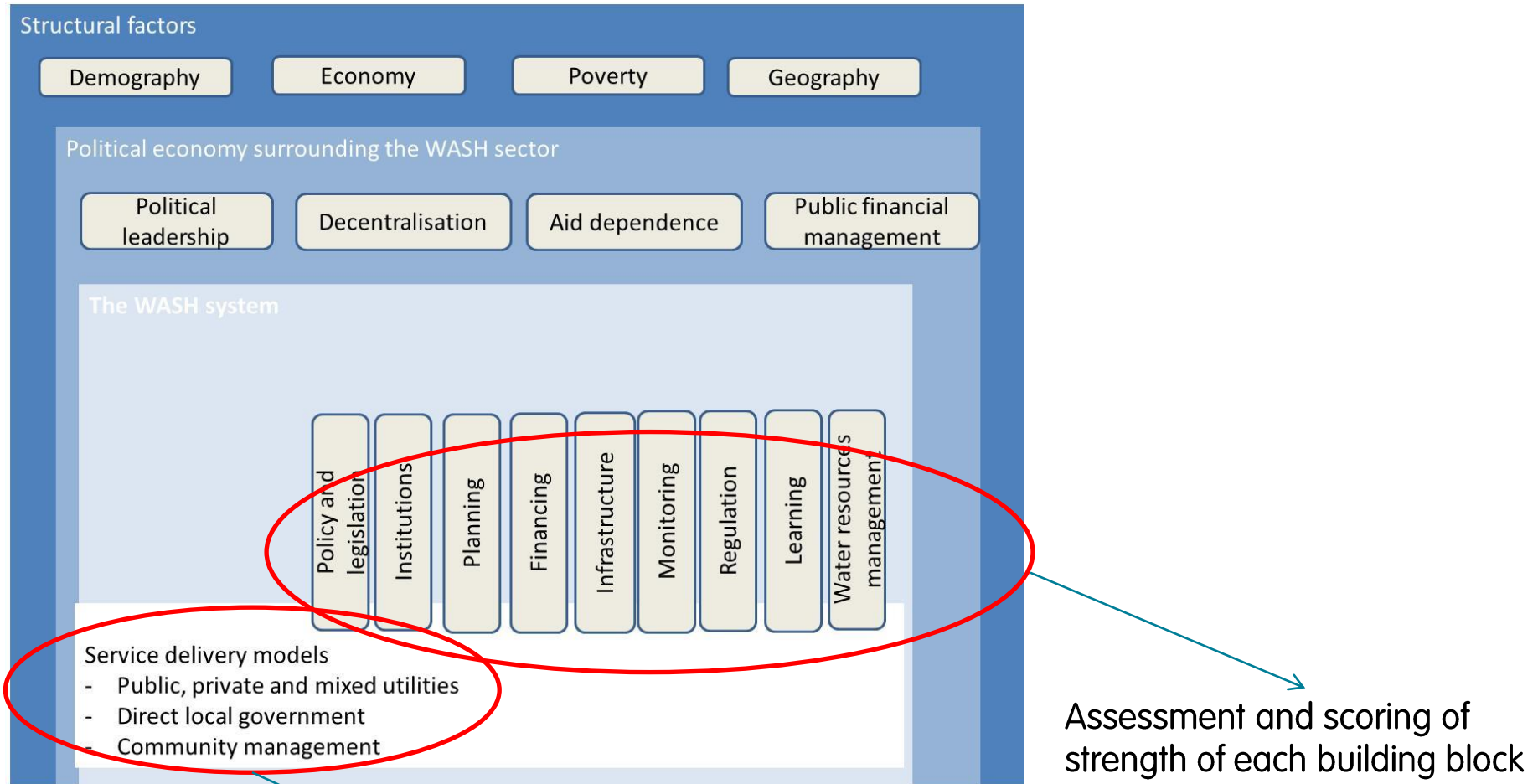


# Assessing the enabling environment



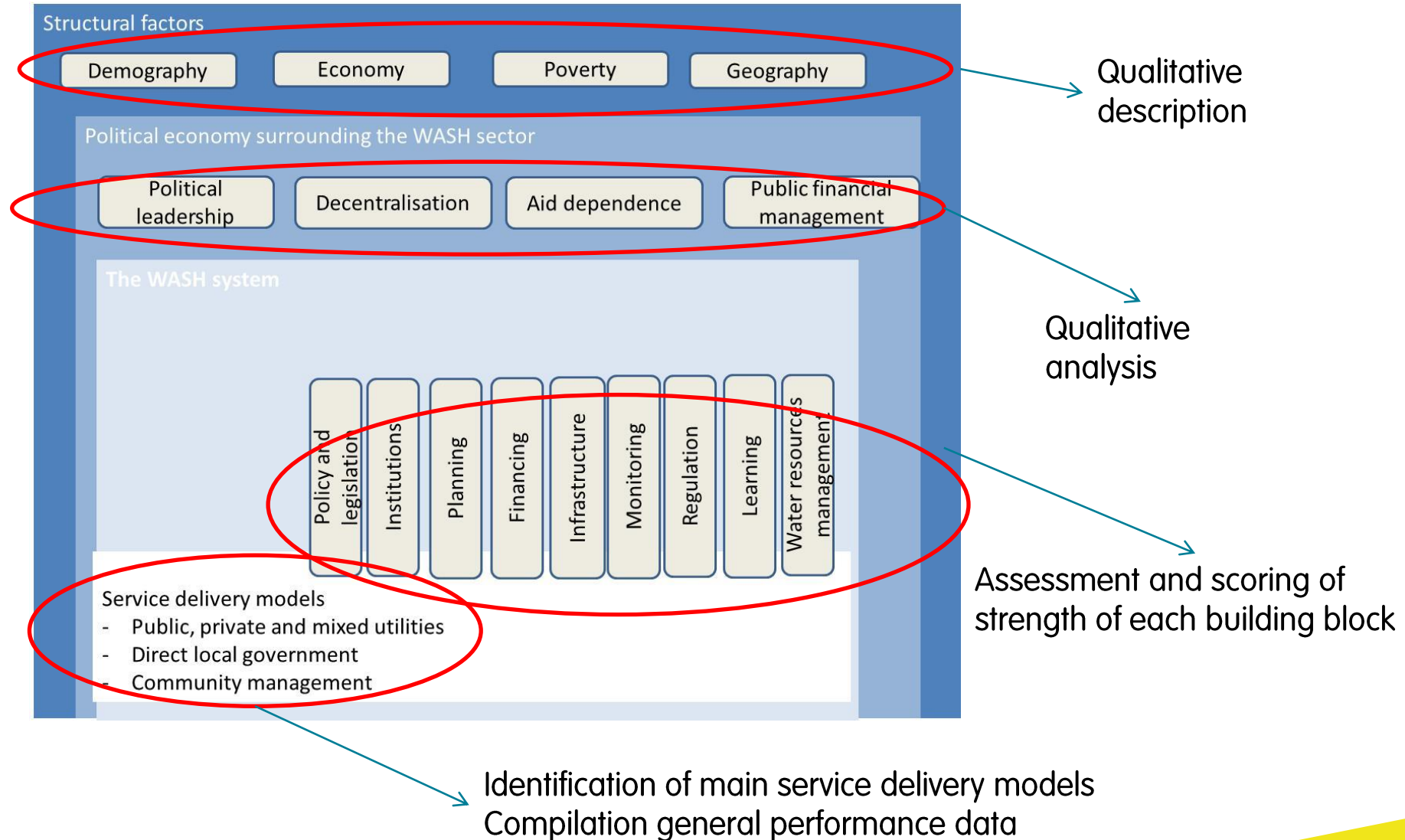
Identification of main service delivery models  
Compilation general performance data

# Assessing the enabling environment



Identification of main service delivery models  
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# Assessing the enabling environment



## Findings: strengths and gaps of the WASH system


	Policy and legislation	Institutions	Planning	Financing	Infrastructure	Monitoring	Regulation	Learning	WRM
Colombia	6	7	6	7	6	5	7	4	7
Ethiopia	7	5	5	4	4	2	1	5	5
Kenya	6	5	5	4	5	5	7	2	6
Mozambique	6	5	5	4	5	4	7	4	7
Rwanda	2	6	7	4	6	4	5	5	2
Vietnam	5	6	4	5	7	7	1	4	4




# Actions to strengthen the enabling environment

- **Capacity building and technical assistance programmes for utilities:**  
to ensure that broad capacity exist in the sector and that utilities can draw on support beyond the WOP
- **Strengthening local governance:**  
relationship with service authority, so political leadership is aware of its roles in corporate governance and has corresponding instruments (local policies, by-laws and plans)
- **Developing sector financial strategies:**  
financial sustainability through mix of sources (reduced NRW, increased tariffs, attracting commercial finance and increased public finance) for different segments of utility sector
- **Establishing or strengthening monitoring systems:**  
linked to regulation and benchmarking
- **Strengthening the regulatory environment**
- **Strengthening instruments and frameworks for water resources management**  
in relation to water supply

Country	Actions	Feasibility
Colombia	National policy, strategy and models	7
	Political dialogue at decentralised level	5
	Establishing one programme for technical assistance	6
	Strengthening use and functionality of monitoring	4
Ethiopia	Establishing regulator	7
	Establishing monitoring system	5
	Introducing asset management	8
Kenya	Governance of the water services	6
	Reducing the financing gap	6
	Organization of skills and capacity development	7
	County policies and by-laws	6
	County Water Master Plans	5
	Data collection of utilities	6
	Capacity of sectoral organizations	5
	Linking water supply and sanitation	4
Mozambique	Mechanisms for local govt participation in planning	5
	Mechanisms for local govt participation in management	5
	Feasibility of development fund	5
	Strategy for PPPs	5
	Advocacy strategy for financing	5
	Water resources development plan	6
	Continuous training programme	6
Rwanda	Development of a sector financing plan	3
	Standard contracts and contracting of POs	3
	Capacity building programme	5
	Support Develop2Build	6
Vietnam	Strengthen the regulatory environment	7
	Explore feasibility of water basin management	7
	Strengthening the governance capacity	5



	Obtained	Sustained	Scaled
Colombia	High	Medium	Low
Ethiopia	Medium	Medium	Low
Kenya	High	Medium	Low
Mozambique		n/a	
Rwanda	High	Medium	Low
Vietnam	Medium	Medium	n/a



# Overall conclusions

- Most direct results can be obtained without strengthening the enabling environment except where:
  - Regulatory environment is weak
  - Utilities are insufficiently autonomous
- However, risk that results are not sustained:
  - Improvements need to be guaranteed through the system of monitoring and regulation
  - Utilities need to scale up to be sustainable
- And, results are unlikely to be scaled:
  - WOPs can act as model to transform the sector
  - But, utilities need to attract funds, which depends on:
    - own performance
    - But, also, overall strength of the enabling environment



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## Thank you!

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