

Seminar/Workshop on

Water Rates, Regulation, and Privatization

**Prepared for
United States Agency for International Development**

**Prepared by
PADCO, Inc.
Washington, DC**

Contract No. EUR-0034-C-00-2032-00, RFS 96

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Executive Summary

At the request of the Albanian Ministry of Public Works, Territorial Adjustment, and Tourism, a four-day seminar/workshop on Water Rates, Regulation, and Privatization was prepared and presented to the Albanian water industry.

There were 145 seminar registrants, including Ministry, water utility, and international consulting firm personnel.

The Albanian Government's desire to remove subsidies from the water sector and encourage self-sufficiency for the water utilities was paramount in the seminar presentations. The development of necessary revenue requirements, the cost of service-based rates, and the ability to calculate a flat rate per cubic meter of water were demonstrated in the seminar presentations and in an ensuing five-lesson workshop. This introduction to utility rate setting was well-received and established a foundation for developing full cost-based rates in the near future.

The steps in corporatization, the kinds and types of privatization, the growing need for water industry regulation, and the progress on the privatization project underway in Tirana were also presented. The questions and discussion around these topics were indicative of sincere interest and a desire for a continuing information exchange.

As further reinforcement of the seminar's subject matter, the utility specialists visited four utilities the following week. A significant observation from these visits was the decided difference in the economic equation between city utilities and village-based utilities, from both an expected level of service and the cost to provide service. Different solutions may be needed to address these differences in service and in cost.

The need for further assistance in developing revenue requirements is evident in the utilities visited. Bill collecting, the payment of VAT to the government, and the presentation of financial data are areas that require solutions in the process toward cost/revenue equality.

The current calculations of unaccounted-for water are of limited value because residential customers are not metered, there is little incentive to use water wisely, and consumption is based on a per day amount billed each inhabitant regardless of the number of hours of service available. From an economic return basis, it is recommended that metering programs be given high priority.

This seminar provided an intangible benefit for the ministries by communicating, to the entire water industry, their plans and programs at one time and in one place. This opportunity to ask questions and exchange solutions and problems between the water sector and the ministries was unique. It is our ardent desire to see this experience continue to grow and prosper for the mutual benefit of all participants.

Seminar/Workshop

1 Purpose of Technical Assistance Service

The scope of work for this assignment included the preparation and delivery of a seminar and workshop to the staff of Albania's water enterprises. The seminar was designed to build a local capacity that understood the theory and development of "cost of service"-based water rates. The seminar included an overview of the United States Agency for International Development's (USAID) technical assistance to the water sector in privatization and regulation, a report on the progress of a privatization project in Tirana, and background on the corporatization process that precedes privatization. The seminar/workshop was held in Tirana over a four-day period.

Upon completion of the seminar, visits to Ministry-selected water utilities were made. The purpose of these site visits was to reinforce the materials presented in the seminar/workshop and to provide further technical assistance in those areas to the utilities, as well as to obtain a greater insight into the problems and opportunities these utilities face in the movement toward self-sufficiency, corporatization, and privatization.

2 Seminar/Workshop

This activity was developed around an outline prepared by the Ministry of Public Works and its working group, "On the Privatization of Water Enterprises." Its agenda included presenters who were representatives of the Ministries of Public Works and Privatization, USAID technical assistance specialists, and the international accounting firm of KPMG Peat Marwick (KPMG).

The seminar was held in the Tirana International Hotel, from December 10 through December 13, 1996. Ministry of Public Works' Vice Minister Ernesto Noka invited each water enterprise in Albania to send its manager and chief of finance to the seminar. The 47 water enterprises were all represented, as well as numerous Ministry employees and consultants from international firms active in Albania. In total, 145 people registered for the seminar.

With the assistance of staff from PADCO, Inc. and the Urban Institute office in Albania, the logistics of document translation, meeting room management, and interpretation were handled in a professional manner and greatly facilitated the efforts of the seminar presenters and participants.

In many cases, the subject matter presented was new for many in attendance. A strong emphasis was placed on the concept of "revenue requirements" throughout the seminar to reinforce the planning aspect of rate setting. Rate setting, budgeting, and management's responsibility to the customer were presented as intrinsically connected in the process.

The workshop had as a goal the understanding and ability to develop a “flat rate” that included true “revenue requirements.” Presentations on operational and capital budgeting were given to introduce management tools to help understand and develop the inputs for “revenue requirements.” The principals of “cost of service” and rate variances by customer class were discussed.

During the workshop segment, a five-lesson plan problem was presented and worked out by the participants. The lesson plan, and the exhibits and forms presented with it, enabled the participants to practice the concepts discussed during the seminar. With the assistance of the workshop moderators, any misunderstandings and concept difficulties were clarified.

Of great interest to all in attendance were the presentations on regulations, privatization, corporatization, and the experience of the Tirana Privatization project. In the past 12 months, the legislative body in Albania has passed a number of laws that affect the water industry and its future regulatory structure. Other than the basic law, little has been disseminated to the affected utilities. This insight into regulation, the need and purpose for it, the effect on water supply, and the quality and responsibility for service to the customer were all explained. The benefits of regulation were demonstrated to more than outweigh any apparent disadvantages.

Privatization, and its beginning process of corporatizing, has been considered by many as the solution to the water industry’s problems. The discussion of the different options or types of privatization and their advantages and disadvantages provided a foundation for the seminar participants for any future considerations of this topic. The presentation by KPMG on the current activity to prepare tender documentation for the privatization of the capital city (Tirana) water utility was informative to all in attendance. It stressed the need for a thorough technical and financial analysis as a starting point for any such undertaking. It laid out step by step the approximate 12-month program now underway. An active question-and-answer period followed the presentation, underlining the interest of all in attendance.

Following the privatization presentation was a discussion of future activities needed in Albanian water utilities and an introduction to the steps toward corporatization. The process of corporatization creates a state-owned commercial water utility that has 33 percent local representation on its management board. Presently, water enterprises are state-owned. This corporatization step formalizes the enterprise into a stock company with asset valuation and capitalization in accordance with government and local accounting principals. The water utility’s service area is declared and its corporate person established. If privatization is to happen, the process of corporatization must precede it.

3 Seminar Summary

The choice and range of topics suggested by the Ministry for this seminar met selected needs and anticipated concerns of the invited water industry managers. It is apparent that many of the discussions were introductory to the participants, who displayed considerable interest. The subjects of "revenue requirements" and corporatization and their connection to local water utility management need further industry reinforcement. Even the establishment of one or two pilot utilities as industry examples should be investigated.

In the question-and-answer segments of the seminar, the difficulty in collecting bills, particularly from government and municipal agencies, was a constant concern. How this affects the concept of a self-sustaining utility has to be considered. Bill collecting also carried with it the complaint that VAT had to be paid on billed revenue. The difficulty in meeting this requirement is influencing some utility accounting practices.

The discussions on regulations, future activities needed in the water utilities, and the Government's commitment to make this a self-sufficient sector appeared to satisfy a desire to be informed about the plans and direction of the Government in water policy. This information exchange needs to be reinforced on a regular basis.

4 Site Visits

The work scope of this training and technical assistance assignment included site visits to water utilities selected by the Ministry of Public Works. The utilities in Shkoder, Pogradec, and Vlores were chosen. These cities are all approximately 140 km from Tirana, with Shkoder to the north, Pogradec to the southeast, and Vlores to the south along the Ionian Sea. The visits were scheduled for Tuesday, Wednesday, and Thursday, December 17, 18, 19, 1996. Because of time constraints, these visits were only day trips.

The purpose of these visits was to build on the topics of the seminar and to provide further assistance in understanding and developing "cost of service" water rates. Because of the open discussions at the seminar, and the first meeting of Albania's water professionals in one place, the staff of the visited utilities were eager to discuss not only the seminar subject matter, but also their views on the needs of the water industry.

4.1 Shkoder

The city of Shkoder is 116 km north of Tirana and approximately 40 km south of the Yugoslavia border and is the principal city in a surrounding municipal district. The district has two water utilities: one serves the city of Shkoder and the other supplies the 80 villages outside the city distribution system. This separation of city and village consumers was done at the direction of the Albanian Government in 1992 and was part of an experiment in three cities to explore the problems facing water utilities in different urban settings. Our visits to the two utilities in Shkoder gave some insight into these differences and will be covered in this report.

Shkoder — City

The city water utility serves a population of approximately 70,000. Its service is connected to approximately 20,000 residential, 750 private business, and 100 government and municipal customers.

The water source in this utility is wells. Output is not metered but determined by pump rated output per hour pumped. Water billed is not metered to residential customers. Their usage is based on 150 liters per day per inhabitant. Seventy percent of its customers are served six hours a day. The remainder receive 24-hour service. The 24-hour service area includes hospitals and other critical customers. Even though service levels vary, the usage formula for billing does not change.

Annual water production is estimated to be 14,976,000 cubic meters. Of that total, 4,940,000 cubic meters are billed. The unaccountable water of 10,036,000 cubic meters is 67 percent of water produced.

In a discussion of unaccountable water, more and more utilities are expressing a concern that the government required billing amount per inhabitant is responsible for the apparent unbilled water. Since there is no incentive for residential users to conserve water, taps are left running and storage containers allowed to overflow. Whatever the cause, without universal metering, this unaccountable water problem cannot be resolved.

Presently, the Austrian government is providing a grant program to improve the city water utility. The first phase — upgrade the office and provide technical equipment, vehicles, and tools — has been completed at a cost of approximately \$600,000. The next phase is an engineering study to rehabilitate the distribution system with a goal of 24-hour service. This design effort is expected to be completed in early 1997. The final phase, the physical rehabilitation, is planned to start in 1997. The Ministry of Public Works is reviewing and coordinating with the Austrian Government on this undertaking. It is recommended that universal metering be considered under this project grant.

In the review of the financial status, the staff was concerned with the collection of water bills and the Government's collection of VAT on the amount billed but not collected.

The Chief of Finance indicated that accounts receivable were approximately 51,500,000 lek. Of that amount, 37,800,000 lek were from government and municipal billings, the remainder from residents. Without meters, or leverage with government authorities, the utility had little hope of collecting bills and addressing financial self-sufficiency.

The Government's demands for prompt payment of VAT on billed water is further exacerbated by collection problems. The VAT is not added on to the totaled billed, but is considered to be included in the Government-set rate of 5 lek per cubic meter. This 12.5 percent tax gives an effective water rate of only 4.4 lek per cubic meter.

Given the above financial comments, the city of Shkoder's financial reports for the years 1995 and 1994 indicate an ability to break even or make a small profit on the present Government-set rate of 5 lek per cubic meter. In showing a profit, we are not indicating that they have met or even grasped the concept of "revenue requirements." The financial report indicates little expenditure for maintenance or a preventive maintenance program. The high percent of uncollectible bills are certainly not covered in the rate base, nor has the kind of capital investment planned in the Austrian grant program been considered. However, this utility, at least under the current guidelines of the Albanian Government, could justify the present water rate, but not the future rate for equivalent or improved system service.

Of interest, and evident in the financial records, is the small number of employees in relation to other utilities visited. This enterprise has 128 employees. This is significantly lower than the others reviewed and the explanation appears to be the separation of the responsibility of village water service from that of the city. At the same time, in 1995, a private security service was introduced to the utility that required 25 watchman and a cost of 3,835,805 lek or 8.4 percent of total 1995 expenses.

Presently, with billed revenue of approximately 51,463,000 lek for 4,940,000 cubic meters of water, the average water rate is 10.41 lek per cubic meter. An estimate of a future water rate based on "cost of service" principals and the necessary revenue requirements would be 15 lek per cubic meter. This is based on the same level of unaccountable water, a preventive annual maintenance program of 15,000,000 lek, and an allowance for bad debt of 10 percent of billings. However, this estimate, which is based on the discussions and information exchanged during the site visit, would require further review of the utility's planning and budgeting before it would be recommended for use.

In a discussion on corporatization and privatization, the staff indicated that the presentation at the seminar was their introduction to the topic. They have an interest in obtaining further information and are interested in the possible potential for their utility.

In the consultants' judgment, the staff were qualified, but need assistance in representing their input into the ongoing Austrian study. The utility water costs reflect a nearby source that requires few transmission mains and a contiguous service area that can be managed with a reasonable number of employees.

Shkoder — Village

While in Shkoder, an hour-and-a-half visit to the village water utility was also undertaken. This utility serves 105,000 people in 80 villages. It uses wells as a water source, but has some manual intakes, gravity-fed from mountain streams and springs. The utility serves a large geographic area with no distribution system interconnections with the exception of four or five villages. (These villages were at one time served by a small utility.) Service for the most part is from public taps. Considerable distance exists between homes and public taps and there is some expressed interest in installing water into homes. Water service is available for eight hours a day. The utility believes that its

distribution mains, which run under agriculture fields, are illegally tapped, and that by maintaining pressurized mains for longer periods than the eight hours would result in increased water losses to these illegal outlets.

Billing is at a flat 9 lek per month for households in the village. This is a Government-determined rate. Even recognizing that this is a low rate, the utility has considerable collection problems. The farm villages or communes have not had a history of being billed for water. Further, the population is migratory and it is difficult to pursue in bill collecting. Payment ranges from 25 percent to 60 percent depending on the season and the crops.

Due to the problems with bill collection and the Government's insistence on payment of VAT, the utility is only reporting as revenue that which is collected. Collected revenue in 1995 was 2,497,063 lek. This was approximately 50 percent of actual revenue billed. From the financial data available, it was difficult to draw conclusions, but the impression was that the Government paid the necessary subsidy to keep this utility active. The utility reported on a cash basis in order to have the required cash flow from the Government. Cubic meters of water billed and produced was not available.

The financial data indicated expenses of 21,541,993 lek in 1995. If this is accurate and collected billing is 50 percent of actual billing, then billed revenues are 23 percent of expenses. Without any analysis of revenue requirements or "cost of service," water rates would have to be increased four or five times from the present level of 9 lek per month to 40-45 lek per month to pay present expenses.

The village utility has 351 employees, compared to the city with 128, and the city has 10 times more revenue than the village utility. The cost difference, the billing and collection practices in the village, and the quality of service provided by the village leads to the question, "Should a different solution be developed for village water service than that proposed for cities?" The cost efficiencies of a compact, growing city are obvious, as are the difficulties in the villages.

The utility's Director, Chief of Finance, and other staff members who attended this meeting impressed the consultants with their enthusiasm for the task and job ahead. They understood the utility's problems, and were looking for any assistance to help them perform better. To better understand the distinction between city and rural water management opportunities, a further in-depth study of a utility area similar to this is recommended.

4.2 Pogradec

The city of Pogradec is located on Lake Ohrid, 140 km southeast of Tirana. Lake Ohrid borders Macedonia. During this visit, we met with the City's Director of Public Works and the Water Utility Director. Unfortunately, the Chief of Finance was not available.

The system draws its water supply from wells and pumps it to three storage depots with a total capacity of 3,400 cubic meters. The utility provides service for three hours, three times a day, for a total of nine hours. It provides 24-hour service to hospitals, government buildings, and hotels. The utility serves a population of 30,000. They have approximately 5,000 connections in the city for 26,000 inhabitants and 1,000 connections for 4,000 people living outside of the city. Ninety percent of all service is into homes.

The utility has a request before the Greek Institute of the European Community, under its Cross Borders Program, for a design to rehabilitate its distribution system. A commitment has also been signed with the French Society for Collaboration for updated tools for the pumping station, as well as a pilot program to meter 400 residents in one neighborhood. Management thinks that \$2,000,000 would be needed to repair the distribution system.

Presently, the wells produce 3,000,000 cubic meters of water annually. There is another undeveloped source that could duplicate this production if requirements justified its development. Of the water produced, 1,300,000 cubic meters are billed, leaving 57 percent unbilled and unaccounted for. Residential customers represent 76 percent, and hospitals and the Government 15 percent of the water billed. None of the residential customers is metered. Again, the Director was of the opinion that most of the unaccountable water is the result of under-billing residential usage. A meter installation program is high on his list of projects to be funded. This utility does not have as much of a collection problem as others visited, but its Government accounts are not paid.

Without the Chief of Finance, it was difficult to fairly interpret the financial data that was available. The data indicated that the utility was close to breaking even. However, there was little evidence of maintenance expense or investment in equipment replacement. The concept of "revenue requirements" was not applied in the analysis presented. Billing information presented suggested an actual average billed rate of 17.18 lek per cubic meter. Cost and expense data requires a bill rate of 18.65 lek per cubic meter. From experience, a rate closer to 25 or 26 lek per cubic meter billed would appear more appropriate.

Further review of the data at hand indicated a staff of 48, again demonstrating the efficiency advantage of a compact, city-sized utility in managing its payroll costs. In fact, management acknowledged they would reduce staff further if the opportunity is available in future corporatization efforts. The phenomenon of contract watchmen, 16 of them, also appeared in this utility's financial records as a new occurrence in 1995.

The utility's Director indicated that the seminar was his first formal discussion of corporatization and privatization. He welcomed more information and reports on the progress of others.

This utility's abundant source of water, the compact size of its service area, and the advantage of its lakefront location would warrant its candidacy as a site for further assistance. Such a decision should depend on a more complete financial analysis.

4.3 Vlores

Vlores is 147 km southwest of Tirana on the coast of the Ionian Sea. Its utility serves a population of approximately 105,000 people. Of that total, 100,000 are in the city proper. The remaining 5,000 are in five small towns and villages. The utility has an unusual water source. Located within 1 km of the center of the city, three mountain springs gush from the mountains about 10 feet above mean high water level of the Ionian Sea. These springs have a capacity of 870 liters per second. At each spring, a funnel-shaped intake has been drilled into the mountain to collect the water. A pumping station at each source lifts the water to three reservoirs. These reservoirs have a total capacity of 11,000 cubic meters and feed a 100 km distribution system by gravity. Chlorine treatment is added at the reservoir sites. In the village segment of the system, groundwater is pumped from local wells in five villages/towns and 1,450 customers receive water mostly in house service.

Service is provided on a 24-hour basis to 40 percent of the city customers. These customers are fed from a storage reservoir that is supported by a pump station that has a capacity of 450 liters per second. The remaining city has water service six to eight hours a day and receives water from the other two storage depots, whose combined storage capacity is 75 percent more than the other, but the two pumping stations that support it have only the same 450 liter per second combined capacity. Villages/towns have water six to eight hours daily from the local wells. Due to the City's beaches and seaside location, it experiences a summer tourist season and has a population increase of about 100,000 people over the three summer months. The area of the city with 24-hour service experiences pressure loss and lack of water in the top floors of buildings during the summer season.

The water system produces 25,000,000 cubic meters of water annually. It bills about 8,000,000 cubic meters; 68 percent is unaccounted for. The city is unmetered. No distinction is made in billing those with full service and those who have only six to eight hours service. Any program to reduce water loss and to provide improved service to 60 percent of its customers should include a metering segment. The utility has no ongoing rehabilitation program planned or underway with any donor or grant agency. They did indicate that a recent master plan for the city of Vlores included the need for \$18 million for water system rehabilitation, meter installation, and pump improvements.

The financial discussions and information exchange were very interesting in Vlores. This city has bill collection problems with 50 percent to 60 percent not paying. This causes the same VAT payment difficulty noted in other cities. At the same time, the city presents accounting records indicating revenue and expenses are exactly the same, to the last lek. It is explained that this "break even" results from waiting for year's end to compute the employee bonus plan, paying only what is left.

Further discussion of billing data indicates that reported revenue is on a cash basis, that is, collected bills, not total bills are considered revenue. This technique resolves the VAT payment issue.

Considering the cost data presented and realizing that it is not based on “revenue requirements,” the cost of a cubic meter of water produced is only 2.46 lek. This is a remarkably low cost. Further analysis indicates electricity accounts for 50 percent of that total. The close proximity of the water source, a gravity-fed system, and total employment of 175 all combine to give this utility an excellent cost/revenue advantage. It is billing customers at a average rate of 16.63 lek a cubic meter, but with 50 percent collection is actually using an effective rate of 8.31 lek.

Due to its location and abundant source of water, expansion opportunities for the Vlores water utility include future tourist growth, sale of water, as has been done in the past to ocean vessels, and even an inquiry from a coastal Italian town for four cubic meters per second through a 70 km pipeline.

The management of the utility was familiar with the corporatization and privatization process, having watched the local electrical utility be corporatized. The discussions at the seminar kindled a personal interest in learning more about the potential of the Vlores water utility.

In assessing the utilities visited, the prospects of success in corporatization and ultimately privatization of a water utility appear higher in Vlores than in the other cities visited. Its access, as well as the intrinsic value of the utility’s natural assets, could be attractive to a qualified investor.

4.4 Site Visits — Summary

The site visits were quite informative, even though they were conducted under a time constraint. There is a common problem of bill collecting, and with it the need to pay VAT on revenue billed not collected. VAT is considered included in the present allowable water rate as was the previous “turn over” tax. In most utilities, reported revenue excludes VAT. A uniform method of presentation should be considered.

Only in discussions in Vlores did it appear that the topic stressed in the previous week’s seminar of “revenue requirements” had been understood and added as a analytical tool. Any estimated new “flat rate” for these utilities will require best judgment guesses as to maintenance and other necessary revenue needs.

The difference in the problems of village and city water utilities definitely requires further review and the investigation of possible solutions. They have separate core costs, and are significantly apart as to level of service that could be anticipated. An inquiry into the 1992 program to separate city and village utilities could be helpful in this review.

The lack of meters, both for water produced and water consumed, make any measure of unaccounted water of limited value. An investment in metering, industry-wide, should be a priority.

Utilities are not maintaining their accounting records in an uniform manner. The question of Ministry review and audit should be raised and regulations developed to resolve this issue.

Recommendations

At the request of the Resident Infrastructure Advisor, the consultants prepared a list of suggestions for water enterprise performance enhancement and continued USAID assistance.

1 Performance Enhancement Suggestions for Water Enterprises

The following improvement suggestions are based on discussions with water enterprise managers, site visits to four water utilities, discussions with Ministry of Public Works officials, and reading of prior USAID consultant reports. In some instances, the suggestions indicate different ways and/or levels of intensity to resolve similar problems.

- Form a water utility association or network of water utility managers to establish standard operating practices, to share improvement ideas, and to provide training.
- Develop a prioritized list of operational improvement areas and assign improvement projects to selected water enterprises and share results among all water enterprises. Sample projects would include energy management, metering, unauthorized connections, etc.
- Reorganize the water utility sector (probably, but not necessarily, through consolidations) to take advantage of economies of scale and of scarce management and technical resources; to reduce the disparity of cost among utilities and the number of utilities to regulate; to increase the uniformity of operating practices; and to improve the allocation of water resources in Albania.
- Perform pilot projects in 3-5 water utilities to identify the amount of each source of unaccounted-for water. Develop solutions to reduce each source type and communicate the results to all water utilities. For example, consider acquiring leak detection equipment to identify the location and extent of leaks in the distribution system.
- Begin providing information to consumers on the events occurring and to occur in the water sector, including forthcoming price and service level adjustments.
- Establish a uniform pricing policy for consumers with a limited ability to pay. Provide a basis for the water utilities to identify such consumers (e.g., social assistance lists available from local government).
- Establish a policy for payment/credit of amounts owed by government institutions.
- Prior consultant reports and water managers indicate that wastage on premises may compose the major share of unaccounted-for water. If this is so, implementing a metering program would be by far the most cost-effective means of reducing production requirements, costs of service, and unaccounted-for water, while increasing VAT collections to the Government.
- Develop Ministry of Public Works resources and programs to support enterprises in achieving the Government's self-sufficiency and service goals. Particular emphasis

should be placed on metering and on legal bases to require payment for service from all consumers. However, the Ministry must be careful in that it must establish such regulation as minimum service standards and statistical reporting while avoiding micro-management of the utilities. For example, the current requirement for two-thirds of the Supervision Council members to be appointed by the Ministry under the corporatized utility may result in continued “management” of the utility by the Ministry.

- Consider combining water and wastewater service entities both to share limited resources and protect water quality.

2 Suggestions for Continued USAID Assistance

The following list of approaches is intended to accomplish the performance enhancement suggestions above.

- Compile all donor and Ministry of Public Works reports and studies prepared for the water sector during the past four years. Make this information available for all interested parties.
- Perform a study with the assistance of Ministry and enterprise officials to reorganize the water utility sector to maximize available limited resources.
- Develop a process, with the assistance of the Ministries of Public Works and Privatization and the water managers, to corporatize the reorganized water enterprises in a phased approach.
- Conduct a workshop to acquaint the water utility managers with the concept of a self-sustaining enterprise and how these concepts are applied to management of assets, liabilities, revenues, and expenses to result in resources available to finance system rehabilitation and expansion.
- Perform a comprehensive management audit of selected water enterprises to identify issues, concerns, and problem areas for resolution. Prioritize the issues identified and develop an action plan to implement the solutions as resources permit. Replicate the process in the remaining water enterprises over a phased time period. Provide implementation assistance as needed.
- Provide assistance to the Ministry of Public Works for development of programs to support the water enterprises through policy guidance, creation of the necessary legal framework, creation of the regulatory framework, and the processes of corporatization and privatization.

Appendices