**International Federation of Red Cross and Red Crescent Societies (IFRC)**

**Mission Report/ Notes:**

Knowledge Forum on

**Financial Sustainability for Urban Water and Sanitation Services in Africa**

**11-13th May 2015 (Speke Resort, Kampala; Uganda)**

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**Forum Notes, Opportunities and Way forward to IFRC and HNS to engage with Government and Funding Partners**

Background: This report gives a brief overview of the key outcomes of the plenary discussions , bearing in mind that a comprehensive report will be shared once the rapporteurs have finalized its compilation. It also outlines discussions and action points as a result of meetings held between IFRC and representatives of USAID, OFDA and TETRA TECH during the forum.

Sustainable Water and Sanitation in Africa (SUWASA) is a regional program of the [US Agency for International Development (USAID)](http://www.usaid.gov/), implemented by [Tetra Tech](http://www.tetratechard.com/), with a mission of fostering the transformation of water and sanitation delivery services in Africa to achieve long-term financial sustainability through the application of market-based principles. SUWASA is designed to spread effective models of reform at the water utility and sector levels, and to facilitate innovative financing approaches for African water providers. The relevance of the program cannot be over emphasized in light of an ever increasing urban population and with countries in Africa struggling to meet MDG targets for water and sanitation by 2015.

SUWASA as a program intends to promote innovative reforms and sustainable financing for safe water and adequate sanitation in Africa through the following :-

* Support to sector level reforms for increasing autonomy, accountability and customer orientation of utilities[[1]](#footnote-1);
* Assistance to ministries and utilities in implementing innovative service agreements based on accountability , autonomy and performance- based incentives;
* Strengthening of regulatory policy and capacity;
* Support to strategies for improving access to water and sanitation services in slums and peri-urban areas ;
* Financial modelling for broader access to capital markets and debt financing.

SUWASA has been implemented since September 2009 in 9 countries in Sub-Saharan Africa as listed below.

1. **West Africa**- Liberia, Nigeria, Senegal
2. **East and central Africa**- Uganda, Kenya , Ethiopia and South Sudan.
3. **Southern Africa**- Zambia and Mozambique.

With SUWASA coming to an end in September 2015, the forum organized in Uganda from May 11-13th , 2015 by the SUWASA Africa Regional Office was therefore intended to provide a platform for countries involved in the implementation to share lessons and learnings that would be further consolidated and replicated in future program in sub Saharan Africa. During the knowledge forum , government ministries, regulators , service providers/utilities , civil societies and stakeholders in WatSan sector participated from both ~~other~~ implementing countries (9 listed above) and neighboring countries such as Tanzania, Ghana and Malawi .

IFRC was represented by the IFRC WatSan Delegate based in Zimbabwe (Project manager for ACP-EU water facility), Uganda Red Cross WatSan Coordinator and IFRC WatSan Delegate based in Uganda (for Land Rover Project).

Key facilitators included experts from USAID, SUWASA, as well as outside of USAID and SUWASAprogram such as Water and Sanitation Program (WSP) of the World Bank Group, International Water Association (IWA) and **Deutsche** Gesellschaft für Internationale Zusammenarbeit (GIZ)

Key discussion topics ~~:~~

1. Governance and Accountability of Urban Water Services .

* Rising population in Africa, currently at 1.15 billion and set to hit 1.94 billion people in 2050. Urban population stands at 39% in 2015 and rising to 53 % in next 25 years.
* Access to sewer systems less than 20% in urban areas, majority have onsite sanitation systems.
* Low performance indicators , High levels of un accounted for water, (Non Revenue Water) poor tariff structures , high HR/1000 connections .
* More than 75% of systems owned by state/municipals and lacking commercial/business approach to management.
* Professionals do not have sufficient autonomy or oversight.
* Chronic under investment for so many years in both Water and Sanitation..

1. Achieving financially Sustainable Services

Institute measures for financial viability such as;

* Ensuring that both private and public funds are timely and predictable ;
* There are incentives for performance and diligence.
* Cash collection efficiency;
* Reduction in Non-Revenue Water (water losses or un accounted for water)
* Staff productivity
* Maintaining an operating margin (revenue/operating costs) AND operating ratio (customer cash receipted/operating costs)
* Establish the culture and expertise of measuring performance.

1. Mobilizing Finance

* Consider mix of financial resources and strategic investments to come up with a financing plan;
* Commercial financing has the advantage of flexibility and speed.
* Commercial financing best suited to smaller investments that generate revenue.
* Alternative funding mechanisms such as water sector services trust funds , especially in pro- poor (last mile) service in low income areas .
* Regular monitoring of operational status of funded infrastructure .

1. Urban Sanitation

Faecal Sludge Management (FSM) is one of the biggest challenges in urban and peri-urban areas; a majority of these areas are still not connected to the municipal sewer system- over 80%.

* Responsibilities for city sanitation planning are spread widely ranging from individual households, municipalities to government institutions and line ministries.
* Faecal Sludge management poses serious challenges in urban poor areas as often services rendered by services providers are un hygienic, un reliable and costly.
* Most pit latrines /septic tanks are not designed to be emptied and more often they could also be located in areas which are in accessible.
* There is a lot of stigma related to the local service providers who often are forced to work at night and without adequate personal protective equipment .
* Market based sanitation solutions can best work in areas where a policy environment exists which recognizes existing capacities, incentivizes service providers and creates a link to established waste disposable points.

The success to provision of WatSan services can be summarized into seven(7) core dimensions .

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| --- | --- | --- | --- |
| *i. Access to Services* | *ii. Safety* | *iii. Sufficiency* | *iv. Reliability* |
| *v. Cost effectiveness* | *vi. Sustainability* | *vii. Transparency and Responsiveness* |  |

**The relevance of the work that has been done by USAID through SUWASA to the International Federation of Red Cross and Red Crescent Societies .**

* Increasing urban and peri-urban population means that the IFRC and its network of 189 national societies MUST expand its work in targeting urban poor with the provision of WatSan services.
* The work and experience of SUWASA and others in the ongoing WatSan reforms in Africa prepares us to better plan and target interventions through understanding the operating policy framework in WatSan for urban and rural areas, such as recognizing the role of the regulator (government), the service providers/utilities in urban areas while working with the Water Services Trust in rural areas for expanding services to targeted beneficiaries.
* Linking with previous work that the IFRC and Network of national societies have done in urban and peri urban areas such as rehabilitation works for water and sanitation systems in Zimbabwe during the Cholera outbreak, in Asia after the Tsunami and Haiti after the earthquake , and currently in Eritrea through the urban/peri-urban Sanitation facility funded through the European union.
* The forum also provided an opportunity to meet with representatives from organizations and institutions in attendance as summarized below :

Discussions with Heather Skilling - Senior Water and Sanitation Advisor USAID. .

* + SUWASA as a project is coming to an end in September 2015, USAID is therefore positioning itself in the post 2015 MDG goals. Some of the key areas they will support will include country systems development and monitoring and reporting.
  + Top priority countries for USAID WatSan programming will include Kenya, Uganda, South Sudan, Liberia and Haiti.
  + USAID has already designed a five year project SUWASH which will run from 2015 -2020. USAID has already identified 11 consortium leads (contractors) who will be bidding once the RFQ is out in early June . The contractors include Delloite , Tetra Tech.

The advice was therefore that IFRC should get in touch with identified contractors for potential role and engagements once the contract is awarded.

Contact was made with Tetra Tech and a follow up email to link up with IFRC WatSan team in Geneva will be sent out.- *linked to note below*

* + Other potential funds/initiatives include : making Cities work and Climate change which IFRC can seek to apply for through USAID .
  + **Heathers advise for engaging at country level:** Opportunities at country level where national societies /IFRC can engage to access Water and Sanitation funds exists and should be through the embassies (contact with the WatSan focal ~~person~~ person). Alternatively with UASAID Mission Directors.

Heathers Skilling contact details : email- [hskilling@usaid.gov](mailto:hskilling@usaid.gov) Tel: 202-712-1607

Discussions with Trevor White (OFDA)

We had a brief discussion with Trevor and he detailed the work that OFDA is already engaged in with IFRC at global level (Global WASH Cluster- GWC) and within the UN WASH cluster.

Potential exists to engage with regional OFDA focal persons for Eastern, Southern and West Africa especially in country level disaster response and preparedness activities. Trevor promised to get contacts – these will be shared with IFRC regional focal persons.

Trevor contacts were shared with the IFRC/NS team in Uganda and they will further discuss emerging opportunities.

Discussion with Mr. Morris Israel; Sector Director Water Resources & Infrastructure : Tetra Tech

* Tetra Tech is one of the pre-qualified contractors with USAID for SUWASH project, he agreed that we should further have email contact to see what opportunities exists to work together in future Water and Sanitation activities

Morris Israel contacts: email-[morris.israel@tetratech.com](mailto:morris.israel@tetratech.com) Tel: 802-495-0556

As we plan to engage with US embassies to contact the WASH focal persons we need to share our such plans with American Red Cross Society representatives in our respective locations .

1. Utilities- these are individuals, companies or entities responsible for service delivery of water and sanitation services to the consumers/end users [↑](#footnote-ref-1)