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Accelerating access to water and sanitation: scaling up private sector participation in Sub- Saharan Africa

Dakar, June 5-8 2012

CONFERENCE REPORT

July 2012

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Introduction

Precarious access to water and sanitation holds back the development of a country in both human and economic terms. Understanding the link between reliable water supply, sanitation, and poverty reduction has promoted the improvement of access to water and sanitation in Sub-Saharan Africa. Over the past two decades, more than 230 million people have gained access to clean water and 110 million to sanitation. But due to strong growth in Sub-Saharan Africa's population and increasing urbanization, the coverage rates for drinking water and adequate sanitation are 11% and 4% respectively over the past two decades¹, and remain low despite efforts made. Worse, the current water coverage in urban areas has actually declined between 1990 and 2008, from 43% to 35%.² The situation is even more critical in rural areas where the water and sanitation coverage rates are between 40% and 50% for the same period.³

The role of the private sector in some countries has been instrumental in increasing access and improving services in terms of sustainability and efficiency. The private sector's involvement has taken various forms, from the concession of urban services to the growing number of national initiatives by private actors in rural areas and small towns.

With this in mind, the International Finance Corporation (IFC), in partnership with the Ministry of Water and Sanitation of Senegal, the Public-Private Infrastructure Advisory Facility (PPIAF), the Water and Sanitation Program (WSP) of the World Bank, and the Infrastructure Consortium for Africa (ICA), initiated a workshop held from June 5th-8th 2012 at the King Fahd Palace in Dakar, Senegal. The objective of this workshop was to revisit the progress made in private sector participation in the water and sanitation sector in Africa, and share the lessons of successful models around the world. Roundtables and case studies were drawn up to help participants better understand the opportunities and challenges of public-private partnerships (PPP) and gain an appreciation of the points of view of governments, practitioners, and donors.

The workshop saw the participation of 162 people from 40 different countries, including 121 invited participants and 41 people from co-organizer institutions. Among the invited participants, the public sector was represented by ministers, directors, and technicians in the water and sanitation sector. The private sector was represented by water and sanitation operators, banks, and financial institutions.

The event was honored by the presence of the Prime Minister of Senegal and the Ministers responsible for the water and sanitation sectors in Gambia, Madagascar, Malawi, Senegal, Sierra Leone, Sudan and Uganda. The conference took place over four days; the conference program is presented in section 2 below. The first day of the conference was dedicated to training in order to enhance participants' understanding of the concepts of public-private partnerships and their application to the water sector. The next two days were dedicated to the conference itself, with the opening ceremony held under the patronage of Mr. Abdoul Mbaye, Prime Minister of the Republic of Senegal, and chaired by Mr. Oumar Guèye, Minister of Hydraulics and Sanitation in Senegal. The last day was spent visiting the Management and Call Center of Sénégalaise des Eaux (SDE).

This report is structured as follows: section 2 presents the program, section 3 summarizes the various training sessions, speeches, and presentations, and section 4 summarizes the questions and

¹. Brochure on the agenda of the PPP conference from June 5th-8th 2012.

² Idem

³ Idem

discussions on relevant topics. Section 5 contains the list of participants and section 6 summarizes the feedback from the participants on the conference gathered through evaluation questionnaires.

Agenda

The conference was held from June 5th-8th at King Fahd Palace, in Dakar, Senegal. The first day was devoted to bringing participants up to date on various aspects of public-private partnerships (PPP) and their application to the water and sanitation sector. The conference itself took place during the second and third days. The last day was spent visiting the facilities of the Sénégalaise des Eaux of Senegal (SDE). The details of the conference program are presented below.

TUESDAY, 5 JUNE 2012 PRE-CONFERENCE TRAINING DAY	
8:00-9:00	Registration
9:00-9:15	Introduction to Training Day
9:30-10:45	Training I. PPP Fundamentals <ul style="list-style-type: none"> ▪ What is a PPP: Definition, key success factors, risks and issues <i>Elan Cusiac-Barr, Senior Investment Officer, IFC</i> ▪ Experience of PPPs in water and Africa <i>Jane Jamieson, Senior Industry Specialist, IFC</i>
10:45-11:00	Coffee Break
11:00-12:30	Training II. Types of PPP Contracts <ul style="list-style-type: none"> ▪ PPP contracts <i>Victoria Delmon, Senior Counsel, World Bank</i> ▪ Performance-based contracting <i>Patrick Mullen, Principal Water & Sanitation Specialist, IFC</i> ▪ Risk Mitigation Instruments <i>Luigi de Pierris, Initiative for Risk Mitigation in Africa, AfDB</i>
12:30-14:00	Lunch
14:15-15:45	Training III. Finding the Right Partner <ul style="list-style-type: none"> ▪ PPP transaction implementation (from due diligence to financial close) <i>Nicola Saporiti, Senior Investment Officer, IFC</i> ▪ Case study: Uganda Small-scale Water PPP <i>David Bot Ba Njock, Investment Officer, IFC</i> ▪ Case study: New Cairo Wastewater PPP <i>Malak Draz, Investment Officer, IFC</i>
15:45-16:00	Coffee Break
16:00-17:00	Training IV. Contract Management and Regulation <ul style="list-style-type: none"> ▪ Overview of contract management <i>Victoria Delmon, Senior Counsel, World Bank</i> ▪ Institutional framework rural and small town PPPs <i>Jemima Sy, Senior Water and Sanitation Specialist, WSP</i>
WEDNESDAY, 6 JUNE 2012 CONFERENCE DAY 1	
8:30-9:00	Registration

9:00-10:30	<p>Official Opening Ceremony</p> <p>Opening remarks by Yolande Duhem, Regional Director for West and Central Africa, IFC, followed by:</p> <ul style="list-style-type: none"> ▪ Vera Songwe, Country Director for Senegal, World Bank ▪ Sering Jallow, Director of the Water and Sanitation Department, AfDB ▪ Abdoul Mbaye, Prime Minister of Senegal
10:30-11:00	Coffee Break
11:00-12:30	<p>Session I. PPP Progress and Practice</p> <ul style="list-style-type: none"> ▪ Chair: Emmanuel B. Nyirinkindi, Manager, IFC ▪ Current Status of PPPs in the Water and Sanitation sector <i>Edouard Perard, Regional Coordinator, PPIAF</i> ▪ Urban Water Utility Experience <i>Matar Fall, Lead Water and Sanitation Specialist, World Bank</i> ▪ Rural and Small Town PPPs <i>Jemima Sy, Senior Water and Sanitation Specialist, WSP</i> ▪ Trends in Water & Sanitation in Africa <i>Ousman Gajigo, Economist, AfDB</i>
12:30-14:00	Lunch
14:00-15:30	<p>Session II. Engaging the Private Sector in Africa</p> <ul style="list-style-type: none"> ▪ Chair: Baimass Tall, Executive Secretary, AMCOW ▪ His Excellency Oumar Guèye, Ministre de l'Hydraulique et de l'Assainissement, Senegal ▪ Her Excellency Betty Bigombe, Minister of Water, Uganda ▪ His Excellency Mohamed Lemine Ould Aboye, Minister of Water, Mauritania ▪ His Excellency Seifeldin Hamad Abdalla, Ministre of Irrigation and Water Resources of Sudan ▪ His Excellency Richie Biswick Muheya, Minister for Water Development and Irrigation of Malawi ▪ Her Excellency Fatou Ndeye Gaye, Ministre of Forestry and Environment of The Gambia
15:30-15:45	Coffee Break
15:45-17:00	<p>Session III. Increasing Capacity</p> <ul style="list-style-type: none"> ▪ Chair: Jan Janssens, Consultant, ICA ▪ Case study: New Cairo Wastewater PPP <i>Malak Draz, Investment Officer, IFC</i> ▪ Case Study: Jordan Wastewater PPP <i>Philippe Thiel, BOT Business Manager, Degramont</i> ▪ Providing Safe Water to Underserved Communities Using a Scalable, Sustainable and De-centralized Model <i>Sameer Mithal, Global Head of Business Development, Water Health International</i> ▪ Case Study: Small Drinking Water Supply networks, the experience of a private operator in Burkina Faso <i>Christophe Leger, Technical and Development Manager, Vergnet-hydro</i>
19:00	Cocktails and Dinner

THURSDAY, 7 JUNE 2012 CONFERENCE DAY 2

8:00-9:00	Registration
9:00-10:30	<p>Session IV. Increasing Reach</p> <ul style="list-style-type: none"> ▪ Chair: Jaehyang So, Manager, WSP ▪ Uganda Rural Water <i>Dominic Kavutse, Commissioner, Urban Water and Sewerage Services, Ministry of Water and Environment - Uganda</i> ▪ Urban utilities reaching the poor, lessons from Morocco <i>Jean-Pierre Mas, Executive Vice President Africa, Suez Environnement</i> ▪ Investment strategy and improving access for urban and rural water services, Senegal <i>Ibrahima Diallo, Director General, SONES</i> <i>Diène Faye, Director of Rural Water</i> ▪ SODECI: Example of a successful PPP <i>Basile Ebah, Director General, SODECI (Société de Distribution d'Eau de la Côte d'Ivoire)</i>
10:30-10:45	Coffee Break
10:45-12:30	<p>Session V. Increasing Efficiency</p> <ul style="list-style-type: none"> ▪ Chair: Sering Jallow, Director of the Water and Sanitation Department, AfDB ▪ Water Affermage in Senegal <i>Mamadou Dia, Director General, Sénégalaise des Eaux</i> ▪ PPP Experience in Armenia <i>Gary Stout, International General Director, MVV-decon GmbH</i> ▪ Performance-based Non-Revenue Water Contracts in South Africa <i>Ariel Moshkovitz, General Manager EMEA & Technologies, Miya</i> ▪ PPP Efficiency Study by Aquafed <i>Xavier Maitre Robert, Senior Water Advisor, Aquafed</i>
12:30-14:00	Lunch
14:00-15:30	<p>Session VI. Water Sector Financing</p> <ul style="list-style-type: none"> ▪ Chair: Nicolas Souche, Senior Investment Officer, IFC ▪ K-Rep Bank Ltd: Calvince Odera, Business Development Manager, Special Projects ▪ Ecobank: Yves Coffi, Director General ▪ EAIF: Martjin Proos, Senior Investment Advisor ▪ AfDB: Luigi Pierris, Initiative for Risk Mitigation in Africa ▪ Bryant & Co: Guillaume Gilles, Managing Director, Water Funds ▪ ECP: Brice Lodugnon, Director ▪ EIB: Patrick Dorvil, Water and Solid Waste Specialist
15:30-15:45	Coffee Break
15:45-17:00	<p>Session VII. What Private Operators Look For in a PPP</p> <ul style="list-style-type: none"> ▪ Chair: Vipul Bhagat, Chief Investment Officer, IFC ▪ Aquafed: Xavier Maitre Robert, Senior Water Advisor ▪ Suez Environnement: Jean-Pierre Mas, Executive Vice President Africa ▪ Association des Fermiers d'Eau du Benin (AFEB): Germain Sossou, President ▪ SDE: Mamadou Dia, Director General ▪ MVV-decon GmbH: Gary Stout, International General Director

17:00-17:30	Closing Remarks
FRIDAY, 8 JUNE 2012 SITE VISIT	
8:00-8:30	Registration
8:45	Departure for site visit
9:15-10:45	Visit: Management and Call Center of Sénégalaise des Eaux - Dakar
11:30-12:45	Marketplace: Meetings with the sponsors on assistance offered to support private sector participation and financing in the water and sanitation sectors
13:00-14:30	Farewell Lunch

Summary of presentations and speeches

As presented in the program, the conference was organized around speeches, presentations, case studies, and panel discussions. The themes were chosen to illustrate the challenges of public-private partnerships through a broad perspective as well as the experience of Sub-Saharan Africa through case studies. The background of the Presenters was also important to bring together regional and international experiences but also to highlight the diversity of actors involved in the process of implementing a PPP, such as government, private operators, and individual investors.

Pre-conference training day - June 5th 2012

Introduction to Training Day

(Elan Cusiacc-Barr, Senior Investment Officer, IFC ; Jane Jamieson, Senior Industry Specialist; Jaehyang So, Manager, Water and Sanitation Project (WSP), World Bank)

This day's introduction was delivered by Mr. Elan Cusiacc-Barr of IFC advisory services in public-private partnerships. He thanked all participants for responding to the call and then turned his attention to the conference. In the same vein, Ms. Jane Jamieson, industry specialist at IFC, continued by urging participants to discuss the topics of the day before turning the floor over to Ms. Jaehyang So of the Water and Sanitation Program (WSP) of the World Bank. Ms. Jaehyang So presented the visions and actions of the World Bank concerning the water and sanitation sector. From this presentation emerged a brief history of the vision of the World Bank on private sector involvement in public services wherein the concept of "**privatization**" has evolved into "**public-private partnership (PPP)**". The latter concept promoted by the World Bank allows public and private sectors to play a role in access to public services, with the public sector acting as regulator and the private sector as an innovator.

The findings of the last conference in Bangkok on the need to seek more private sector involvement in order to improve the operation of services such as billings and collection are an example of promoting PPP, especially in the water and sanitation sector where there are many challenges in Sub-Saharan Africa. At the end of these speeches, participants were encouraged to share experiences and make concrete proposals for successful PPPs in the water and sanitation sector in Sub-Saharan Africa.

Training I: PPP Fundamentals

(Elan Cusiacc-Barr, Senior Investment Officer, IFC; Jane Jamieson, Senior Industry Specialist, IFC)

As specialists in IFC's public-private partnerships department, Mr. Cusiacc-Barr and Ms. Jamieson were well suited to share the fundamentals of PPP with participants. The first presentation was delivered by Mr. Cusiacc-Barr and focused on the definition, key success factors, risks, and issues related to PPPs. Highlights of the presentation were:

The definition of the concept of PPP is complex and generates various points of views on its definition. Each participant has their own understanding of a PPP. But it must be remembered that a PPP is based on a **principle of risk transfer** and is an attractive option providing certain conditions are met. A comparison between a PPP and traditional public sector procurement shows that the savings on risk transfer are greater than the additional costs generated by PPP. Depending on the level of risk transfer, three types of PPP contracts are cited: **the concession contract** where the operator can assume the most risk, **the lease and affermage contract** where the operator assumes the risk of operation, and **the management contract** where all risks are borne by the public sector.

The public sector's involvement is an essential factor for the success of PPP. The public sector must honor its part of the contract by creating an enabling environment for PPPs, for example, by removing certain political barriers and also contributing to funding, as a PPP is not synonymous with privatization.

Implementing a PPP may seem long and tedious. It usually takes between 12 and 24 months to close a PPP contract, plus three months for the start-up. However, a quick poll during the presentation revealed, given the overall response of the participants, that the duration of the PPP set-up process is not seen as a formidable obstacle.

The private sector presents a great opportunity for infrastructure development in Sub-Saharan Africa. In terms of the number of PPP projects, Sub-Saharan Africa only accounts for 10% of the activities in all developing countries, and 9% in terms of investment with more than a quarter made by South Africa and Nigeria. However, the need for annual funding for infrastructure is estimated at \$93 billion dollars. In terms of infrastructure spending (excluding telecommunications), the private sector only represents 8.6% versus the public sector's share of 64%. The private sector should be more involved in this infrastructure market as it presents a significant opportunity.

It is thus imperative for African governments to highlight the need for private sector participation in promoting PPPs. To do this, a number of measures should be taken:

- Establish institutions to manage the process of implementing a PPP;
- Make use of external expertise and donor support which is necessary for the success of PPP projects;
- Prepare due diligence early in the project and manage it efficiently. Take the time to analyze the technical aspects of the project and ensure good planning;
- Establish a transparent tender process in order to select the right operator;
- Build on successful PPP models;
- Establish a coordination process and rigorous monitoring of PPP contracts.

The second presentation on PPP fundamentals was made by Ms. Jamieson and shared the experiences of PPPs in the water sector in Africa. In this presentation, it was shown that:

There are few PPP projects in the water sector in Sub-Saharan Africa. Of the 238 PPPs registered in Sub-Saharan Africa, only 38 relate to the water sector. The private sector has not provided the necessary resources while most of the Sub-Saharan population has no access to drinking water, hence the challenge to mobilizing additional funding in this sector.

The private sector contributed to the performance of the water sector in Sub-Saharan Africa. A World Bank study conducted in 2009 in the water sector in Sub-Saharan Africa showed the following results obtained through the private sector: a 54% increase in the number of connections per private sector worker, an 18% increase in water sales per worker, and a 41% increase in the number of operating hours per day.

Do not believe all of the bad press on PPPs. Regarding the viability of PPPs, World Bank statistics show that in 2007, of all the PPPs in the water sector in Sub-Saharan Africa, 84% were still active, 9% were terminated, and 7% had expired. It is not uncommon to hear that *"the private sector should not be involved in the water sector because it relates to public service"*, *"the private sector is more interested in helping themselves than giving service to the poor"*, or *"rates will increase if the water sector is managed privately"*. A World Bank study conducted in 2009 on 1,200 water and

electricity companies shows that there is no systematic increase in water or electricity rates in the countries concerned. Even more encouragingly, it was shown in the same study that through PPP projects the private sector has enabled more than 24 million people to benefit from drinking water since 1990. The experiences of the Ivory Coast and Senegal in PPPs in the water sector are success stories in West Africa.

Among the types of PPP contracts, leasing/affermage is one of the most successful in West and Central Africa. Other types of PPP contracts have been successful in other regions in Africa, such as the service contract in South Africa for non-revenue water, and the concession contract in North Africa.

Training II: Types of PPP contracts

(Victoria Delmon, Senior Counsel, World Bank; Patrick Mullen, Principal Water and Sanitation Specialist, IFC; Luigi De Pierris, Initiative for Risk Mitigation in Africa, African Development Bank)

This session aimed to introduce participants to the types of PPP contracts and their advantages and disadvantages, performance contracts and their benefits in the management of losses in the water sector, as well as risk mitigation tools in PPP contracts.

The types of PPP contracts presented by Ms. Victoria Delmon were as follows:

- The **service contract**. In short, this type of contract is appropriate for goods and services. It presents very little risk to the private sector and is easy to manage. However, it is not quite considered a PPP because it does not allow a true transfer of risks;
- The **management contract**. It is short (2-5 years) and is a tool involving the private sector without giving it control. Its disadvantage is that it doesn't offer enough opportunities for service improvement and efficiency;
- The **operation and maintenance contract**. This contract transfers some risks to the operator in that it involves work and repairs but revenue of the operator is not at risk;
- The **lease/affermage**. This is a medium-term contract (10 years). It can involve the private sector without giving it control of the asset. This is the type of contract that has hitherto been very successful in West Africa. The risk for the operator is in rehabilitation works. The disadvantage of such a contract is that it limits the efficiency gains in the offered services;
- The **concession contract**. This is a long-term arrangement (20 to 30 years) and presents significant risks for the operator. However, it allows free rein for innovation and efficiency, but it is still the least successful PPP model in Africa.
- The **BOT (Build Operate and Transfer)**. This is a long-term contract (15 to 30 years) which runs until the operator recovers their investment. This type of contract is difficult to manage and requires a real commitment of the government, and the co-sponsors, or the joint venture. In such partnerships the government's role may be limited to regulation. Daily management is ensured by the private sector.

It appears that management contracts and lease/affermage are the main types of contracts used in small projects. There is also hybrid affermage which requires the private parties to invest. Textbook examples of PPP contracts for rural projects were cited in Benin, Kenya, Mali, and Uganda.

The clauses to be clarified for the various PPP contracts are: the parties, the duration, the asset if it's identifiable, the investment required, funding sources, and the maintenance obligations. Contracts that are too vague should be avoided. If necessary, additional investments should be specified.

The presentation on performance-based contracts was made by Mr. Patrick Mullen, a specialist in water and sanitation at IFC. The presentation was an opportunity to highlight that significant investments were made in the water sector but without the desired results. So much remains to be done. The main reason for these poor results lies in the inefficiency of the management systems in place. For example, the physical and commercial losses in the water sector are estimated at 48.6 billion cubic meters of unpaid water per year at a cost estimated at 14.6 billion dollars. The participation of the private sector could help reduce such losses even if only through improved billing, water metering, the fight against illegal connections, building a good customer database, etc. Thus, by increasing financial income, investments can be made to reduce system losses.

The keys to success for a performance contract include:

- Transparency of procurement methods;
- Full understanding of existing conditions;
- Defining measurable targets;
- Risk allocation;
- Establishing a performance evaluation system;
- And above all, a supportive environment. The factors that typically limit the participation of the private sector in PPPs are essentially political risk, pricing issues, and regulation.

Tools for risk mitigation, such as partial risk guarantees and partial credit guarantees were presented by Mr. Luigi De Pierris. As a partner of the Initiative for Risk Mitigation in Africa (IRMA) of the African Development Bank (AfDB), Mr. de Pierris spoke to the different risks related to PPPs, and presented various AfDB tools to assist in mitigating these risks.

The tools generally target political risks, which are generally related to:

- Failure to meet contractual obligations including:
 - Payment of compensations due to contract termination;
 - Execution of certain obligations of public parties, such as payments owed under an off-take contract or an agreement on input supply;
 - Risk of regulation and changes to the law, such as the annulment or cancelation of a permit or authorization, or the non-application of the adjustment tariff formula as agreed to;
 - Frustration around dispute resolution;
- Expropriation, including confiscation, nationalization and disenfranchisement, or other actions by the host government that can interfere with the fundamental ownership rights of a foreign investor;
 - Inconvertibility and non-transferability of the local currency, which prevents funds transfers (dividends, profits, fees, social capital) and loan funds from a guarantee, which are made available from a host country in due time, and according to applicable exchange rates. This does not protect against hard currency fluctuations, currency devaluations or any other pre-existing restriction relative to conversions or transfers, unless the government expressly committed to covering such risks.
- Political force majeure, such as damages to assets due to political strikes, riots, unrest, terrorism, sabotage, war and civil war.

The Initiative for Risk Mitigation in Africa (IRMA) is a program of the African Development Bank, initiated by ICA and financed by the Italian Government, with a goal to provide risk mitigation instruments in order to facilitate investments in the infrastructure sector in Africa.

Training III: Finding the Right Partner

(Nicola Saporiti, Senior Investment Officer IFC; David Bot Ba Njock, Investment Officer, IFC; Malak Draz, Investment Officer, IFC)

Implementation of a PPP project (from preliminary analysis to financial close)

Given his strong technical track record in the water sector, Mr. Saporiti presented the advantages that the private sector can bring to the water sector through a PPP. After a review of the literature over the past twenty years, six lessons can be drawn to achieve a successful PPP:

- Economic viability of a project must be tempered with realistic expectations. Comprehensive due diligence allows for a proper risk assessment;
- The quality of public policy (a strong need for regulation). PPP is only possible under public authority;
- The PPP partner needs the right technical and managerial skills. The effectiveness of the tender selection procedure is critical in selecting the right operator;
- Access to public and private capital;
- The quality of the contractual relationship between the public authority and the operator. The right Technical expertise ensures that the contractual terms are sound;
- The quality of information.

Case study: Uganda, PPPs for small system projects in the water sector

An example of rural PPP projects in Uganda's water sector enabled the presenter, Mr. Bot Ba Njock, shared the difficulties associated with small rural projects and the approach required to prevent or manage these challenges.

Thanks to the results achieved by the IFC team which implemented the project in Uganda, several recommendations were developed from lessons learned:

- Ensure the availability of grants before starting such projects. Smaller operators generally face difficulties in accessing funding. Identifying donors or involving local banks is required to solve the problem of accessing funding for small projects;
- Strengthen the capacities of operators and those of local authorities on issues related to PPP;
- Ensure that contract duration is at least five years;
- Ensure the establishment of operator groups or associations to provide better economies of scale.

Case study: New Cairo, wastewater PPP

Ms. Malak Draz presented the wastewater PPP project in Cairo, Egypt, a best practice project led by IFC. Several factors contributed to the success of this project:

- The capabilities and commitment of the Ministry of Finance;
- Conducting an effective due diligence to achieve a technically, legally and financially sound project structure;
- Proactive management of stakeholders;
- Successful marketing of the project and understanding of market needs;
- Transparency of the tender procedures.

Training IV: Contract Management and Regulation

(Jemima Sy, Senior Water and Sanitation Specialist (WSP) Victoria Delmon, Senior Counsel, World Bank)

PPP institutional framework in rural and semi-urban areas

Through this presentation, Ms. Jemima Sy laid out the institutional basis for a public-private partnership. Thus emerged six key issues for implementing a PPP:

- **Set the PPP objective(s).** The obligations of the private operator must be clearly defined in the PPP;
- **Establish a team for the transaction and approvals.** To do this, it is important to have a transaction leader capable of managing the transaction process. The project team must be multidisciplinary with clear lines of communication to instill transparency. This team should also have access to the decision-makers;
- **Decide on the market structure,** consider clustering small transactions which can enable economies of scale;
- **Define a mechanism for allocating risk.** The following information must be known:
 - The frequency with which rates are adjusted and how long does the operator bear the risk until the next reset;
 - Rules governing rate resets;
 - Which entities ensure transparency.
- **Establish a good system of performance monitoring and conflict management** based on timely information, capability, legitimacy, and transparency;
- **Establish local support structures** to successfully implement a PPP.

Overview of contract management and regulation

Contract management and regulation was presented by Ms. Delmon. PPP contract management is important for the oversight of private operator performance, the management public sector obligations and to anticipate and manage disputes. Regulation is a system of rules, checks and balances introduced by Government to monitor performance of operators (both public and private) in a sector as well as entry and exit of operators in a sector. Several key issues were discussed, including:

- Why regulate? To protect consumers against monopoly behavior (e.g. price increases), protect and give certainty to investors, help government to monitor performance, and protect other interests (e.g. environment);
- Regulation is a means to an end – what matters is regulatory outcomes and not rules so simplicity is key;
- Benefits of regulation should not exceed cost of regulation (i.e. the costs of set up);
- Determine what model of regulatory framework is appropriate for PPPs in your country: options include an Independent regulator, regulatory function within a line ministry, multi-sector regulator, regulation by contract, and so forth;
- The regulatory designers may seek to put limits on regulatory powers or impose general obligations of fairness and proportionality on Regulator;
- If Government is seeking to encourage investor confidence in a sector then will need to keep discretion of Regulator to a minimum (investors like certainty), this is especially important when it comes to tariff reviews, investors will want a clear objective formula for calculating tariff increases;
- Stakeholders such as investors and customers will want to know that they have recourse against the Regulator or its decisions.

Conference Day 1 –June 6th 2012

The opening ceremony was chaired by Mr. Abdoul Mbaye, Prime Minister of the Republic of Senegal. A panel of senior representatives of various organizations also took part in the ceremony, including Mr. Oumar Guèye, Minister of Water and Sanitation of Senegal, Mrs. Vera Songwe, Regional Director of the World Bank, Mrs. Yolande Duhem, Regional Director of IFC for West and Central Africa, and Mr. Sering Jallow, Director of the Water and Sanitation Department of the African Development Bank.

Speech 1 (Yolande Duhem, Regional Director for West and Central Africa, IFC)

The Regional Director of IFC for West and Central Africa opened the conference. Ms. Duhem thanked the dignitaries and participants for attending the conference, which presented an opportunity to reflect on how to increase the participation of the private sector in facilitating access to water and sanitation in Sub-Saharan Africa. One third of the world population lacks access to potable water and Sub-Saharan Africa is struggling to catch up with other regions in terms of access to water and sanitation. Governments must increasingly rely on private funds to improve the situation. Examples of partnerships were cited across the continent, one in South Africa and the other in West Africa. Many challenges remain, including support to African governments through advisory services for PPPs.

Speech 2 (Vera Songwe, Regional Director, World Bank)

In her speech, Ms. Songwe reminded the audience of the challenges that remain for many countries to achieve the Millennium Development Goals (MDG) in water and sanitation. The short-term goal of the World Bank is to enable at least half of the countries to achieve water and sanitation-related MDGs. Ms. Songwe also linked gender policy to access to water and sanitation.

She reminded participants that due to rapidly increasing populations, it is recommended that countries spend at least 1/10th of their budgets in the water and sanitation sector. In West Africa, Senegal and Côte d'Ivoire were mentioned as successful examples of private sector participation in the water sector.

Ms. Songwe concluded by stating that it is through PPPs that different approaches to mobilizing private resources for infrastructure financing can be adopted. The toll road in Senegal was highlighted as a successful example of an incentives-based partnership.

Speech 3 (Sering Jallow, Director of the Water and Sanitation Department, African Development Bank)

Mr. Jallow focused on the challenges in the water and sanitation sector, as only 61% of the population has access to water and 31% to sanitation. He highlighted that the lack of access to water and sanitation leads to high socio-economic costs, equivalent to 5% of annual GDP. Progress in the sector is undermined by rapid population growth. Companies have ineffective water production systems due to a lack of financial and human resources. He also deplored the low prices prevailing in the sector, which put water companies in difficult financial situations. He stated that the water and sanitation sector has a need not only for private resources, but also needs to build a good regulation.

In his concluding remarks, Mr. Jallow indicated that the African Development Bank's commitment to infrastructure related to the water and sanitation sector has been revised upwards (from 70 million USD in 2002 to 700 million USD in 2010 with a goal of one billion USD in 2013). He also confirmed the Bank's interest in supporting capacity building in management and corporate governance in the sector.

Speech by the Prime Minister of Senegal (Mr. Abdoul Mbaye)

Before declaring the conference open, the Prime Minister thanked all stakeholders at the conference, presented views on PPPs, and announced reforms in the water and sanitation sector in Senegal.

Mr. Mbaye reminded the audience of the value of a PPP approach, which allows for a certain level of guarantee in the supply of public services. According to the Prime Minister, a dynamic and flexible PPP has enabled Senegal to increase access to water by 98.7%, and puts the country on track towards achieving MDGs. The Prime Minister also announced the planned third generation reform in the water and sanitation sector in Senegal. Finally, he expressed the Senegalese government's interest in the conclusions that would emerge from the conference.

Session I. PPP Progress and Practice

Panel 1: *Edouard Perard, Regional Coordinator, PPIAF; Matar Fall, Lead Water and Sanitation Specialist, World Bank; Jemima Sy, Senior Water and Sanitation Specialist, WSP; Ousman Gajigo, Economist, African Development Bank. Chair: Emmanuel Nyirinkindi, Manager, IFC*

Status of PPPs in the Water and Sanitation sector (*Edouard Perard, Regional Coordinator, PPIAF*)

As Coordinator for Water of the Public-Private Infrastructure Advisory Facility (PPIAF), Mr. Perard brought his experience in water and sanitation PPPs from around the world. PPIAF is a multi-donor fund (17 donors in total) that facilitates technical capacity building and funding.

Mr. Perard's presentation showed that China is the country with the highest number of PPPs. Africa on the other hand has the lowest number of PPPs. In Africa, new PPP projects (16 in total) date back to 2009 and since 1991, only 38 PPP have been recorded in the water sector. The presentation also highlighted that ten years of investments in the water and sanitation sector in Africa equates to six months of investment worldwide.

The PPP model that is most frequent in most middle-income countries is the concession contract. In Sub-Saharan Africa, countries implemented a wide range of PPP models before 2001. And despite 20 years of experience in PPPs, investments remain weak. Among the PPP projects that were identified, eight were cancelled, five of which are in the water and energy sectors.

Urban Water Utility Experience (*Matar Fall, Lead Water and Sanitation Specialist, World Bank*)

Mr. Fall described the overall profile of water utility companies in Sub-Saharan Africa. He started by describing the overall situation in West and Central Africa where 15 countries have already experimented with PPPs, eight of which are in the water sector. A World Bank mid-term review showed five successful PPP experiments, including those in Côte d'Ivoire, Senegal, Gabon, Niger, and Burkina Faso. The experiences of Guinea, Mali, and Cape Verde were very successful at first but later had challenges. Other experiences in the following countries have been proven failures: Gambia, Central African Republic, Chad, and Guinea-Bissau. He indicated that it is too soon to assess the experiences of Ghana and Cameroon because they are very recent.

Successful contract models have been hybrid lease/affermage contracts in Senegal, Niger, and Cameroon. The Senegalese model in particular has been assessed, and success factors have been identified as: a review of failed experiences and the integration of lessons learned, the structure of the performance contract, the innovations that were integrated, and the financial model put in place. The results have been considerable: in 2011 the coverage rate was 98.7% including 88.7% through the home network; water losses were reduced; and the collection rate is rising. With regards to investments, 81% were from external parties and 3.5% are payable over 20 years.

The following factors were identified as key to the success of a PPP:

- Reviewing cases of PPP successes and failures, and integrating lessons learned into structuring new PPPs;
- Promoting transparency;
- Developing the right pricing policy, essential for cost recovery and sustainability;
- Implementing mechanisms for the timely payment of water bills from government agencies (15 to 20% of annual turnover);
- Developing strategies to reduce water bills of government agencies;
- Establishing sector regulatory frameworks, as well as procedures for setting rates and determining investment in the sector;
- Establishing the right systems to regulate operator performance contracts.

Rural and Small Town PPPs (*Jemima Sy, Senior Water and Sanitation Specialist, WSP*)

This presentation highlighted the specificities of PPPs in small rural projects. The objective of the Water and Sanitation Program (WSP) of the World Bank is to assist in the implementation of such projects for the benefit of the poor. Through WSP, about 2.5 million people have access to water through small operators. The project in Uganda is an example of a success story. The challenges in rural areas remain enormous, as only 40-50% of rural populations have access to water compared to 88% in urban areas in Africa. These statistics illustrate the scope of the challenges that need to be overcome in order to achieve Uganda's MDGs.

WSP conducted an evaluation in 24 countries and found that 30-50% of the water distribution system (mainly fire hydrants) is not operational in rural areas. Also, the dispersion of rural populations adds to the low coverage rates. There is therefore a need for densification in rural areas. Urbanization presents a significant opportunity.

For PPPs in water in rural areas and small towns to be successful, they require public policy that allows for partnerships with the private sector; and the commitment and leadership of the public sector.

Trends in Water and Sanitation in Africa (*Ousman Gajigo, Economist, African Development Bank*)

The presentation showed that Sub-Saharan Africa has the lowest levels of access to drinking water compared to other regions (61% on average in 2010), with a marked difference between rural and urban areas (7% and 40% in terms of access to connections). The presentation also noted that there is a decline in access to water via connections between 1990-2000 and 2000-2010, 43% and 40% respectively for urban areas and 16% and 7% for rural areas. Also, it was found that in Sub-Saharan Africa, trends in access to water are not tied to Gross Domestic Product (GDP).

Regarding access to sanitation, Sub-Saharan Africa recorded a small change (3%) between 2000 and 2010. Rural areas are also more disadvantaged in terms of flushing toilets. Also, it was found that there is no correlation between access to sanitation and GDP trends in Sub-Saharan Africa. For both water and sanitation, this may be due to uncontrolled population growth, and the lack of inclusiveness in the constitution of GDP in Africa in recent years.

Nonetheless, there are role models for sanitation in Sub-Saharan Africa. The Gambia's experience was identified as a positive example with regards to access to sanitation.

The most common types of PPP contracts in the water and sanitation sector in Africa are management contracts. However, they do not guarantee access to water and sanitation. Concession

contracts, much less common in Africa, have been found to promote better access to water and sanitation.

The presenter also highlighted that the business climate presents challenges for the development of PPPs in Africa. The failures of PPP projects in recent years are also due to unfavorable business environment.

Session II. Engaging the Private Sector in Africa

Panel 2: The panel was composed of ministers from Gambia, Madagascar, Malawi, Mauritania, Uganda, and Sudan. **Chair:** M. Bai-Mass Taal, Executive Secretary, AMCOW

This session allowed members of invited African governments, represented by their ministers responsible for issues related to water and sanitation, to share their experiences in the sector. Mr. Taal, the chair, first noted the challenges for African countries to meet MDGs related to water and sanitation. Only seven countries are on track. He also pointed out the need for increased investment in the water and sanitation sector.

The experience of Sudan

In Sudan, of a population of about 20 million inhabitants, 60% have access to water and about 10 million people have difficulties accessing water. Also, 60% of schools don't have access to water or sanitation. To overcome this challenges, some measures have been considered, including: establishing a water policy, establishing an autonomous water and sanitation unit, developing fourteen guidelines for water and sanitation, developing a 2012-2016 strategic plan, a good practice code, and legislation encouraging private sector investment in infrastructure, and promoting the BOT model. There is only one PPP in effect in Sudan, with the need to strengthen public and private sector capacity in developing PPPs.

The experience of Uganda

The business climate in Uganda is favorable to private investment since the 1991 reform. Thanks to the contributions of the private sector, losses in physical assets have decreased and 80% of the network generates revenue for local operators. However, many challenges remain, mainly the lack of a regulatory framework in the water and sanitation sector, as well as a tariff policy that protects operators. The current situation is not conducive to attracting investors. The sanitation sector also does not receive enough investment.

The experience of Malawi

The water sector in Malawi has been supported by two donor programs, the most recent one ending in 2013. These programs aim to promote access to water and provide management support. A Project Management Unit has been established but is limited in its ability to manage PPP projects. There is also a lack of ownership of projects at the grassroots level. User associations were created to help raise awareness on the need for populations to engage.

A project coordination department under the Ministry responsible for water and sanitation was created. The country also has a strategy for promoting hygiene practices. Positive results were recorded in this area through the Global Fund for Sanitation that enabled the construction of 15,000 latrines.

There are five Water Boards in urban areas, which collect 90% of the water in areas with limited resources, and which are the source of 73,000 new water connections. However, resistance to change in these Water Boards is a major obstacle to sector development.

The experience of Madagascar

The water sector lacks funding in general because of the country's political situation. Because of the regime change in 2008, several donors left Madagascar. Lack of access to water is the source of two million cases of schistosomiasis in Madagascar, with an additional four million people exposed to this disease. Water-related problems are also the basis of around 60% of childhood deaths in the country.

Several actions were undertaken in the water sector, including the creation of the Ministry of Water in 2008 to lead to change in the sector. The objective of the Malagasy government is to provide access to drinking water to at least one million people by 2015. A water code is to be created by 2013. In the next two years the Malagasy government also plans to establish a coordinated wastewater and waste mechanism. A budget line was created and awaits the participation of financial partners. A coordination mechanism was established to assist in managing resources.

The experience of The Gambia

The Gambia ranks fifth in Sub-Saharan African countries in terms of access to sanitation. These results were achieved through strong political will. Since 1998, The Gambia has adopted a policy of private sector development. These actions have allowed for 98% of the population to have access to sanitation services through the private sector. A gender policy has also had a positive impact on access. Awareness was the key to achieving these successes. Households are aware of sanitation issues, and willing to pay for utilities.

Further, the electricity sector has contributed to success in the water and sanitation sector. In Gambia these two sectors are linked through their billing systems.

The experience of Mauritania

The rate of water coverage in Mauritania is between 40% and 60% of the population. The Mauritanian government has implemented the following projects: developing an institutional framework for the water sector, a sector strategy, and the 1998 Reform which defines roles in the sector; establishing a water code and a water police; conducting studies on OMVS, a PPP promotion policy, a water transfer policy, etc.

Sanitation, on the other hand, that has not received sufficient investment, but studies for the development and implementation of a production network are underway.

Regarding the private sector's involvement in the water sector, 13 companies provide management services for 70 rural water supply systems and 786 networks throughout the country.

Session III. Increasing Capacity

Panel 3: Malak Draz, Investment Officer, IFC; Philippe Thiel, BOT Business Manager, Degremont; Sameer Mithal, Global Head of Business Development, Water Health International; Christophe Léger, Technical Development Manager, Vergnet-hydro. **Chair:** Jan Janssen

Case Study: New Cairo, Wastewater PPP (Malak Draz, Investment Officer, IFC)

This case study was presented during the pre-conference training day. The summary of the presentation is presented above.

Case Study: Jordan, Wastewater PPP (*M. Philippe Thiel, Manager, Degrémont*)

Degrémont led a wastewater treatment BOT project in Jordan for a total cost of 170 million USD, and a duration of 25 years. The presentation of the project highlighted the scale that a public service project can take both in terms of funding and innovation.

The presentation also highlighted key success factors for such a large project:

- Strong political will;
- Innovation; for example, the production unit has an energy range of 95%;
- A project management unit comprised of technicians;
- A pricing policy within the reach of customers;
- A good risk assessment;
- Local resources mobilized in the long term (12 years for banks, a first in the country);
- Local ownership of the project with the opportunity to create jobs;
- Mutual trust among contractors; an increase in production capacity was sought by authorities after two years of operation.

Providing Safe Water to Underserved Communities Using a Scalable, Sustainable and Decentralized Model (*Sameer Mithal, Global Head of Business Development, Water Health International*)

WHI conducted a program in West Africa called Safe Water to facilitate access to drinking water in rural areas, funded by several donors. This initiative is based on the sustainable small fountains model. The beneficiary countries are Ghana, Liberia, and Nigeria. From a technological point of view, the water distribution systems in place work independently. Financially, the projects are autonomous. However, challenges are reported from the experience in the field, power supply and access to local expertise.

Case Study: Small Drinking Water Supply Networks, the experience of a private operator in Burkina Faso (*Christophe Léger, Manager, Vergnet-hydro*)

The presentation of the Vergnet-hydro project on small drinking water networks highlighted success factors and challenges of small rural projects. A lease/affermage contract links Vergnet-hydro to the Burkinabe State for coverage of seven districts in the northeast of the country. The challenge to overcome in rural projects is to ensure the viability of the infrastructure. In the case of Burkina Faso, about 60% of existing water supply systems are not operational after two years.

The key success factors for the project in Burkina Faso were:

- Access to funding: 540 million CFAF were mobilized through AFD funding;
- Establishment of a regulatory framework (water code, tax system, political decentralization);
- Incentives for investment;
- Professionalizing the market through policies encouraging decentralized management.

Conference Day 2– June 7th 21012

The second day of the conference was also focused on presentations and discussions around four sessions.

Session IV. Increasing Reach

Panel 4: *Dominic Kavutse, Commissioner, Urban Water and Sewerage Services, Ministry of Water and Environment; Ibrahima Diallo, Director General, SONES; Basile Ebah, Director General, SODECI. Chair: Jaehyang So, Manager, WSP*

Uganda: Rural water (*Dominic Kavutse, Commissioner, Ministry of Water and Environment, Uganda*)

The experience of Uganda was already presented in the pre-conference training sessions. The conclusions from this session are similar to those in the presentation by M. Bot Ba Njock during the pre-conference training.

Urban utilities reaching the poor, lessons from Morocco (*Jean-Pierre Mas, Executive Vice President Africa, Suez Environnement*)

The 170 million euro PPP project in Morocco is one of the largest projects in the world. The presenter highlighted the innovative sources of funding. Funders included government, donors, and private parties. The funding mechanism was put into place by the OBA, an innovative promotion mechanism. This mechanism funded 10% of the project value.

Investment Strategy and improving access to urban and rural water services, Senegal (*Ibrahima Diallo, Director General, SONES; Diéne Faye, Director of Rural Water*).

The State of Senegal-Sones-SDE partnership has been repeatedly cited as an example of a successful hybrid lease/affermage contract. This presentation listed the key points around the investment strategy:

- Involving donors as a key to success;
- Involving local commercial banks. Private sector funding in general was 5% to 7%;
- Establishing a tariff policy.

SODECI, Ivory Coast (*Basile Ebah, Director General, SODECI*)

SODECI was one of the first PPPs in Africa. The presentation highlighted the risks associated with a PPP during a political crisis. Political will and the commitment of the operator emerged as key to the survival of a PPP policy in a crisis situation.

Session V. Increasing Efficiency

Panel 5: *Mamadou Dia, Director General, SDE; Gary Stout, International General Director, MVV-decon GmbH; Ariel Moshkovitz, General Manager, EMEA & Technologies, Miya; Xavier Maitrebert, Senior Water Advisor, Aquafed. Chair: Sering Jallow, Director of the Water and Sanitation Department, African Development Bank.*

Water Affermage in Senegal (*Mamadou Dia, Director General, SDE*)

The presentation focused on SDE's contributions to making Senegal's water sector more efficient. A performance contract binds SDE to SONES. Also, SDE has put in place a management and call center, which was visited by participants on the last day of the conference. With regards to management, SDE has ISO Certification 9001 V 2008, evidence of a quality management system. Innovations are also implemented with regards to human resource management.

PPP Experience in Armenia (*Gary Stout, International General Director, MVV-Decon GmbH*)

The private sector's contribution through the PPP project in Armenia's water sector encouraged legal and institutional reform, and the implementation of investment policies, tariffs, and a water metering system. The project's implementation also contributed to labor policies, putting a preference on local expertise.

Performance Contracts, South Africa (*Ariel Moshkovitz, Director Manager, EMEA & Technologies, Miya*)

The example of the proposed Non-Revenue Water project in South Africa illustrated the private sector's contribution to the management of water losses. About 30% of drinking water in urban water systems is lost before reaching the consumer. The causes are twofold: poor quality of physical infrastructure, and resulting financial losses. The presentation highlighted scenarios that show that the reduction of losses, at least by half, would allow a financial gain of 21.9 million USD annually. Reducing water waste is the first step to profitable services before expanding the network of service connections.

PPP Efficiency Study by Aquafed (*Xavier Maitrerobert, Senior Water Advisor, Aquafed*)

Aquafed is a federation of private operators in the water sector. This presentation aimed to provide evidence of the private sector's positive contribution in the water sector. The 2009 World Bank Marin Report showed that 36 PPP contracts initially served 48 million people in developing countries, with 24 million of them consisting primarily of poor people who benefited from water access. This brought the number of people with access to water to 72 million in less than 10 years.

Session VI. Water Sector Financing

Panel 6: *Calvin Odera, Business Development Manager, K-Rep Bank Ltd; Souleymane Diagne, Corporate Director, Ecobank Senegal; Martjin Proos, Senior Investment Advisor, EAIF; Luigi De Pierris, Initiative for Risk Mitigation in Africa, African Development Bank; Guillaume Gilles, Managing Director, Bryant & Co; Brice Lodugnon, Director, ECP; Patrick Dorvil, Water and Solid Waste Specialist, EIB. Chair: Nicola Souche, Senior Investment Officer, IFC.*

This session was an opportunity for a number of investors to share their experiences in financing PPPs and obtain their views on conditions that are favorable for financing.

From the various interventions of the panel members, the following key points can be drawn:

- Investors need quality due diligence to assess and quantify risks;
- There is a growing market trend of non-bankable projects;
- The existence of a legal and institutional framework is essential to safeguard investments;
- Selecting good projects and ensuring their sound structuring and preparation makes for a better chance of funding. Each projects needs specific marketing for different stakeholders;
- The commitment of an institution facilitates access to financing more so than government's backing;
- Strong capacities ensure better stakeholder collaboration, as speaking the same language lays the groundwork for effective collaboration;
- Using technical partners such as the IFC for advisory support provides credibility.

Session VII. What Private Operators Look For in a PPP

Panel 7: *Xavier Maitrerobert, Aquafed; Jean-Pierre Mas, Suez Environnement; Germain Sossou, Président, AFEB; Mamadou Dia, SDE; Gary Stout, MVV-decon GmbH. Chair: Vipul Bahgat, Chief Investment Officer, IFC.*

This panel brought together private operators in the water sector to hear their views on the conditions for engaging in a PPP project. The following requirements were highlighted:

- Due diligence which allows stakeholders to measure risks;
- The PPP project must be financially feasible. If properly conducted, due diligence is expected to show the financial risks associated with the project. Rates need to cover operating costs;
- Operating expenses must be reduced. For example, avoid inheriting a large workforce through a PPP commitment;
- The quality of information is critical for evaluating the risks for the operator;
- Political will is necessary for the success of a PPP. An enabling environment is a materialization of political will;
- Parties should agree on realistic indicators;
- The compliance of contractors. Each party needs to fulfill its part of the PPP contract;
- For small operators in the water sector, support and maintenance services must be within reach, nearby;
- Small operator contracts are often short-term and do not for the right levels of returns.

The conference ended after two days of presentations and exchanges on PPPs in the water and sanitation sector.

Conference Day 3 – Site Visit – June 8th 2012

The participants visited the Management and Call Center of Sénégalaise des Eaux (SDE), cited as a success story during the conference in terms of a private operator providing public services. 44 participants joined the visit of the SDE Call Center (which manages customer service calls and on-site technical responses), and the Operations Department, which monitors the water distribution system.

Summary of discussions

The following sections summarize the key issues and exchanges during the conference.

- **Does the private sector's involvement in providing water services not entail an increase in water rates?** According to the experience of some countries, water is sold for less than the real price, as the gap is subsidized by the State. If the private sector, a profit seeker by definition, should be involved in the water sector, there are concerns that rates will not be accessible to the final consumer. However, a World Bank study conducted in 2009 on 1,200 water and electricity companies shows that there is no systematic increase in water and electricity rates in concerned countries. In fact, according to the same study, through PPP projects the private sector has increased access to water to more than 24 million people since 1990. The experiences of Côte d'Ivoire and Senegal with PPPs in the water sector are success stories in West Africa. The advantage of private sector involvement in the water sector is improving the supply of services (e.g. billing) and reducing physical water and non-revenue water (NRW) loss through a better water metering system. However, it should be noted that this is not a divestiture of the water and sanitation sector to the private sector, but rather a partnership in its management. Finding adequate models of mixed financing can help improve the sector. The reforms announced by the Prime Minister in his speech, cited as a "third generation", reflects the need to seek out public-private financing models.
- **What types of PPP contracts should be favored?** All of the various contracts presented deserve the same attention depending on objectives. There is not one universal PPP model. The preferred model should not only be selected on the basis of the objectives of the partnership but also according to the risk profile and tariff conditions. Furthermore, the PPP model is capable of improvement. In West Africa for example, lease/affermage was cited as the PPP contract model with the best-known success. Other forms of PPP contracts were also presented as success stories in other parts of the world. What should be retained is that the type of contract is not a critical success factor. Each model should be adapted to the context of the country. The model of choice in West Africa is affermage, touted as an "improved" or "hybrid" model, this is an example of a new generation of PPPs that has proven itself, especially in Senegal. This so-called "third generation" reform announced in Senegal reflects the approach of improving the PPP models used in the water and sanitation sector. In addition, the performance contract is a type of PPP which should be encouraged as it can enhance service improvements through setting performance targets. This type of contract between SDE (the operator), and SONES (the asset management company), has achieved positive results in Senegal's water sector.
- **Can all of the risks in a PPP contract be predicted?** The types of risks are known and should be analyzed by experts and accounted for. Contracts can even include penalties for each risk. This applies to small PPP contracts as well as large ones. The main concern for small contracts is that penalties can make them more expensive and unattractive. Nonetheless, PPP contracts, small or large, follow the same approach and can lead to the same constraints. PPPs for small projects such as the Uganda example have shown the complexities of small PPP projects in both the timeline of the transaction (18 months for the Uganda project) and contract negotiation.
- **Should the institutions regulating PPPs necessarily be independent?** The independence of regulatory institutions is not essential for all types of PPPs in all countries. In the United States and the United Kingdom for example, an independent regulatory body is established under the law while in France regulation is under the contract between the local government

and the operator. In developing countries, there is a trend of combining both types of regulation. Regional regulation with the IFC as an initiator was proposed by a participant as a solution to regulatory challenges in West and Central Africa. However, regulation is not a one-way street; what matters are the results of the regulation, not simply the setting of rules.

- **What are the challenges to accessing private funding?** Discussions with the panel of local, regional, and international investors identified the following as essential conditions for accessing private funding:
 - A good command of risks. This is possible through rigorous due diligence that allows for the assessment of risks associated with a project.
 - The presence of a legal and institutional framework for investor protection. The existence of legislation and institutions that regulate PPPs provides some protection for private investors. It must be said that investments from donors have no legal and constitutional conditions before their commitments but that the political climate can be an obstacle to investment itself.
 - The selection of good projects and their sound structuring. Most of the time, proposed projects are not bankable, and even if they are, they do not have a sound structure that can be evaluated.
 - Commitment of a guarantee institution, if possible. In most cases, government backing does not guarantee access to investment for a PPP project. Conversely, the engagement of some investors can be facilitated downstream from an institution that provides guarantee services, such as the African Development Bank.
 - The support-advice of technical partners in project selection. Non-bankable projects are often the result of a lack of expertise in some technical aspects of the project. Securing advice from institutions such as the IFC can lend credibility to projects.
- **What do private operators look for to make the water and sanitation sector more attractive for private investment?** The panel of private operators identified conditions to attract private investment into the sector.
 - Rigorous risk assessments. Operators need to know the risks of a PPP project before investing. As such, public institutions need to make quality information available in a timely manner.
 - The project's financial feasibility. Due diligence ensures that the operator knows if they are engaging in a financially viable project.
 - Political will. It forms the basis for a successful PPP, in the sense that there is no PPP without the public sector, which needs to show its commitment to projects. PPP transactions can last between 18 and 24 months and require the commitment of public sector parties.
 - Compliance with contract terms. The PPP contract commits a public authority and a private operator wherein each party has obligations. However, public sector terms and constraints are not always fully presented. For example, in some cases, they will not identify the arrears of public institutions, which can represent between 15% and 20% of the operator's annual income.

- Sufficient contract duration terms. Challenges usually arise with small operators. The Uganda project showed that even for small operators, sufficient time should be given to operators to reach profitably.

Lists of participants

Country	Name	Title	Organization	Public / Private	Type of participation
Angola	Luis Filipe da Silva	Secretary of State of Water	Ministry of Energy and Water	Public	Participant
Angola	Branca Florentina Diogo Salvador		Ministry of Energy and Water	Public	Participant
Armenia	Gary Stout	International General Director	MVV-decon GmbH	Private	Speaker
Belgium	Jan Van Bergeijk	Chief Finance Officer	Denys N.V	Private	Participant
Belgium	Geert Heytens		Denys N.V	Private	Participant
Benin	Germain Sossou	President	Federal Managers Association of Private Water Systems in Benin (AFEB)	Private	Speaker
Benin	Corneille Ahouansou	Secretary General	Ministry of Energy, Oil and Mining Research, Water, and Renewable Energy Development	Public	Participant
Benin	Faton Dieudonné	Coordinator for Water Initiative Program in Semi-Urban Centers	Ministry of Energy, Oil and Mining Research, Water, and Renewable Energy Development	Public	Participant
Burkina Faso	Sabné Koanda	Ministry Technical Advisor/MAH	Ministry of Agriculture and Hydraulics (MAH)	Public	Participant
Burkina Faso	Jean Mathieu Bingboure	General Director	Directorate General of Water Resources (DGRE)	Public	Participant
Burkina Faso	Inoussa Ouminga	Director General of Economy and Planning (DGEP)	Ministry of Economy and Finance (MEF)	Public	Participant
Burundi	Nikoyangize Firmin	Assistant of the Minister	Ministry of Energy and Mines	Public	Participant

Country	Name	Title	Organization	Public / Private	Type of participation
Burundi	Nizigiyima Désiré	Director of the Department of Planning and Studies of Basic Sanitation Projects	Ministry of Energy and Mines	Public	Participant
Burundi	Rénovat Nimpaye	Coordinator of World Bank Projects	REGIDESO	Public	Participant
Cameroon	Ahmadou Oumarou	Technical Advisor N°2	Cameroon Water Utilities (Camwater)	Public	Participant
Cameroon	Hubert Abega Abega	Technical Advisor N°4	Cameroon Water Utilities (Camwater)	Public	Participant
Cameroon	Brahim Ramdane	General Director	Camerounaise des eaux (Cde)	Private	Participant
Cameroon	Jean William Sollo		Cameroon Water Utilities (Camwater)	Public	Participant
Cape Verde	Antonio Pedro Barbosa Borges	Coordinator of the Commission on Reform of the Water and Sanitation Sector	Ministry of Environment, Housing, and Land Use	Public	Participant
Central African Republic	Sylvain Guebanda	General Director of Hydraulics	Ministry of Mines, Energy, and Hydraulics	Public	Participant
Congo	Essami Modeste	Departmental Director	National Water Distribution Company	Public	Participant
Congo	Liloki Casimir	Unionist	National Water Distribution Company	Public	Participant
Congo	Dos Santos Gabriel Toussaint	Unionist	National Water Distribution Company	Public	Participant
England	Andreas Koall		eleQtra (InfraCo) Limited	Private	Speaker
France	Jean Pierre Mas	Managing Director, Africa	Suez Environnement	Private	Speaker

Country	Name	Title	Organization	Public / Private	Type of participation
France	Philippe Thiel	B.O.T Business Manager	DEGREMONT SA	Private	Speaker
France	Jean Yves Gadras	Senior Executive in charge of Africa	DEGREMONT SA	Private	Speaker
France	Maitrerobert Xavier	Senior Water Adviser	AquaFed – The International Federation of Private Water Operators	Private	Speaker
France	Guillaume Gilles	Managing Director - Water Funds	Bryan, Garnier & Co	Private	Speaker
France	Yannick Itoua	Senior Advisor - Water Funds	Bryan, Garnier & Co	Private	Speaker
France	Christophe Leger	Technical and development manager	Vergnet-hydro	Private	Speaker
France	Daniel Lubeth	Head of Water and Sanitation Mission	French Development Agency (AFD)	Private	Participant
Gabon	Chrysos Andjembe Okouma	Market Research Specialist-Directorate General of Water Resources	Ministry of Petroleum, Energy, and Water Resources	Public	Participant
Gambia	Alhaji Jallow	Finance Director	National Water and Electricity Company (NAWEC)	Private	Participant
Gambia	Honorable Fatou Ndeye Gaye	Minister	Ministry of Forestry & Environment	Public	Participant
Gambia	Amadou Saine	Permanent Secretary	Ministry of Forestry & Environment	Public	Participant
Ghana	Kweku Quansah	Program Officer - Environmental Health & sanitation Directorate	Ministry of Local Government & Rural Development	Public	Participant
Guinea-Conakry	Elhadj Sékouna Diakite	Secretary General	State Minister for Energy and the Environment	Public	Participant

Country	Name	Title	Organization	Public / Private	Type of participation
Guinea-Conakry	Kabiné Cisse	Legal Advisor	State Minister for Energy and the Environment	Public	Participant
Guinea-Conakry	Mamadou Dioulde Diallo	Coordinator General	Guinea Water Company	Private	Participant
Guinea-Conakry	Tanoundy Keita		Guinea Water Company	Private	Participant
Indonesia	Marsaulina FM Pasaribu	Project Coordinator for World Bank Head of Section for Region II, Sub-Directorate Investment	Ministry of Public Works	Public	Participant
Indonesia	Mochammad Anwar	Chief of Water Supply and Sanitation Provincial Office of East Java	Ministry of Water Resources	Public	Participant
Indonesia	Purwandi Sukiato Panambang	Head of CJPPMU	Central Java Provincial Project Management Unit of Pamsimas	Public	Participant
Israel	Ariel Moshkovitz	General Manager	EMEA & Technologies and Solutions	Private	Speaker
Israel	Joel Horovitz		EMEA & Technologies and Solutions	Private	Speaker
Ivory Coast	Daggha Clarisse	Market Research Specialist	Ministry of Economic Infrastructures	Public	Participant
Ivory Coast	Guilluame Ketty	Market Research Specialist	Investment Promotion Center in Ivory Coast (CEPIC)	Public	Participant
Ivory Coast	Basile Ebah	General Director	Water Distribution Company of Ivory Coast (SODECI)	Private	Speaker
Ivory Coast	Brice F. Lodugnon	Director	ECP Private Equity	Private	Speaker

Country	Name	Title	Organization	Public / Private	Type of participation
Kenya	Kimanthi Kyengo	Deputy Director, Water Services Development Programs	Ministry of Water and Irrigation	Public	Participant
Kenya	Calvince Odera	Business Development Manager, Special Projects (WSP)	K-Rep Bank	Private	Speaker
Lesotho	Mohale Khabo	Director of Rural Water Supply and Sanitation	Ministry of Natural Resources Department of Water Affairs	Public	Participant
Lesotho	Thelejane Thelejane		Water and Sewerage Company	Public	Participant
Liberia	Chris Sherman	Institutional Expert of the LWSC	Liberia Water and Sewerage Cooperation	Public	Participant
Liberia	Alioune Fall	Chief of Party	Liberia Municipal Water Project	Public	Participant
Luxembourg	Patrick Dorvil	Senior Water Sector Expert	European Investment Bank (EIB)	Private	Speaker
Madagascar	Hon. Reboza Julien	Minister	Ministry of Water Resources	Public	Participant
Madagascar	Randrema Harimanga Raymond	Director of Sanitation and Water Resource Management	Ministry of Water Resources	Public	Participant
Malawi	Richie Biswick Muheya, (MP)	Minister	Ministry of Water Development and Irrigation	Public	Participant
Malawi	Mkandawire Timothy Stanley William			Public	Participant

Country	Name	Title	Organization	Public / Private	Type of participation
Mali	Diarra Adama Tiemoko	General Manager	SOMAPEP (Water Heritage Society of Mali)	Public	Participant
Mauritania	Dr Mohamed Lemine Cheikh Mohamed Fadel	Minister	Ministry of Hydraulics and Sanitation	Public	Participant
Mauritania	Saadou EbiH Ould Mohamed El Hacem	Principal Hydro ecologist Engineer, Director of the National Center for Water Resources	Ministry of Hydraulics and Sanitation	Public	Participant
Mauritania	Moulay Ould Bleilla	Project Manager Drinking Water/Sanitation	Gret	Private	Participant
Mauritania	Laetitia Loseille	Technical Assistant	Gret	Private	Participant
Mauritania	Mohamed Moctar ould Mohamed	Director	Ministry of Hydraulics	Public	Participant
Morocco	Abdellatif Nasseridine	General Director	Argan Infrastructure Fund - ARIF	Private	Speaker
Mozambique	Arlindo Correia		National Directorate of Water	Public	Participant
Mozambique	Pedrito Antonio	Technical Engineer - National Directorate of Water	Ministry of Public Works and Housing	Public	Participant
Niger	Chaibou Tankari	General Director of Hydraulics	Ministry of Water and Environment	Public	Participant

Country	Name	Title	Organization	Public / Private	Type of participation
Niger	Issaka Hassane Djegoule	General Director	Water Heritage Society of Niger	Public	Participant
Nigeria	Bashir Gaya		Federal Ministry of Water Resources	Public	Participant
Nigeria	Ajisehiri Benson	Head of Water Sector Reform & PPP	Federal Ministry of Water Resources	Public	Participant
Nigeria	Bai-Mass Taal	Executive Secretary	African Ministers' Council on Water (AMCOW)	Public	Speaker
Senegal	Oumar Gueye	Minister	Ministry of Hydraulics and Sanitation	Public	Speaker
Senegal	Mactar Diallo	Director of the Cabinet of the Minister	Ministry of Hydraulics and Sanitation	Public	Participant
Senegal	Modou Mbaye	Technical Advisor	Ministry of Hydraulics and Sanitation	Public	Participant
Senegal	Djibril Gaye	Technical Advisor	Ministry of Hydraulics and Sanitation	Public	Participant
Senegal	Babacar Gueye	Technical Advisor	Ministry of Hydraulics and Sanitation	Public	Participant
Senegal	Oumar Samba Ba	Secretary General	Ministry of Hydraulics and Sanitation	Public	Participant
Senegal	Amadou Seydou Dia	Director of Urban Hydraulics	Ministry of Hydraulics and Sanitation	Public	Participant
Senegal	Adama Mbaye	Director of Rural Sanitation	Ministry of Hydraulics and Sanitation	Public	Participant
Senegal	Samba Wagne	Director of Urban Sanitation	Ministry of Hydraulics and Sanitation	Public	Participant
Senegal	Babou Sarr	Director of Operations and Maintenance	Ministry of Hydraulics and Sanitation	Public	Participant
Senegal	Abdoulaye Dieng	Department of Economic and Financial Cooperation	Ministry of Hydraulics and Sanitation	Public	Participant
Senegal	Samba Ba	Department of Rural Hydraulics	Ministry of Hydraulics and Sanitation	Public	Participant
Senegal	Abdoul Niang	Director of Studies and Works	Ministry of Hydraulics and Sanitation	Public	Participant
Senegal	Anta Seck	Director of Management and Planning of Water Resources	Ministry of Hydraulics and Sanitation	Public	Participant

Country	Name	Title	Organization	Public / Private	Type of participation
Senegal	Birane Ndiaye Dieye	Director of the Office of Lake Guiers	Ministry of Hydraulics and Sanitation	Public	Participant
Senegal	Col. Maha Keita	General Director of the Agency for the Promotion of the National Hydrographic Network	Ministry of Hydraulics and Sanitation	Public	Participant
Senegal	Amadou Diallo	Coordinator	PEPAM	Public	Participant
Senegal	Mamadou Dia	General Director	Sénégalaise des Eaux (SDE)	Private	Speaker
Senegal	Ibrahima Diallo	General Director	SONES	Public	Participant
Senegal	Diène Faye	Director of Rural Hydraulics	Ministry of Hydraulics and Sanitation	Public	Speaker
Senegal	Ibrahima Diallo	General Director	SONES	Public	Participant
Senegal	Amadou Lamine Dieng	General Director	ONAS	Public	Participant
Senegal	Cheick Tidiane Fall		Sénégalaise des Eaux (SDE)	Private	Participant
Senegal	El Hadji Dieng		Sénégalaise des Eaux (SDE)	Private	Participant
Senegal	Souleymane Diagne	Corporate Director	ECOBANK Senegal	Private	Speaker
Senegal	Eloïse Pelaud	Project Manager	French Development Agency (AFD)	Private	Participant
Senegal	Christophe Lucet	Regional Representative for West Africa	European Investment Bank (EIB)	Private	Speaker
Senegal	Samba Niang	Business Analyst	European Investment Bank (EIB)	Private	Speaker
Senegal	Philippe Gensse	Manager	STEREAU SENEGAL	Private	Participant
Senegal	Paldrup Benoît	Watsan Program Manager	Gret	Private	Participant

Country	Name	Title	Organization	Public / Private	Type of participation
Senegal	Laurent Godefroy	Regional Advisor for Sustainable Development Department of Cooperation and Cultural Action	French Embassy in Dakar	Public	Participant
Sierra Leone	Bankole Mansaray		Guma Valley Water Company	Public	Participant
Sierra Leone	Savage Alpha Badamasi			Public	Participant
South Sudan	Emmanuel Ladu Parmenas	Ag. Director General of Planning and Programs	Ministry of Water Resources and Irrigation	Public	Participant
South Sudan	Lawrence Muludyang	Director, Urban Water Programs Unit	Ministry of Water Resources and Irrigation	Public	Participant
South Sudan	Khor Guang Loa Jioh		South Sudan Urban Water Corporation	Public	Participant
Sudan	Prof. Seifeldin Hamad Abdalla	Minister	Ministry of Irrigation and Water Resources	Public	Participant
Sudan	Modawi Ibrahim Mohamed	Engineer		Public	Participant
Switzerland	Jan Janssen	Managing Director	JJC Advisory Services	Private	Speaker
Togo	Diabakte Kounadi	Director of Cabinet of Minister	Ministry of Sanitation Water and Village Water	Public	Participant

Country	Name	Title	Organization	Public / Private	Type of participation
Togo	Kougnima Tiléna Martin	Interim General Director	Togolese Water Company TdE	Public	Participant
Uganda	Dominic Kavutse	Commissioner Urban Water Supply	Ministry of Water and Environment	Public	Speaker
Uganda	Hon Betty Bigombe	Minister of State for Water	Ministry of Water and Environment	Public	Speaker
Uganda	Felix Twinomucunguzi		Ministry of Water and Environment	Public	Participant
United States	Sameer Mithal	Executive Vice President Global Business Development	WaterHealth International	Private	Speaker
Zimbabwe	Tinayeshe Mutazu	Director Planning for Water Resources Development	Ministry of Water Resources Development and Management	Public	Participant

Summary of conference evaluation

TUESDAY, 5 JUNE 2012 - PRE-CONFERENCE TRAINING DAY

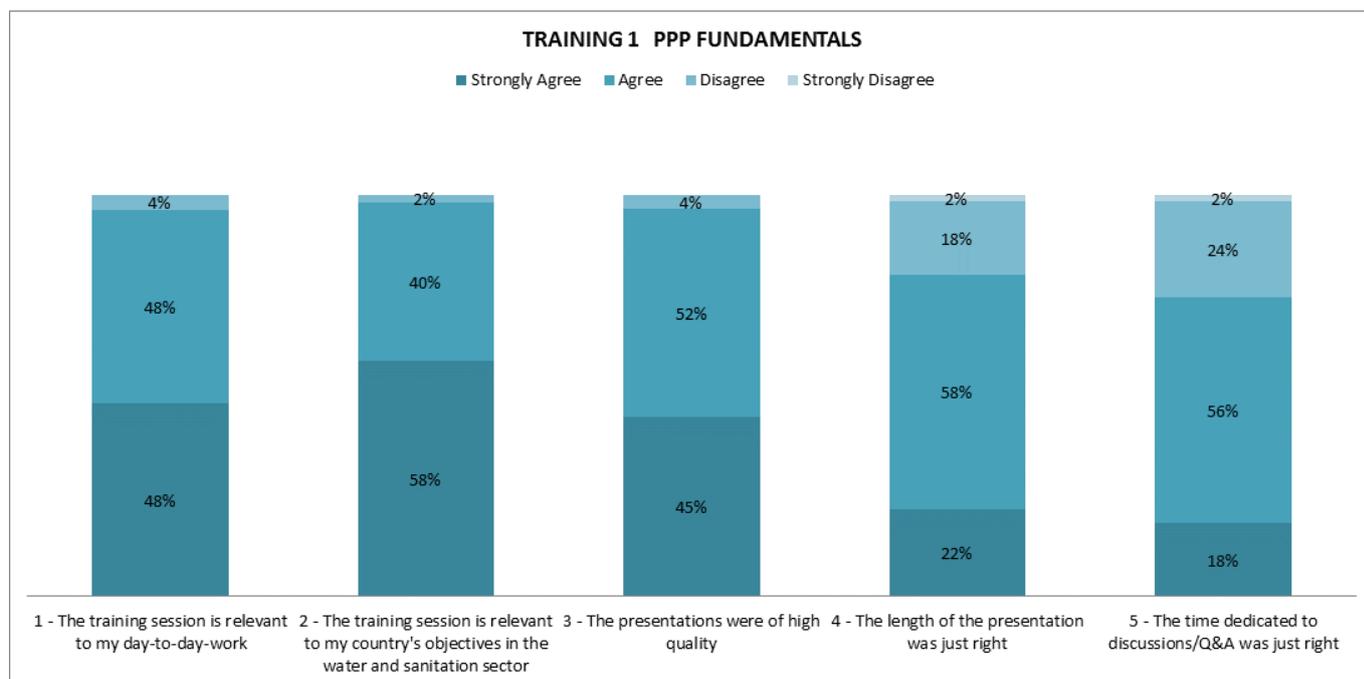
Training I. PPP Fundamentals

What is a PPP: Definition, key success factors, risks and issues

Elan Cusiack-Barr, Senior Investment Officer, IFC

Experience of PPPs in water and Africa

Jane Jamieson, Senior Industry Specialist, IFC



Between 53 and 56 responses per question

Overall summary:

The majority of the participants found the session to be very useful, and lay the stage for the rest of the conference. Some wished for more theory and others more discussions. As for most sessions, participants would have preferred more time to be dedicated to the session. Participants also suggested that presentations be in both English and French.

Some comments:

- Not much has been discussed about the sanitation sector. It seems forgotten yet the two sectors are complementary in nature and in their operationalization.
- Need a bit more time on discussions and presentations. Some presenters ended up rushing through their presentations.
- PPPs in water in Africa need to be surveyed to know to which extent they are working.

Training II. Types of PPP Contracts

PPP contracts

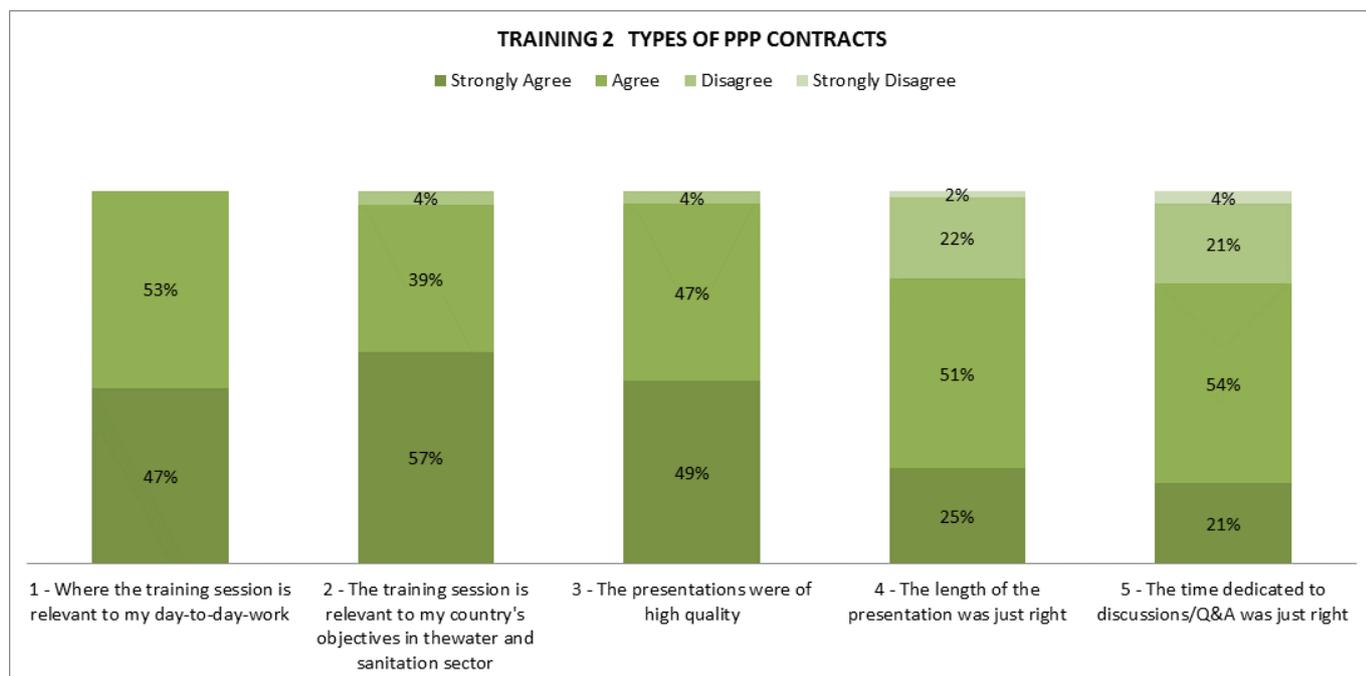
Victoria Delmon, Senior Counsel, World Bank

Performance-based contracting

Patrick Mullen, Principal Water & Sanitation Specialist, IFC

Risk Mitigation Instruments

Luigi de Pierris, Initiative for Risk Mitigation in Africa, AfDB



Between 51 and 56 responses per question

Overall summary:

Most participants found this session critical to a successful PPP, and wished for more time for the presentation and discussions.

Some comments:

- PPPs have more to do with risk identification, allocation and management decisions. This session should have been allocated more time.
- Revise the agenda to spend more time on discussions and questions/answers.
- The comparison between the types of contracts permitted me to know the advantages and disadvantages of each type of PPP contract.

Training III. Finding the Right Partner

PPP transaction implementation (from due diligence to financial close)

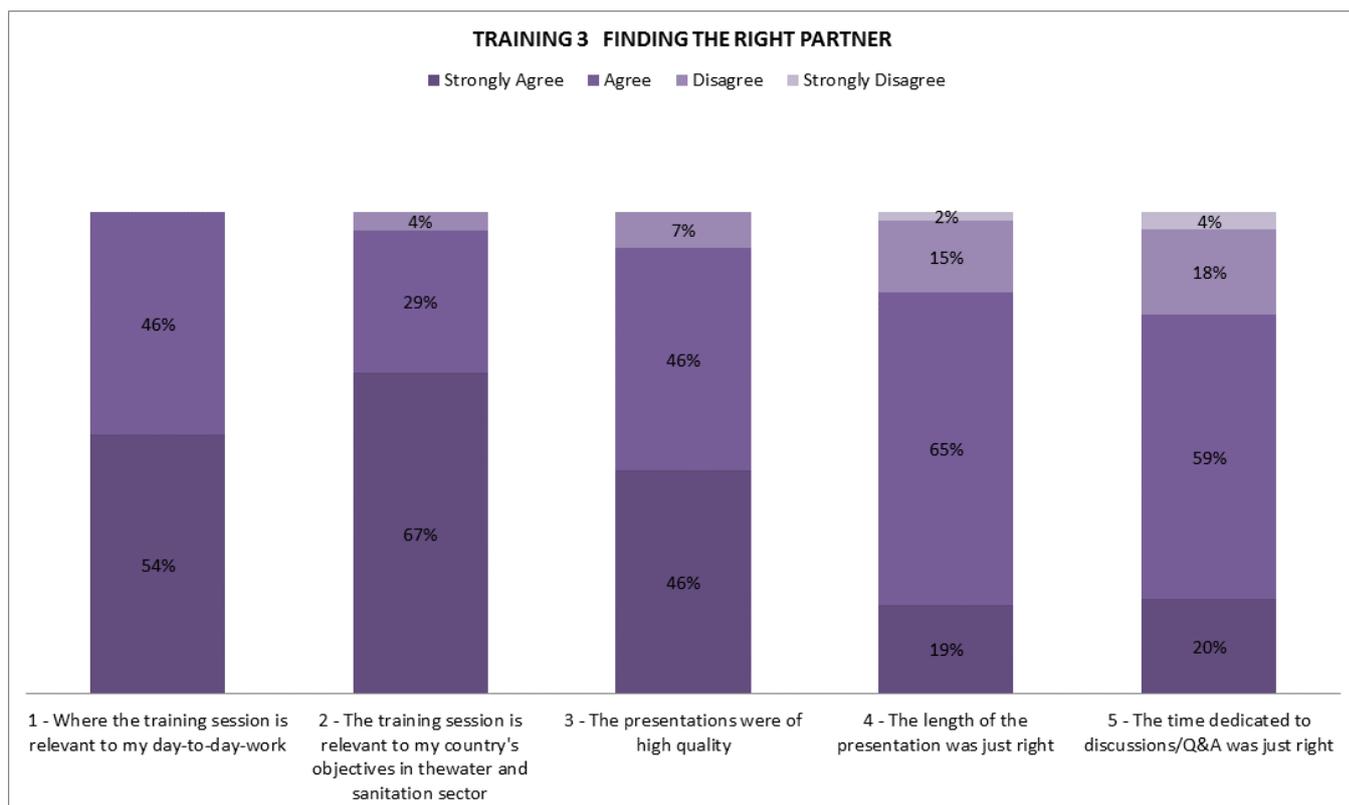
Nicola Saporiti, Senior Investment Officer, IFC

Case study: Uganda Small-scale Water PPP

David Bot Ba Njock, Investment Officer, IFC

Case study: New Cairo Wastewater PPP

Malak Draz, Investment Officer, IFC



Between 51 and 56 responses per question

Overall summary:

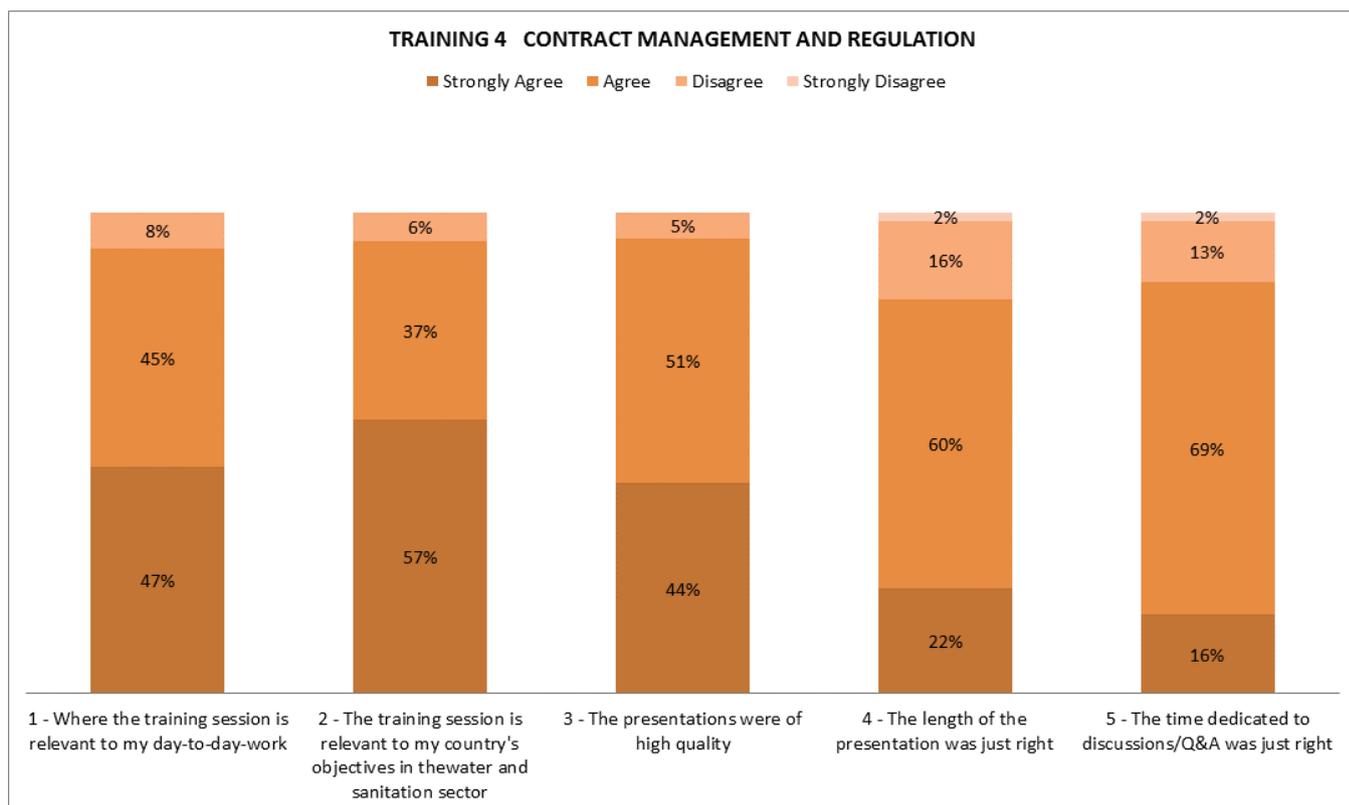
The participants found this session very useful and wished for more time, as well as for the presentations to be available in both languages.

Some comments:

- Finding the right partner is not easy where there are only few operators interested in water and sanitation. Some efforts must be done for capacity-building of interested operators. There should be efforts to mobilize and motivate private operators to fund the sector.
- For the Uganda experience sharing, the presentation in French and the slides in English were good. The experience in wastewater is very interesting. Please translate to French and share with participants. Our countries have difficulties raising funds.

Training IV. Contract Management and Regulation

Overview of contract management
Victoria Delmon, Senior Counsel, World Bank
 Institutional framework rural and small town PPPs
Jemima Sy, Senior Water and Sanitation Specialist, WSP



Between 51 and 55 responses per question

Overall summary:

Many participants required more time to better grasp such a technical area.

Some comments:

- Very critical. Needs much more time as there are many legalities in this.
- There never is a perfect contract. The most important aspect is to be clear on the key points so that stakeholders have the feeling of entering a win-win partnership. Transparency is key to avoid conflicts.

WEDNESDAY, 6 JUNE 2012 - CONFERENCE DAY 1

Session I. PPP Progress and Practice

This session presents an overview of current PPP experience in the African and global water sector. Presentations draw on in-depth performance analysis of PPP arrangements and current trends. Presentations will also draw out lessons for the future of PPPs in the sector.

Chair: Emmanuel B. Nyirinkindi, Manager, IFC

Current Status of PPPs in the Water and Sanitation sector

Edouard Perard, Regional Coordinator, PPIAF

Urban Water Utility Experience

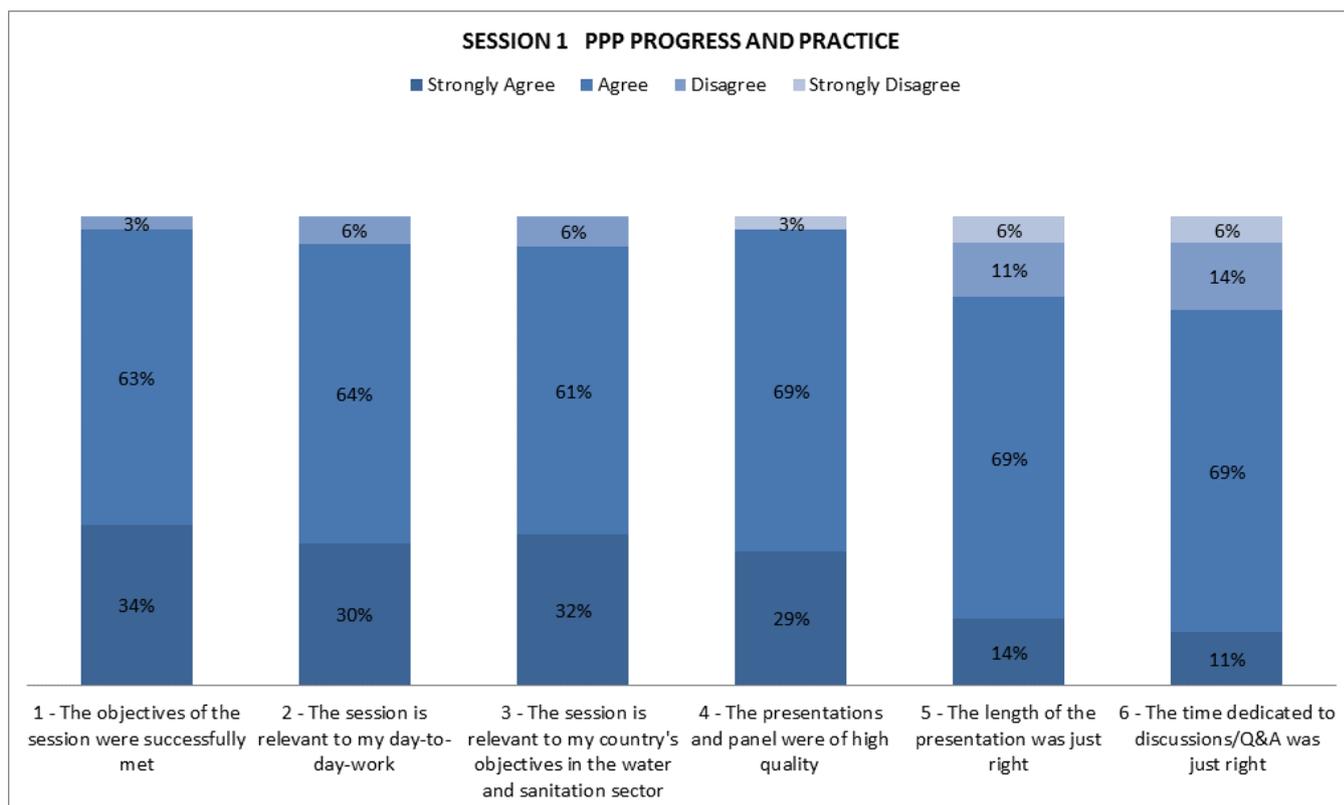
Matar Fall, Lead Water and Sanitation Specialist, World Bank

Rural and Small Town PPPs

Jemima Sy, Senior Water and Sanitation Specialist, WSP

Trends in Water & Sanitation in Africa

Ousman Gajigo, Economist, AfDB



Between 31 and 35 responses per question

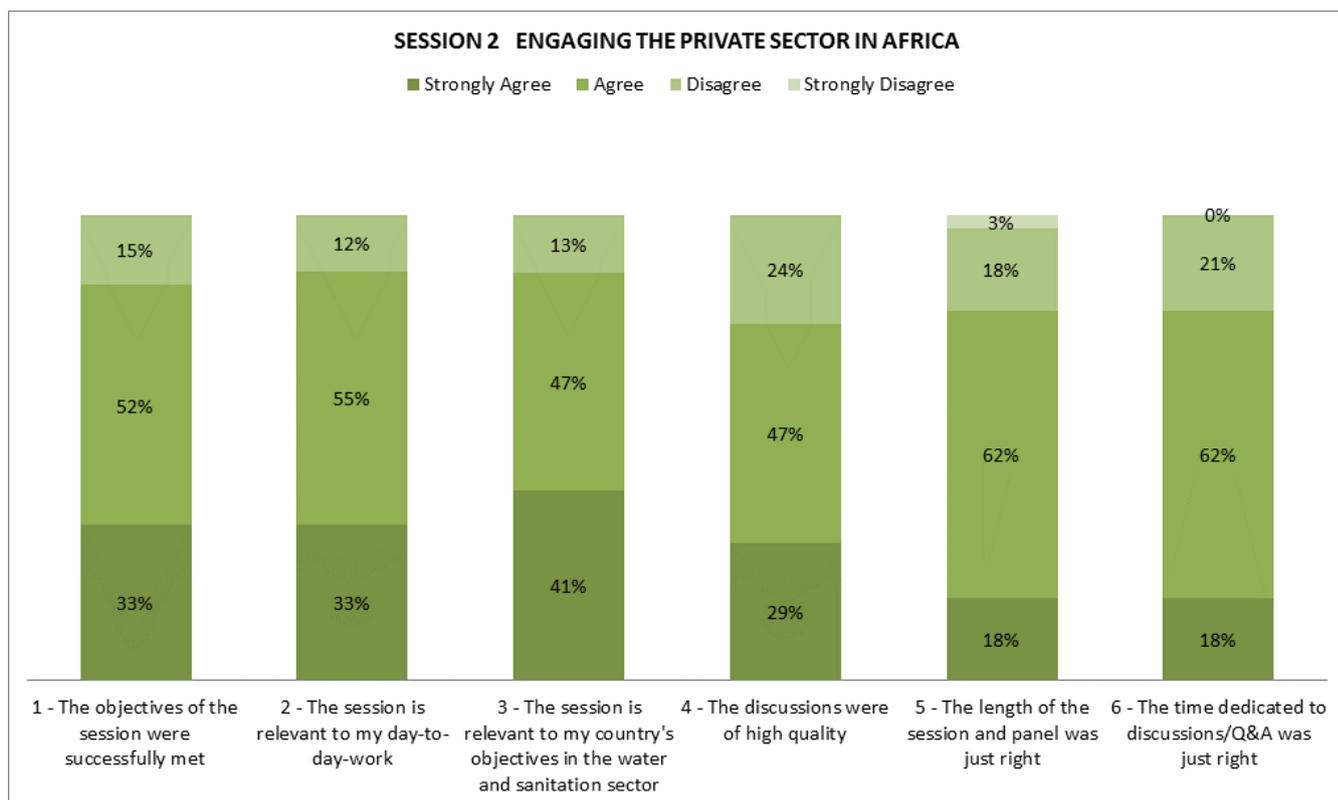
Overall summary:

The participants wished for more time for discussions, and highlighted the quality of the presentations. They also encouraged that the information from this session be disseminated to all governments.

Session II. Engaging the Private Sector in Africa

African governments share different approaches to engaging the private sector in water activities, along with their progress and challenges to date. Discussion focuses on reform needs, lessons learned and ideas for accelerating progress.

Chair: Baimass Taal, Executive Secretary, AMCOW
 Panel of Ministers



Between 32 and 34 responses per question

Overall summary:

The participants appreciated the session but thought it should have focused on discussing PPPs only.

Session III. Increasing Capacity

This session presents case studies, from Africa and other regions, with different approaches to increasing the production and treatment of water and wastewater through PPPs and the delivery of sustainable water and sanitation services.

Chair: Jan Janssens, Managing Director of JJC Advisory Services

Case study: New Cairo Wastewater PPP

Malak Draz, Investment Officer, IFC

Case Study: Jordan Wastewater PPP

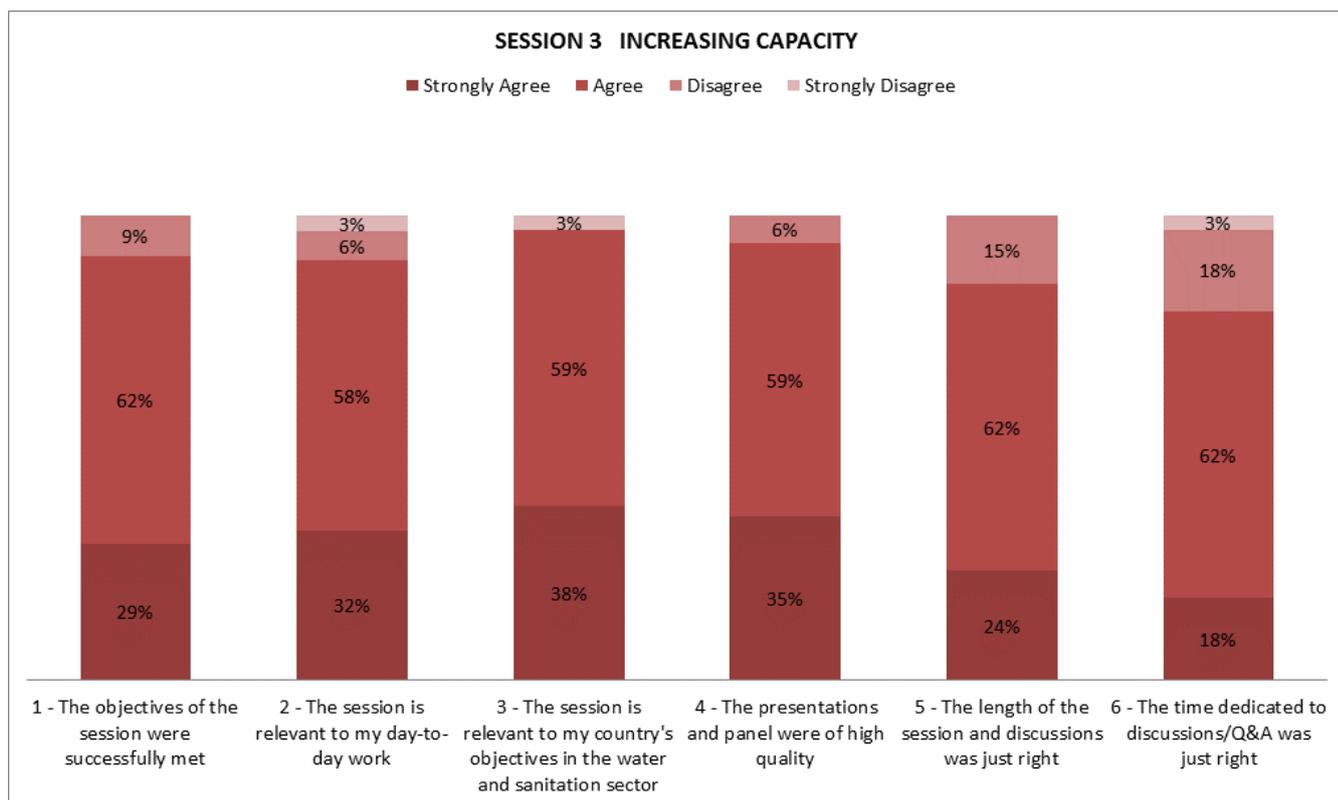
Philippe Thiel, BOT Business Manager, Degramont

Providing Safe Water to Underserved Communities Using a Scalable, Sustainable and De-centralized Model

Sameer Mithal, Global Head of Business Development, Water Health International

Case Study: Small Drinking Water Supply networks, the experience of a private operator in Burkina Faso

Christophe Leger, Technical and Development Manager, Vergnet-hydro



Between 31 and 34 responses per question

Overall summary:

This session brought out many requests for training and capacity-building, which are included at the end of this section.

THURSDAY, 7 JUNE 2012 - CONFERENCE DAY 2

Session IV. Increasing Reach

This session demonstrates how the private sector can be involved in increasing coverage and expanding services to the poor. It includes lessons on how the private sector has developed for small towns; how targeted subsidies, such as output-based aid, can be used to expand services to the poor; and how urban utilities, have successfully increased access.

Chair: Jaehyang So, Manager, WSP

Uganda Rural Water

Dominic Kavutse, Commissioner, Urban Water and Sewerage Services, Ministry of Water and Environment - Uganda

Urban utilities reaching the poor, lessons from Morocco

Jean-Pierre Mas, Executive Vice President Africa, Suez Environnement

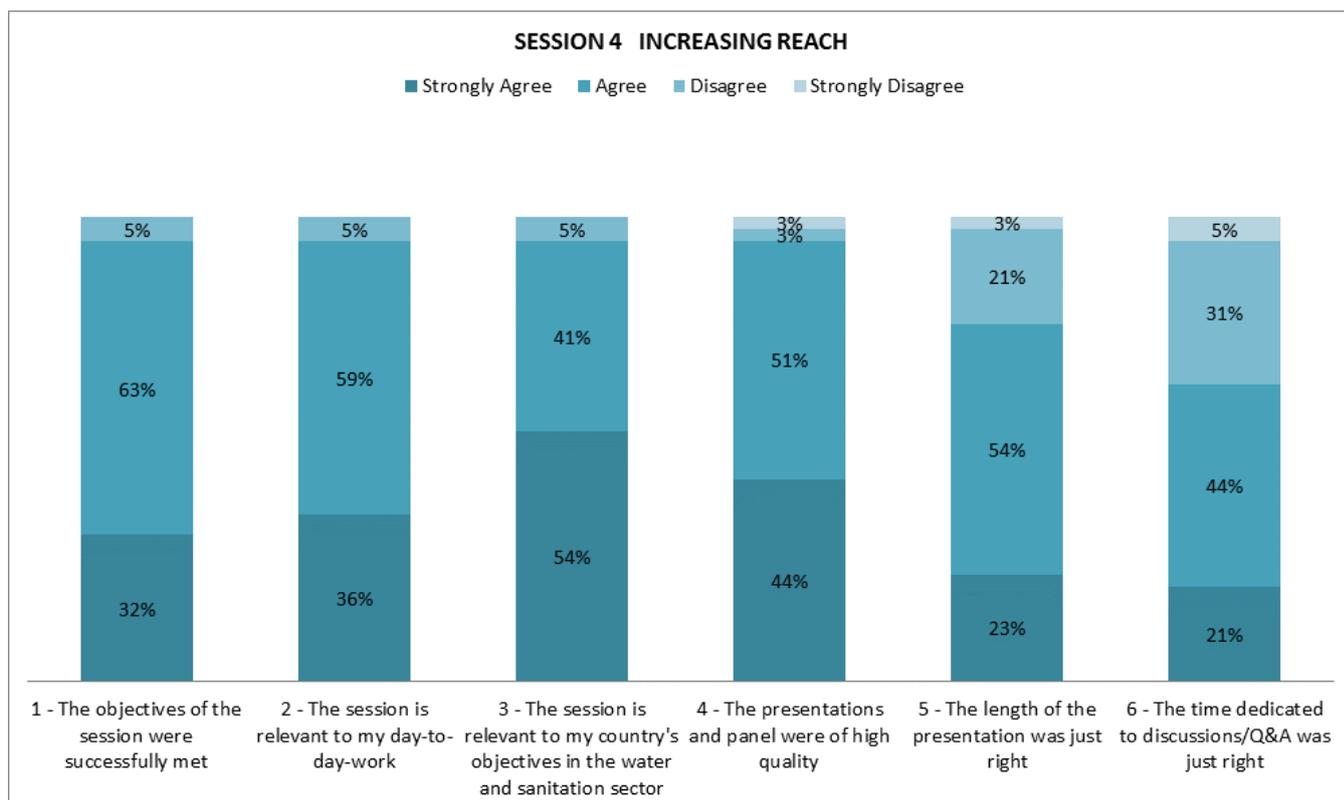
Investment strategy and improving access for urban and rural water services, Senegal

Ibrahima Diallo, Directeur Général de la SONES

Diène Faye, Directeur de l'Hydraulique Rurale

SODECI, Ivory Coast

Basile Ebah, Director General, SODECI (Société de Distribution d'Eau de la Côte d'Ivoire)



Between 38 and 39 responses per question

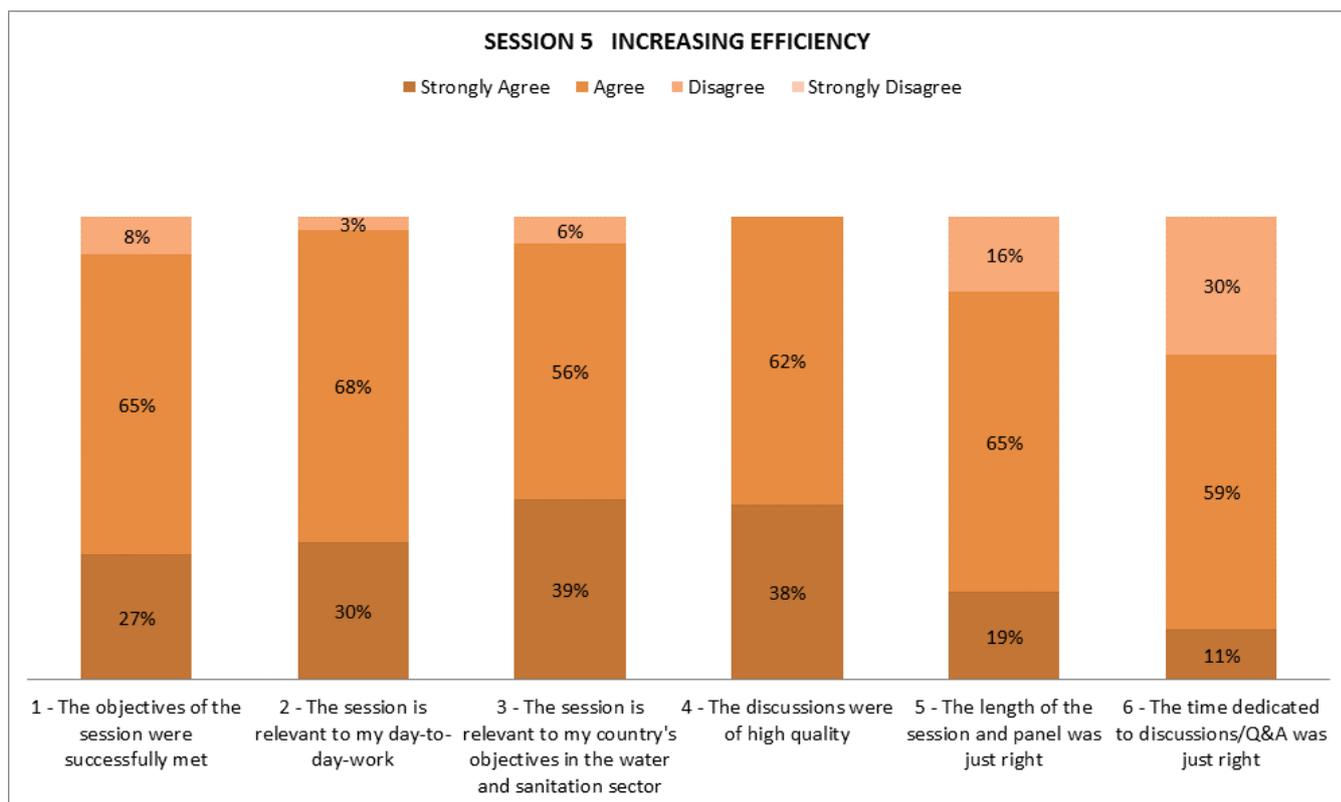
Overall summary:

The participants noted the need to highlight the sanitation sector, which they found was not discussed enough.

Session V. Increasing Efficiency

This session demonstrates how PPP arrangements can improve a utility’s quality of services, efficiency and sustainability from within and outside Africa. This session also examines innovative ways in which public sector utilities engage the private sector to improve areas of utility performance through performance-based contracts.

- Chair: Sering Jallow, Director of the Water and Sanitation Department, AfDB
- Water Affermage in Senegal
- Mamadou Dia, Director General, Sénégalaise des Eaux
- PPP Experience in Armenia
- Gary Stout, International General Director, MVV-decon GmbH
- Performance-based Non-Revenue Water Contracts in South Africa
- Ariel Moshkovitz, General Manager EMEA & Technologies, Miya
- PPP Efficiency Study by Aquafed
- Xavier Maitrebert, Senior Water Advisor, Aquafed



Between 36 and 37 responses per question

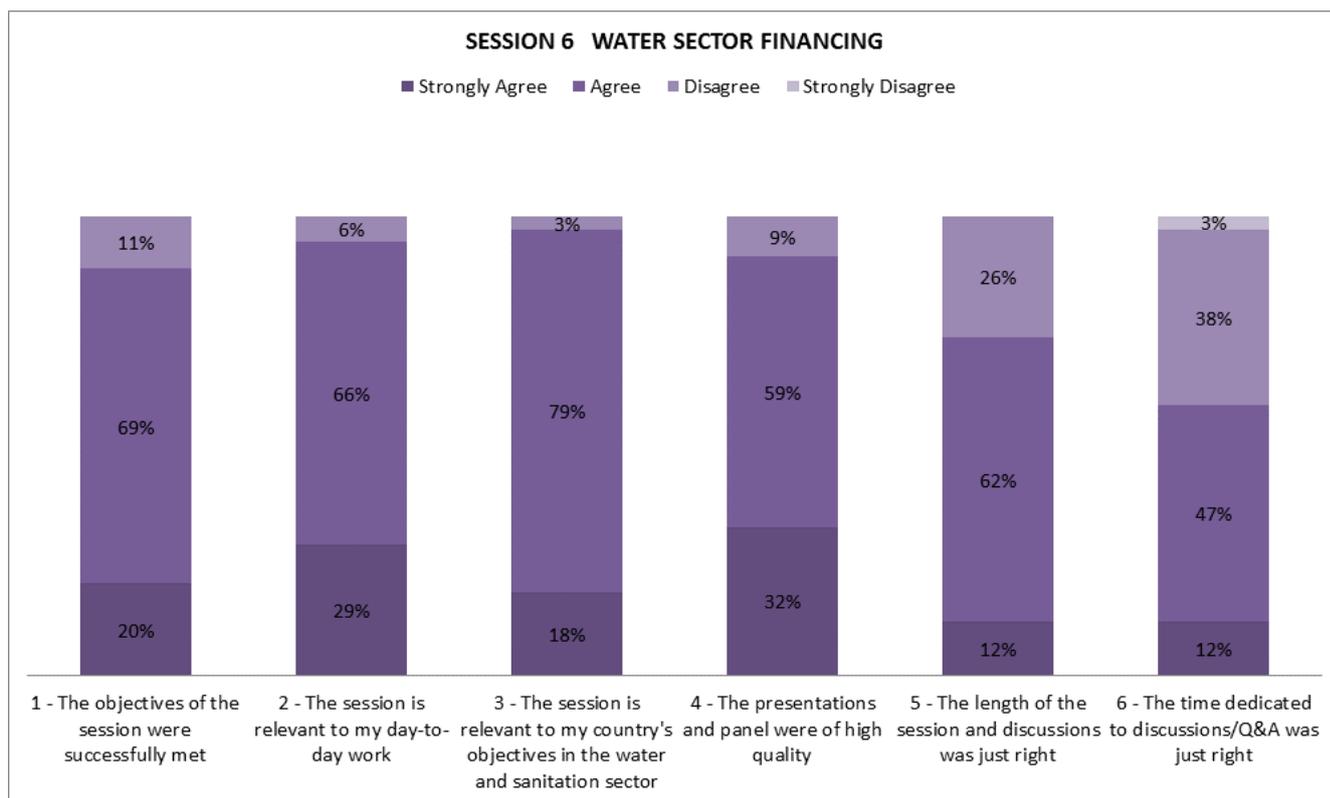
Overall summary:

This session touched more on sanitation than others, which was highlighted and appreciated by participants.

Session VI. Water Sector Financing

Active local, regional and international investors in the water sector discuss opportunities and challenges for private water finance, and share views on what makes a PPP bankable. Discussion includes financiers of large infrastructure investment and also studies the specific challenges faced in financing small-scale operators through local financial markets.

- Chair: Nicolas Souche, Senior Investment Officer, IFC
- K-Rep Bank Ltd: Calvince Odera, Business Development Manager, Special Projects
- Ecobank: Souleymane Diagne, Corporate Director, Ecobank Senegal
- EAI: Martjin Proos, Senior Investment Advisor
- AfDB: Luigi Pierris, Initiative for Risk Mitigation in Africa
- Bryant & Co: Guillaume Gilles, Managing Director, Water Funds
- ECP: Brice Lodugnon, Director
- EIB: Patrick Dorvil, Water and Solid Waste Specialist



Between 33 and 35 responses per question

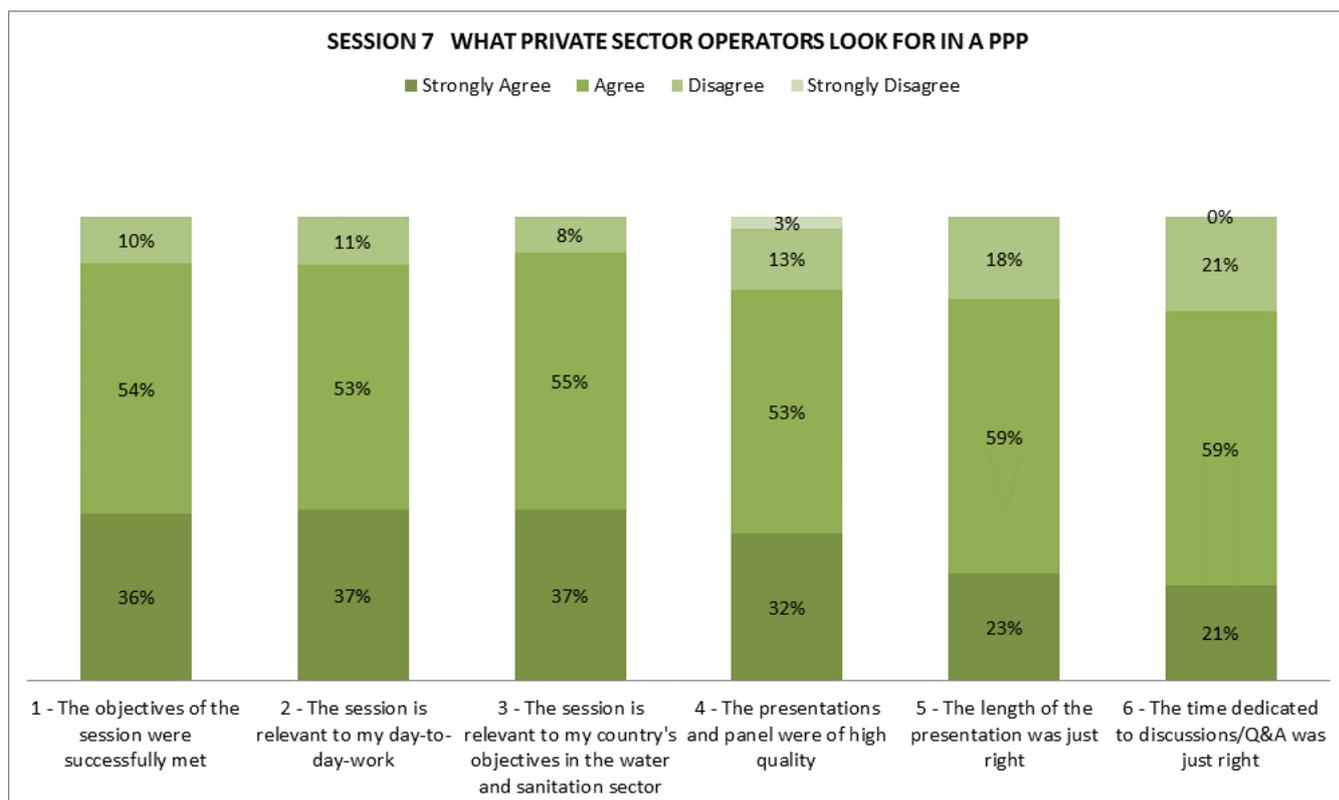
Overall summary:

Participants suggested that this session be less theoretical and could have benefited from more discussions. They suggested that more time be dedicated the session.

Session VII. What Private Operators Look For in a PPP

International and African domestic private sector operators outline what makes the water sector an attractive business proposition, along with key building blocks of a successful PPP arrangement, and the challenges they face.

- Chair: Vipul Bhagat, Chief Investment Officer, IFC
- Aquafed: Xavier Maitre Robert, Senior Water Advisor
- Suez Environnement: Jean-Pierre Mas, Executive Vice President Africa
- Association des Fermiers d'Eau du Benin (AFEB): Germain Sossou, President
- SDE: Mamadou Dia, Director General
- MVV-decon GmbH: Gary Stout, International General Director

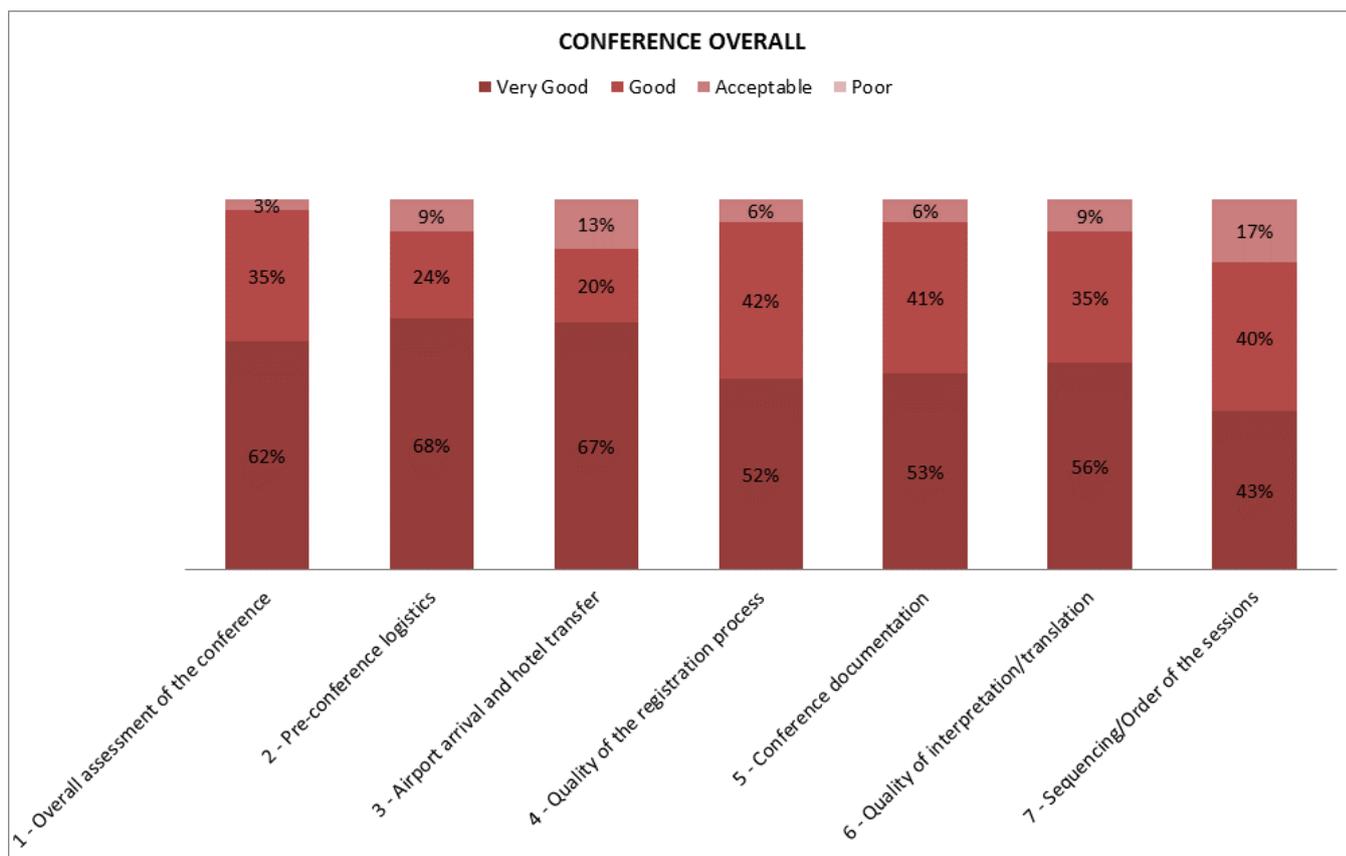


Between 38 and 39 responses per question

Overall summary:

The session raised a lot of questions around the right PPP timelines for Africa, PPPs in countries where water is a social good to be provided by government, and Human Resources aspects.

Conference Overall



Between 30 and 35 responses per question

Other inputs from participants:

Please propose additional topics for training on PPP in the water and sanitation sector	Please propose the best way to deliver this training (webinar, in person, etc.)
Identifying risks in PPP arrangements and mitigation measures that exist	In person and through handouts
Successful and failed PPP projects: lessons learnt in each of the scenarios	Training conference in person, in country or otherwise
Legal and institutional frameworks in the water sector	N/A
Critical success factors of contract	In person
Monitoring of contractual obligations: implementation according to the different contracts (performance, transparency, organizational aspects of operator according to the type of contract)	Online and in-person
Experience of countries in PPP Capacity building in PPP	Avoid lecturing

Please propose additional topics for training on PPP in the water and sanitation sector	Please propose the best way to deliver this training (webinar, in person, etc.)
Give a full day for each topic discussed during the conference	Webinar with the possibility to respond to participant questions Organize in such trainings in each country with all stakeholders
More justification for the value of PPPs in term of value for money, quantified data or cost advantages, etc. Further preempt challenges such as impact on tariffs with both theory and evidence More examples (e.g. from UK)	N/A
PPP in water sector in post conflict countries	In person - site specific workshop
Performance indicators for support services in PPP contract PPP efficient funding mechanisms in Africa Favorable institutional environment building for PPP development in Africa	On line training
Experience sharing on PPP and popularization of the tools (type of contract, pricing and business plan)	N/A
Training in management and fundraising with banks	N/A

Additional comments and needs:

Knowledge-sharing:

- A web site introducing operators interested in the PPP sector should be set up
- Develop a platform to share best practices
- Continue organizing this kind of conference in countries where PPPs are not implemented; have the political decision-makers join the conference
- Provide more information on financing the sanitation sector
- Hold the conference in different regions; invite North Africa as well
- Put a stronger focus on sanitation
- Invite more African companies to share their experiences in PPP; share failed experiences as well
- Consider regular conferences of similar nature to update African countries on innovations: how to increase PPP in sanitation; how do we get governments in Africa to pay for water services; how to increase PPP in rural areas; how to increase per capita water consumption (increase demand); gender mainstreaming in PPPs

Country specific:

- Analyze Gabon as case study for PPP. The PPP has been presented as a success in Sub-Saharan Africa
- For countries with little or no experience in PPPs and who wish to venture into this arrangement, IFC should provide small funding for consultancy projects to advice on the

enabling environment such as required sector reforms, and policy requirement, on a country by country basis

- Hold similar conferences in countries which hesitate to implement PPPs and encourage the countries which have chosen a bad partner in the past to reengage
- Feasibility studies in the water sector in some countries (Sierra Leone) to assess the situation and propose a way forward for a PPP arrangement

Training, capacity-building and technical assistance:

- Provide capacity building and networking opportunities, and provide support to those who want to implement national small scale PPPs
- Regular short trainings are required and should be organized, also to be able to follow up with various organizations to assess what is happening in the water sector
- Provide technical assistance for the creation of public awareness on water consumption and the need to pay bills
- Technical staff in various fields should be trained to strengthen their expertise in establishing and managing PPPs. This includes: the legal framework of PPPs, financing mechanisms, infrastructures issues, and deal-making (financial).