

Case Study: Reform of the urban water supply and sanitation sector in Yemen

Background

- National Water and Sanitation Authority (1973)
- Centralized water and sanitation service delivery through branches
- Characteristics
 - Poor financial performance
 - Weak technical capacity (at branches)
 - High UFW/NRW

The reform Process

- Trigger
 - ✓ A 1996 policy and strategy Study (WB financed)
- Recommendations of the Study
 - ✓ Financial sustainability
 - ✓ Separation of regulatory and executive functions
 - ✓ Decentralization
 - ✓ Commercialization
 - ✓ Human resources development
 - ✓ Community participation
 - ✓ Private sector participation
- Transformation of recommendations into policy
 - ✓ Cabinet resolution 237

Implementation of the reform program

- Support to the reform process
 - Donors (GTZ, The Netherlands, World Bank)
 - Role of GTZ
 - Institutional development (Technical Secretariat -TS)
 - Community mobilization and awareness raising
 - Technical advisory services and personnel development
 - Role of the Netherlands
 - Funding a pilot project (Rada's principles)
 - Role of the World Bank/KfW
 - Large scale financing

Achievements

- Decentralization
 - 15 Independent local corporations in 14 governorates (95% of urban population)
 - Management structure (BODs, Advisory committees)
 - Cost recovery (O&M –as a minimum requirement- + electro mechanical depreciation)
 - High collection efficiency
 - Decentralized tariff setting
 - PPP
 - Sana'a lease contract, Management contract
 - Utility Support Program (USP) – Taiz
 - Regulation
 - Study, independent regulation and an interim regulatory unit