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REPUBLIC OF YEMEN
MINISTRY OF
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WATER AND SANITATION
SECTOR REFORM
WORKSHOP NO.(2)

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POLICY AND STRATEGY STUDY

WORKSHOP REPORT, CONCLUSIONS
AND RECOMMENDATIONS



WORLD BANK

SANA'A, 8-10 SEPTEMBER, 1996



REPUBLIC OF YEMEN
MINISTRY OF ELECTRICITY AND WATER
STEERING COMMITTEE
FOR WATER AND SANITATION SECTOR REFORM

SECTOR POLICY AND STRATEGY

SECOND WORKSHOP
Sana'a, September 8-10, 1996

WORKSHOP REPORT, CONCLUSIONS
AND RECOMMENDATIONS

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WORKSHOP REPORT,

CONCLUSIONS AND RECOMMENDATIONS

INTRODUCTION

1. The second workshop on Sector Policy and Strategy was held as a follow-up to the first workshop which had been held in Sana'a in January of this year to review the draft Sector Policy and Strategy Study.
2. This second workshop represents a further step in the continuing effort to reorganise the sector to enable it to provide more effective services. Its purpose was to complete the review of the study, and to examine in detail the studies recommendations.
3. The next step is the introduction of the recommendations of this workshop to the Cabinet and, after its approval, start the process of implementation recommended in the Sector Policy and Strategy Study Report.

WORKSHOP PURPOSE AND ORGANISATION

4. The purpose of the second workshop was to:

REACH A CONSENSUS ON THE SECTOR'S FUTURE DEVELOPMENT
AND TO SUBMIT APPROPRIATE RECOMMENDATIONS TO THE
NATIONAL LEADERSHIP ON BEHALF OF THOSE RESPONSIBLE
FOR THE SECTOR ASSEMBLED IN THIS WORKSHOP.

5. To achieve this consensus, the participants reviewed the sector policy and strategy study report which had been revised to reflect the comments made by the participants of the first workshop. In addition, they also examined five topics in detail during a day of working group sessions. The working group themes were:

- a. Regulatory Functions
- b. Executive Functions
- c. Finance and Cost Recovery
- d. Human Resource Development and Community Participation
- e. Private Sector Participation

6. The opening plenary session of the workshop was chaired by His Excellency, the Minister of Electricity and Water, Eng. Abdullah Mohsen Al-Akwa, and was highlighted by an address by His Excellency, the first Vice Prime Minister, Mr. Abdul Al Anisi. Representatives of Germany, the Netherlands the United Nation's Development Fund, the World Bank, the Arab Fund, the National Water Resources Authority, and the National Water and Sanitation Authority also addressed the opening session.

7. The rest of the first day was used for a plenary working session during which participants had the opportunity to comment once again on the sector study.

8. The second day was devoted to working group session. Each working group drafted a report for presentation to a plenary session.

9. The last day of the workshop opened with a plenary working session during which the reports of the different working groups were presented, discussed and accepted, some with minor modifications suggested by participants. Following the plenary working session, a closing plenary session was convened during which this workshop report with the recommendations of the sector to the national leadership was presented to the Vice Premier. The closing session was also attended by the dignitaries who participated in the opening session, and they joined the Vice Prime Minister for the work performed by the workshop participants.

10. To facilitate the work of the participants, they had been provided with the revised sector study report prior to the workshop, and at the beginning of the workshop they received terms of reference with necessary attachments to guide them in their work.

SECTOR POLICY AND STRATEGY STUDY

11. The participants reviewed the sector policy and strategy study report which had been revised to incorporate comments by the participants of the first workshop. Although the discussions were lively, with many explanations requested and provided, no further changes were offered for incorporation into the report. However, working group review of specific topics did result in some further recommendations for changes in the study report, and those have been incorporated.

12. The corrections and amendments proposed by the Steering Committee, which had been presented in an attachment to the workshop documentation, and which had also been reflected in other working group documents, did not raise any further discussion or comments by any of the working groups.

WORKING GROUP SUMMARY REPORTS

13. The working group terms of reference required the review of specific proposals contained in the sector policy and strategy study, and requested amendments to the document, as deemed necessary by the group. The appropriate pages examined by the working groups have been revised as recommended by the working groups and are attached to the working group reports as Appendices. Brief summaries of the working group are provided below:

Working Group 1: Regulatory Functions

14. The group carefully reviewed appendix 1 and made a number of suggestions which greatly improve the proposal concerned with regulatory functions.

15. Recognizing that the transformation of the National Water and Sanitation Authority (NWSA) would require a major effort, the group proposed and itemized technical assistance needs to help NWSA to cope with its new regulatory role while continuing its executive functions for the foreseeable future (albeit to an ever decreasing extent).

16. The group believes that technical assistance needs are extensive, and suggests that internally, the proposed organisation charts should already be modified to reflect the expected changes.

Working Group 2: Executive Functions

17. Group 2 found the executive functions described in the appendix to the terms of reference satisfactory without changes.

18. The group then reviewed the sections on sector responsibility and the discussion of regulatory functions in the sector study and recommended a number of improvements which will be incorporated in the final report of study. Significant paragraphs incorporating changes are attached to the appendix.

19. The group recommended parameters and criteria to be used to select branches for transformation into RCs, and the requirements to improve operations before such transformation takes place. The group suggests that autonomous branches should be transformed into RCs in accordance with local conditions, rather than on a fixed schedule.

20. The group recommended that on the basis of the criteria elaborated, Rada'a, Hadja and Dhamar be autonomous branches, and Aden, Hodeidah and Ibb be the branches transformed into RCs at an early date.

Working Group 3: Finance and Cost Recovery

21. Working Group 3 made some clarifications and modifications in the financial policies proposed in the sector study which are reflected in the appendix attached to the working group report. The proposed modifications simplify the proposed limited transfer of funds across regional boundaries by maintaining present practice, and clarify the design of tariffs.

22. The group identified the cost recovery problems the sector faces, the major ones amongst them high rates of unaccounted for water and the high level of unpaid bills. The first problem is one to be resolved through better management, but the second one will require decisive action by Government to ensure, first, that its own organisation pay their water bills, and second, that laws and regulations providing for debt collection, be enforced.

23. The group also made a number of recommendations to strengthen the financial position of the sector and to promote the speedy establishment of the RCs.

Working Group 4: Human Resource Development and Community Participation

24. The working group began its work by examining the existing obstacles to the effective performance of NWSA staff, and suggested means to overcome them. The group also considered the impact of the change to a regulatory role by NWSA and recommended appropriate measures to assist staff presently employed to transfer to regulatory functions, through appropriate training.

25. Responding to the possibility of private sector participation, the group made several suggestions, including the provision of assistance to staff interested to start private enterprises and provide services on a commercial basis to NWSA and RCs. Finally, the use of incentives for early retirement, and assistance for training and job placement to help redundant personnel, was recommended.

26. Finally, the group reviewed measures, such as awareness campaigns, to encourage community participation with the objective to promote water conservation and the active participation; most importantly, the group considers it essential that an intensive awareness campaign be undertaken with the objective to gain acceptance by the people to be served that the local community is responsible for the provision of local services, and that the Government will help in the provision of basic services. This awareness campaign would also have to convey the message that local users will, as a minimum, have to either operate and maintain new installation, or be able to pay for operation and maintenance.

Working Group 5: Private Sector Participation

27. Working Group 5 examined various options available to achieve private sector participation and recommends that NWSA take all necessary steps to encourage private sector participation, initially through service contracts.

28. The group also recommended that an appropriate regulatory framework be established to monitor and supervise private sector participation.

CONCLUSIONS

29. The participants reviewed appropriate sections of the sector policy and strategy study and, where necessary, made recommendations for specific improvements. No significant changes were made in the study policy recommendations and the assignment or definition of functions. However, a number of policies and functions were clarified, and initial recommendations on how to implement the proposed changes were made.

30. The conclusion emerging from the discussions during the plenary and working group sessions is that sector reform is absolutely necessary to help the sector improve its performance, and that the policies and recommendations made in the sector study, as modified during this workshop, represent the best opportunity for the sector to progress.

RECOMMENDATIONS

31. The participants of the workshop recommend that the Government:

- a. adopt the Sector Policy and Strategy Study Report, as amended during the workshop, as the general guide for the reorganisation of the sector
- b. formally adopt the policies recommended in the sector study and provide the National Water and Sanitation Authority with the support necessary to implement them
- c. instruct the Steering Committee to lead the implementation of the policies and the strategy presented in the sector study,
- d. provide the National Water Resources Authority with the support necessary so it can successfully undertake the necessary studies and take the actions required which will lead to the efficient allocation of water, inter alia the application of irrigation technology and selection of crops and the provision of water for uses with the greatest economic value

ANNEXES : Working Group Reports
List of Participants
Working Group Members

ANNEXES

September 9, 1996

WORKING GROUP 1 - REGULATORY FUNCTIONS

1. The Group has studied and made a number of suggested revisions and additions to the Appendix 1 (Regulatory Functions) - see edited copy.
2. The Group discussed technical assistance and training needs to enable NWSA to fulfil its regulatory functions and reached the following conclusions:
 - a. NWSA will for a considerable time - maybe a number of years - be both an executive and a regulatory body, so its technical assistance and training needs and the organisation must reflect this fact.
 - b. To initiate the change process NWSA will need technical assistance and training for:
 - assessing the existing organisation structure
 - assessing the existing staff capacity/skills
 - recommending a new structure for the initial and transitional phases
 - developing and implementing a training plan and recruitment programme for the above phases.

The Group felt that external consultants would be needed and that counterparts in the form of an internal task - force should be appointed.

- Developing the necessary standards, procedures and guidelines, across technical and financial fields, which will be the basis for regulatory activities.

The Group observed that the technical assistance needed for development of these standards etc. would be very extensive, bearing in mind the current absence of such standards in NWSA and the number of disciplines - legal financial, engineering etc. involved.

3. The Group reviewed some possible alternatives for interim organisational assignments and made the following comments:
 - the work of finalising the existing organisation charts for the branches needs to be modified to meet the reform process.
 - the existing HQ organisation structure needs to be changed to meet the requirement of eventually separating the regulatory and executive functions.

WORKING GROUP 1

TERMS OF REFERENCE: APPENDIX 1 revised: 12 September 1996

The regulatory functions assigned to the National Water and Sanitation Authority (NWSA) should include:

a. Advice to the Government on general issues concerning water supply and sanitation:

- preparing and updating a strategic plan for sustainable water supply and sanitation service, in coordination with Branches and Regional Corporations (RCs)

- identify short- and long-term investment needs and resource requirements, in consultation with the Ministry of Planning and Development

- identify institutional arrangements appropriate for specific Regions and Branches, in consultation with local authorities. Provide technical assistance for the establishment of Regional Corporations (RCs), which may consist of one or more existing Branches and other communities in the service area

- develop detailed sector policies for:

- service delivery, including the establishment of targets
- cost recovery, tariffs and other charges
- project selection and priority
- grant and subsidy eligibility to serve low income consumers
- institutional arrangements
- private sector participation

- report achievement of strategic plan targets and propose corrective measures, if needed

- review technical and financial management of water supply and sanitation services, and recommend necessary actions for improvements

b. undertake water supply and sanitation project planning

- based on RCs' identified investment needs, plan, develop, and design, water supply and sanitation projects. The capable RCs will then assume the responsibility of implementation, operation and maintenance of those projects

- provide the appropriate training to RC staff with the objective of gradually handing over the responsibility of project planning and design to the RC

- provide any technical assistance to the RCs as necessary

c. Provide guidelines for the implementation of sector policies and the establishment of RCs, and provide "generic" by-laws for the RCs

d. Regulate the functions of the water supply and sanitation sector in the country, including the establishment and enforcement of standards and criteria for

- institutional and financial management, including requirements for uniform accounting and financial reporting and for such periodic reports as NWSA requires to monitor RC performance,
- service delivery
- drinking water quality
- waste water quality
- design, construction, operating and maintenance
- (in consultation with the Bureau of Standards) quality and manufacture of equipment and materials
- wastewater composition and strength, including pretreatment, for accepting wastewater into sewer systems and treatment plants
- tariffs which are economically efficient, ensure the financial viability of sector institutions and are socially equitable for different consumer categories
- investment, project and technology selection
- licensing of individuals or businesses to install and operate water supply and sanitation facilities
- in consultation with the Ministries responsible for Finance and for Local Authorities, the amount of profits to be disbursed and other payments to shareholders
- implementation of NWSA-mandated surface and groundwater abstraction conditions in accordance with NWRA guidelines

e. Provide technical assistance for improvement of the capacity of RCs and other organizations and local authorities concerned with water supply and sanitation, including assistance in

- training of sector staff
- operational advice and assistance
- standardization of materials and equipment, including the promotion of local and national manufacture

f. Participate in the development of efficient water resources use and allocation through

- through the overall planning of national water resources management in accordance with the Draft Water Resources Law

- promoting and enforcing, in coordination with the NWRA and the EPC, the efficient use and conservation of water and reuse of wastewater through appropriate pricing policies, technologies and appliances

g. Provide guidelines for water supply and sanitation project development, reflecting national economic development plans, for

- identification and selection
- financing
- planning and design based on effective demand
- implementation
- operation and maintenance
- community participation in project development, implementation and management

h. Monitor trends and revise guidelines as necessary

i. Ensure consumer protection and information through

- defining RC and consumer rights and obligations (the Service Contract)
- designing the mechanism and procedures for handling consumer complaints, in consultation with the Ministry of Legal Affairs and the Ministry responsible for Local Authorities, and assisting in the establishment of governorate arbitration panels
- monitoring the quality of service delivery
- reviewing and investigating consumer complaints and enforcing corrective action

j. Jointly with the NWRA, the Ministry of Health and the EPC, develop and implement public information and education materials and activities to promote awareness and understanding of the

- importance and benefits of safe water and sanitary practices,
- reasons why service providers such as the RCs must charge for services,
- necessity to conserve water and protect the environment.

k. Support Human Resource Development (HRD) through

- preparation of manpower planning and human resource development guidelines
- development of merit-based compensation packages and incentive schemes

- identification of overall sector training needs
 - establishment of training objectives and standards and development of training materials
 - establishment and maintenance of a national system of assessing sector HRD effectiveness and performance-based certification for different job categories and skill levels
 - Participate in activities fostering regional and international cooperation designed to increase local skills and knowledge
1. Monitor and improve sector and organizational performance through
 - establishment of performance monitoring indicators and of a system for regular reporting on results and on compliance with policies, standards and regulations
 - recommending corrective measures, as necessary
 - reviewing RCs' business plans and providing comments to the RCs
 - m. Carry out studies, research, etc., to improve standards of performance in the sector and to foster cooperative activities between RCs and on the international level.

WORKING GROUP NO. 2

EXECUTIVE FUNCTIONS

The working group no. 2 reviewed the Executive Functions in the document. The following points are the findings and the results.

1. Executive Functions:

The Working Group agree to all the clauses related to the executive functions except the amendments to the following clauses:

1. Clause 81.b(ii) Clause b, Appendix 1
The period for the approval of the 5 Year business plans by NWSA and the Ministry of Planning and Development is 60 days instead of 30 days.
2. Clause 81.b (vi) - Clause 1.f, Appendix 1
Add "and agreed standards" after "Cost effective manners".
3. Clause 81.b(vii)-Clause 1. h, Appendix 1
Add "grants" after the word borrowings.
4. Clause 81.b (ix) - clause 1. I, Appendix 1
Add the following paragraphs to this clause
 - a. RCs will not finance the initial investment costs for the new projects.
 - b) Tariff will not include the amounts for replacement of major project components with high cost.
 - c) Amounts due to RCs for the water and sanitation services will be paid by the governmental authorities on time and regularly.
5. Clause 81, b(xi) - clause 1.k, Appendix 1
Add the words "and other" after Environmental
6. The Working Group suggests the addition of the following clauses to the executive functions of the RCs:-

- m) Participation in the protection and monitoring of water resources.
- n) Contribute to public awareness activities concerning water supply and sanitation projects.

7. Clause (50.d)
This clause should start as follows :
(NWSA's Board of Directors shall assign.....)

8. Clause (50.e)
A study should be undertaken to define the executive functions in the rural areas.

2. PARAMETERS AND CRITERIA FOR THE SELECTION OF RCs

The following parameters and criteria should be taken into consideration for the selection of the existing branches to be transferred to RCs.

1. Ability to manage operations independently.
2. Capacity to generate adequate revenues.
3. Size (smaller new branches to start with)
4. Water resources situation (availability)
5. Complexity of installations (simple)
6. Prospect of forming a RC
7. New systems without technical problems
8. Branches with reasonable number of staff (not overstaffed)
9. Identical technical systems
10. Common water resources
11. Willingness of local population and management to change.

3. PROPOSED BRANCHES & RCs

a) Autonomous Branches:

1. Rada'a
2. Hadja
3. Dhamar

b) Branches to be transferred to RCs

1. Aden
2. Hodeidah
3. Ibb

The group forsee that it is not conditionally necessary to transfer the autonomous branches to RCs during a period of two years as mentioned in Clause no. 80.

It should be done in accordance with the conditions and situations of each individual branch.

4. REQUIREMENTS AND NEEDS REQUIRED FOR ESTABLISHING RCs

Though the review of the situations of the nominated branches selected to be transferred to RCs, the following requirements are required :

1. Improving Billing Systems (Computer software)
2. Transport facilities and communications
3. Loss Reduction
4. Preparation of new master plan for water and sanitation
5. Rehabilitation of old systems
6. O&M equipment upgrade.

5. TRAINING REQUIREMENTS

- Managerial skills and planning
- Financial management
- Tariff setting
- Water quality control and monitoring
- Legal Training
- Operation and Maintenance
- Management information system (MIS)
- Public participation

WORKING GROUP 2

TERMS OF REFERENCE: APPENDIX 1

revised: 12 September 1996

(with workshop comments not incorporated into working group report text added as paragraphs q to u)

1. Regional Corporations (RCs) shall be responsible for the management, operation and maintenance of water supply and sanitation facilities and performing such other functions necessary to provide water supply and sanitation services, including:

- a. Preparing long- and short-term strategies designed to ensure the provision of affordable and sustainable water supply and sanitation services to all users within the service area, including the prioritising of investments
- b. Developing 5-year business plans, setting specific performance targets and incorporating a detailed capital improvement program and financing plan for implementing the recommendations of the short- and long-term strategies. The business plan shall, in particular, address the issue of service to unserved low-income urban and rural consumers, identifying funds required as grants for investments in low-cost technologies to serve these consumers at appropriate service levels.
- c. Implementing the business plan, and updating the plan annually to reflect changed conditions and progress made, with the review and approval procedure as part of the annual budget process.
- d. Implement NWSA guidelines for community participation for project formulation, implementation and subsequent management of services and operation of facilities, and liaise with others interested in the promotion of rural and peri-urban water supply and sanitation in an effort to expand service coverage to the extent the RC is asked to assume a role in these areas.
- e. Once the task is assumed by the RC, design and implementation of water supply and sanitation projects.
- f. Operation and maintenance of water supply and sanitation facilities in the most cost-effective manner and agreed standards, either directly or through contractual arrangements with other public, private sector or community organizations
- g. Providing technical assistance and support, as necessary, to organizations contracted to perform specific functions delegated to them by the RCs
- h. Raise funds for capital investments and improvements through borrowings and grants (in cooperation with the NWSA), internal cash generation, and contributions

- i. Generate revenues to contribute to investments, for debt service and to meet operating costs through cost recovery mechanisms, principally tariffs for water supply and sanitation services. However, RCs are not expected to finance investment costs for the rehabilitation of assets deteriorated or overdue investments which are a result of past neglect.
- j. Tariffs shall distinguish between different consumer categories, such as residential, commercial and industrial consumers (with appropriate differentiation reflecting service delivery standards; for example, lower tariffs for community tap supply, higher for house connections; or lower tariffs for metered bulk supplies to local distributors and industries),
- k. Amounts due Branches or RCs by GRY and its agencies will be paid regularly, and arrangements for the payment of past due bills will be made by GRY.
- l. Manage financial resources in such a way as to minimize costs and maximize returns in accordance with RCs' strategic objectives
- m. Coordinate planning, implementation and service management with other entities responsible for the provision of urban environmental services and other services (solid wastes management, storm water management) to ensure efficient, synergistic service delivery
- n. Monitor the performance of facilities, service delivery and financial management and report to NWSA and other agencies, as appropriate
- o. Participate in the protection and monitoring of water resources
- p. Contribute to the awareness activities concerning water supply and sanitation projects
- q. Existing branches must meet the stipulated selection criteria for transformation into RCs
- r. Decentralisation and transfer of executive functions must be accompanied with the transfer of support and the capacity to generate income
- s. Transformation of the sector (transformation of branches into RCs) will result in better performance, assisted by better understanding of sector problems and needs by regional and local public officials and the population at large
- t. Examples of successful autonomous elsewhere should be used to guide the transformation of branches to RCs
- u. A study should be undertaken to select branches for transformation into RCs. Assistance will be needed to assist in the transformation due to insufficient capacity of most branches.

WORKING GROUP 3: COST RECOVERY AND FINANCE

COMMENTS

In considering cost recovery and finance in the water and sanitation sector we should first look into the main elements influencing the improvement of the financial position such as:

- cost of capital investment for the extension of the existing network;
- the high percentage of the unaccounted for water which is roughly estimated at over 40% of gross water production (physical losses);
- the effect of the high rate of inflation;
- the need for revaluation of the fixed assets (and depreciation at real rates);
- the high amount of the outstanding debts, most of which should be considered bad debts.

RECOMMENDATIONS

- Remedy the existing imbalances between the revenue and expenditure through the preparation of an action program to be achieved within five years starting 1997;
- Expedite the creation of RC's;
- The Government should exempt NWSA from its share of the net income surplus;
- The Government should allocate the necessary funds to cover all outstanding debts during a period of three years as from January 1998 and the Government should also make provision for Government departments to pay water and sanitation bills regularly;
- To develop the efficiency of the existing financial and administrative system including computerisation;
- The training of personnel must be given top priority to enable NWSA to perform its new regulatory functions in the financial field.

WORKING GROUP 3

TERMS OF REFERENCE: APPENDIX 1

12 September 1996

(with workshop comments added as paragraphs 11. e. to h.)

Finance

1. Principle

"Water is an economic good and should be managed as such, with due consideration to the need to serve all population groups with at least a basic level of water supply and sanitation service"

2. Objective

"To enable the sector and its institutions to provide services which are financially sustainable over the long term by means of revenues received for charges for the service provided"

3. Policies

a. Water supply and sewerage service shall be charged by means of increasing block tariffs of not less than three but not more than six blocks. Blocks of tariffs shall be calculated according to amount of consumption and type of customer.

b. Tariffs shall be designed to encourage water conservation. All consumption shall be metered, except in the case of rural water supply and others where the service level makes this physically impossible, or where the supplier can demonstrate that metering is not economically or financially sensible.

c. Charges for sewerage service for consumers who have a private water supply or a NWSA non-metered supply or a dual NWSA and private water supply should be based on reasonable estimates fair to both NWSA and the consumers. Tariffs may be charged separately (one charge for water and one for sewerage) or combined (one charge covering both).

d. Other fees and charges for services provided may be levied to cover the cost of providing services, such as connection charges, reconnection charges for services interrupted for non-payment of bills, etc..

e. Total revenues produced from tariffs and other fees and charges must provide for all the company's financial needs, including the cost of operation and maintenance, repayment of loans and credits including interest, and provide for an appropriate share of the cost of system replacement or expansion.

f. For reasons of economic efficiency, and to encourage water conservation in water-scarce areas by means of service charges reflecting the costs of future expansion of supply, separate tariffs shall be established for each NWSA Branch or water supplier for its service area.

g. NWSA's policy of providing support for financially-weaker water suppliers from revenues gathered by stronger suppliers should be continued until the establishment of the RC's.

h. The Government may from time to time and under conditions it approves, based on policies to be developed by NWSA, provide financial support to investments in rural water supply and sanitation and in other situations where improvements are urgently required to support its economic development objectives. The minimum eligibility requirement for such special assistance would be full payment of future operating and maintenance costs by the beneficiaries, and an up-front contribution in cash or kind based on the prospective consumers capacity to pay. The support may be channeled through the SEF.

i. Financial support should be based on need and on institutional performance indicators, to ensure that funds do not simply go to those least efficient.

Discussion

4. Cost recovery is accepted as a vital principle of water supply and sanitation sector operations, but its implementation, especially the design of tariffs, remains controversial. It is important to remember that a tariff has several functions, such as:

a. recovering the economic cost of investments;

b. providing the revenues required to ensure the financial viability of the service provider;

c. ensuring social equity, that is, making it possible for even the poor to obtain a sufficient quantity of water at a price they can afford; and

d. in water-scarce areas in particular, encouraging conservation and reducing consumption.

Increasing block tariffs can accomplish all these tasks, and are commonly used throughout the world. There is, however, an ongoing debate whether or not the water supply and sanitation sector should play a role in accomplishing a Government's social objectives by including social equity considerations, (c), in the tariff design.

5. Theoretically, designing a tariff on the basis of purely economic considerations, (a), and making provisions, where required, that revenues generated also satisfy financial requirements, (b), should be enough. The sector does not have any responsibility in the area of social equity or justice. Indeed, it is the Government which has that responsibility, and it should implement whatever social policies it wishes. If the Government desires to ensure that the poor can afford a reasonable consumption, then it should provide the poor with the necessary funds directly by whatever means it cares to employ, and not make the water supply sector take on that responsibility.

6. In fact, the reason for including social equity considerations in tariff design has nothing to do with the sector's social obligations, but has everything to do with protecting the sector's financial viability. Experience around the world has amply demonstrated that even the best-intentioned governments find

it difficult to provide consistent financial support to the poorer section of society; priorities change, and while water supply may be high on the list today, it may well be of lesser importance tomorrow. When that tomorrow arrives, as it almost invariably does, the sector suddenly has a large number of customers unable to pay their bills and has to find the means to absorb the financial loss. It makes much more sense for the sector to accept the fact that there are people it has to serve below cost, and design tariffs to allow it to do so.

7. Of course, this approach results in a cross-subsidy from the wealthier segment of a community to its poorer neighbours. But even if the government provides the subsidy, it is likely that the same wealthier segment will have to be taxed in order to provide the funds required for the government to distribute as a subsidy! Many central governments are in the process of devolving social responsibility to regions and local authorities, based on the argument that local administration of such programmes is more efficient and more responsive to local conditions. In the case of water supply, it also protects the financial viability of the service provider. Thus, on balance, increasing block tariffs designed to satisfy all four of the criteria above seem to be justified in the case of Yemen.

8. Money collected should remain with each Branch to provide an economic incentive to improve performance. Allocation should be made in the annual branches budgets to provide funds for NWSA HQ operations and for financial support to weak Branches. Government agencies should pay their bills directly to the branches or RCs.

9. Distribution of financial support should also be based on institutional performance indicators, to ensure that funds do not simply go to those least capable. For example, the support could be turned into a reward by being based on performance improvements from one year to the next. That would create substantial pressure by the public for the RC or Branch to improve.

10. Better performance should also lead to private financing, once the supplier becomes an attractive investment and Government approves the sale of investment instruments. The organization may even be transformed from a public into a mixed and eventually into a private corporation. This would therefore be an incentive to the Government to support sector reforms and increased efficiency, because it would eventually reduce or eliminate the need for the State to provide capital for the sector.

11. External obstacles must be corrected, or the sector will never achieve viability:

a. Everybody must pay. If Government wants to support the military or other agencies, it should either provide the agency in question with additional budgetary allocation, or pay the bill directly. Otherwise the low-income consumer pays both taxes and subsidies to support the "establishment".

b. Prevention of meter reading and disconnection should be a criminal offence, with remedies enforced by law. Any time access is denied, the meter reader should be accompanied on a second visit by a police officer; if access is still denied, the offence should be recorded and legal remedies pursued. The cost of the second (and subsequent) meter reading and the cost of police enforcement should be added to the water bill. The same procedure should be followed when access is denied to cut

service for non-payment. Reconnection should not be made until all debts and penalties are paid.

c. Hospitals, clinics and schools should be exempt from disconnection for non-payment, but funds owed should be paid to the Branch in question from Government budgetary allocations, or deducted from obligations due to the Government by NWSA.

d. The practice of providing free water to staff and officials should be abandoned. Instead of that, staff and officials should be compensated through appropriate incentives.

e. To improve the financial situation of branches and RCs, an action program to reduce the imbalance between revenue and expenditure should be implemented within the shortest possible time, but in no event not greater than the transition period of three years.

f. Consideration should be given to the transfer to local authorities of ineffective small branches who are unable or unwilling to improve their operations, with financial support and technical assistance provided to local authorities.

g. Appropriate tools should be made available and utilized to reduce debts, including incentives for the collection of unpaid bills, the write off of long terms debts, compensatory write-off to reduce GRY past due bills, etc.

h. Action should be taken urgently to reduce un-accounted water.

COMMUNITY PARTICIPATION AND HUMAN RESOURCES DEVELOPMENT

WORKING GROUP 4

Present Staffing Problems and measures to alleviate them

Overstaffing

- Preparation of job descriptions
- *Carry out survey of present staff*
- identify needed staff based on the job description and specifications
- *identify those staff who are no longer needed*
- *utilization of present staff to occupy certain jobs by retraining them*
- *rearrangement of staff as much as possible, if feasible*
- *creation of retirement packages to encourage people to retire earlier*
- *encouragement of NWSA staff to form/start private water related businesses*
- in restructuring, the Technical secretariat and NWSA should consider the creation of a program to assist NWSA staff to form private enterprises.
- Limit new employment to those needed.
- NWSA has to actively participate in efforts to retrain, reallocate, replacement of personnel.
- *Applying incentives for those who would leave their jobs voluntarily*

Low Salaries and absence of incentives

- New schemes for salaries for NWSA has to introduced. The salaries should be at least competitive enough with the private sector
- A” Compensation package “ including incentives program based on performance should be adopted and introduced in order to:
 - motivate staff
 - cease brain drain of qualified staff
 - encourage of staff to specialized in the water and sanitation sector
- *Apply promotion to those who deserves them in line with the civil service laws*
- Career planning

Staff assignment

Staff should be assigned in line with the job description and specification and to avoid staffing the wrong people in the wrong places.

Lack of discipline

Relative laws and regulations should be applied to discipline the employees. These laws will only be effective if the Compensation Package and other measures are implemented

Lack of facilities and equipment

Allocation of necessary Funds to overcome the problem

Human Relation

Job Stability

Frequent change of position reduces efficiencies of personnel

TRAINING

-Reactivating of the Training Department of NWSA with the proper job description and staff assignment.

- training need assessment:
short term
long term

- training strategy policy

-Exchange of experience among branch managers by having a periodical meeting for managers.

- updating of technical background for engineers and technicians by participating in worldwide workshops, seminars, symposiums, training , etc...

- Twining with other companies, regional and foreign companies

- Engagement of short term consultants for training

- On job training , Consultants and Contractors
- *Establishment of NWSA Training Center to suit NWSA 's specific needs and possibly the Market need as well*
- *Coordination/cooperation with Sana'a University ,Sanitary Engineering Department, and other Yemeni Universities in related water and sewerage issues.*
- *Establishment of Human Resources Information Center within the Training Department.*
- *Recruiting of qualified personnel to meet the immediate required staff*
- Full utilization of training funds available in projects
- *Allocation of sufficient local funds in NWSA 's Budget to meet basic training, e.g. English, computers.*
- A training component should be emphasized in each future project.

COMMUNITY PARTICIPATION

Public awareness campaign

- *Conservation of water*
- *Tariff*
- *Usage of treated water and sludge*
- *Water and sewerage schemes are the responsibility of communities.*

Participation

- *Involve the community in the decision making through the establishment of a committee from locals and guide the branch management.*
- *Involve the community in the planning for the development of the water and sewerage projects to meet their demand and seek their advice on ways of involving them in the co-financing of these projects.*

WORKING GROUP 4

TERMS OF REFERENCE: APPENDIX 1

Human Resource Development

1. Policy Principle

"Human Resources Development must be emphasized as the major contributor to the creation of more effective institutions and greater quality in service delivery, and must be given very high priority".

2. Objective

"To promote the acquisition of knowledge and skills by all sector staff in order to enable them to perform their work efficiently and to acceptable standards; to understand their and their organization's role in the provision of water supply and sanitation services; to prepare them for advanced tasks and promotion; and to provide a working environment, remuneration and benefits to attract and keep good staff".

3. Policies

a. NWSA shall assess staff requirements and training needs and develop a national training system capable of satisfying NWSA and Branch demands for qualified staff, and to lay the foundation for the establishment of autonomous and self-sufficient RCs.

b. NWSA shall establish a national certification system for sector staff which will encourage staff to continue to improve and achieve greater job skills and higher certification levels

c. To attract and retain competent staff, NWSA shall develop the required career development plans reflecting certification achievements, and design merit based compensation packages approximating comparative private sector compensation

Discussion

4. The major obstacle to improved performance of the sector in Yemen is not the lack of funds, but the overall lack of adequately trained staff at every level. The most urgent need is to develop human resources and provide a working environment and personnel policies that will encourage quality performance of staff, and that will create more effective institutions. In the light of this, the sector will have to promote and undertake the training of water and sanitation personnel, and provide trainers in technical, managerial, economic and social issues, so as to increase performance and productivity. This would be supported with appropriate incentive schemes, promotional policies and competitive salaries and benefits. This is aimed at ensuring the availability of sufficient numbers of qualified staff of all disciplines required by the sector.

5. Present civil service salary structures and levels appear to be inadequate to attract and motivate and retain competent staff. This is not a situation unique to the water sector, but applies to other Government departments and agencies. In the long term, the solution to this problem is a comprehensive analysis leading to civil service reform including, inter alia, remuneration based on merit. Such a reform requires a time-consuming effort. In the short term, the water supply and sanitation sector will have to solve the problem without such major reforms, preferably through appropriate incentive schemes.

6. Reductions in force appear inevitable, given the apparent overstaffing. In the short term, alternative means of employment should be identified, and training provided as part of a "termination package". The sector should also consider contracting former employees (employees about to be terminated) to undertake specific functions for the Branch or RC under contract. Such contracts could range from installing house connections to specific maintenance tasks to meter installation and reading. Appropriate assistance could be provided to train individuals or groups in contracting practices and other needed business skills.

7. Existing restrictions on the salary of public sector employees provides an opportunity to find a creative solution to the problem. One way to solve the problem might be through an incentive schemes which will not only provide better compensation, but make the extra income depended on improvements in operating efficiency, as follows:

a. Reward staff if prescribed institutional performance indicators are achieved. For example, each multiple of 5% increase in collection from present low level, or each 5% reduction from present UFW, would be rewarded by a 5% increase in salary which would remain in force as long as the improved performance is maintained.

b. To ensure that presently better run Branches are treated fairly, rewards would be made immediately on the basis of a reasonable existing minimal standard. For example, if the average of the lower third Branch performance in collection is 60%, then staff of a Branch collecting 70% would immediately be rewarded with a 10% increase.

8. The percentage salary increase should be calculated so that institutional performance at acceptable levels, say 90% collection efficiency and system water leakage at 20% would result in a total remuneration package approximately equal to comparative jobs in private industry.

9. The specific tasks to be performed by NWSA in the field of training would include i) preparation of human resource development guidelines; ii) identification of overall training needs; iii) establishment of detail objectives and training standards, development of training materials, coordination of existing training institutions and assisting them to target their training programs for the sector; iv) development of assessment materials and licensing of assessors; v) training and licensing of training staff; vi) monitoring of training effectiveness and implementation of corrective actions, as necessary; vi) assisting Branches or RCs in all aspects of human resource development; vii) organizing external training, if necessary.

10. RCs or Branches would: i) assess regional and local training needs and prepare training programs, including budgets; ii) establish a training section and training and assessment facilities within their regional organizations; iii) carry out training and assessment to national standards at regional and local

level through courses, self-study and practice;
iv) participate in national and external training; v) keep records and assess effectiveness of training programs; vi) report results to NWSA with proposals for future actions.

Community Participation-based Service Delivery and Technology Choice

11. Principle

"Water supply and sanitation service should be demand-driven, that is, based on the users' willingness and ability to pay"

12. Objective

"To ensure that service is financially and environmentally sustainable"

13. Policies

a. The community being served must be involved in the planning process which determines the service level to be provided, the technology to be used, and hence the cost of investment and operation and maintenance

b. Community participation may range from active involvement of the community in planning, construction and operation of (small) rural community systems to informed consent of the users in large urban centers

c. As a minimum, operation and maintenance must be paid by the users and, where capital cost is not amortized from revenues, some minimum contribution, in kind or in cash, must be made by the community

d. Government will provide financial support for and give priority to basic service, which is defined as a minimum of 35 liters per capita per day through standpipe or single-spigot house connection service, and on-site sanitation. Upgrading of this service level shall be at user and community cost, with Government support only after the basic needs of all have been met

e. NWSA shall identify and apply technologies appropriate for water-scarce situations, including the use of water-saving appliances, alternative sewerage suitable for low flows, and emphasize reuse of wastewater in its wastewater treatment activities, and emphasize labor-intensive construction methods wherever feasible

Discussion

14. Experience worldwide amply demonstrates that facilities "given" to communities are rarely appreciated and frequently fall into disuse. This is a particular problem in rural and peri-urban areas, less so in urban centers. Nevertheless, even urban consumers must become aware of the serious water scarcity situation facing Yemen, in order to understand and support conservation measures.

15. NWSA should establish appropriate standards promoting the use of appropriate technologies and the role of community participation in their selection. Community participation itself needs to reflect both the size of the community and its traditions - for example, in a rural community, the selection of technology itself should be made by the community based on information supplied by technicians. In a city the selection of, say, treatment technology obviously must be made by technically qualified staff, but the public does have to understand the need for treatment, and for conservation, if it is expected to install water-saving appliances as a conservation measure.

16. In the short term, NWSA branches need to generate support for their efforts by consulting with local stakeholders on the future institutional arrangements and the financial impact of service improvements. Initially, and in order to be prepared for the January, 1996 workshop, consultation should take place with formal or informal community leaders and commercial/industrial interests. They should be asked specifically for their suggestions for institutional and service improvements and how they anticipate their own participation in institutional improvements. Branches need to explain their problems and difficulties in order to generate suggestions and support.

17. For the long term, consultation should be formalized so there is a reasonably constant interchange of ideas. In water-scarce areas this effort needs to emphasize the limits of water availability, the need to conserve water, and the possible future solutions involving wastewater reuse and the need for and implementation of alternative technologies. Public education and awareness campaigns should be designed and implemented jointly with other organizations interested and involved in water use and conservation, particularly NWRA and EPC.

18. Another community participation-based approach worth exploring is the subcontracting of specific operating and maintenance functions to community groups and NGOs, particularly if an RC assumes responsibility for service to small towns or rural areas. The RC could consider itself a wholesaler, with local organizations acting as retailers of services, with appropriate technical assistance from the wholesaler.

19. In project design, particular care should be taken to emphasize sequential upgrading of technologies in order to reduce initial costs (in order to serve more people with the funds available) and minimize upgrading costs by making sure that technologies initially used are upgradable and investments already made remain useful. For example, effluent sewers could be used to drain septic tanks and even cesspools, rather than to employ the more costly conventional sewers. Given the massive backlog of sewerage service, cost savings could be substantial.

20. Yemen, with its water scarcity problems, is in particular need of seeking and employing solutions other than the conventional ones developed in and imported from industrialized countries with relatively abundant water resources. For example, Yemen's historic buildings protected by UNESCO had a waste disposal system admirably adapted to low water consumption. If indeed Sana'a will be restricted to a water consumption equivalent to 67 liters per capita, and for less than one half of its population, then NWSA would be well advised to consider modernizing the ancient practice, rather than replacing it with a water intensive (and water wasting) solution. Yemen has no choice but to seek inventive solutions to its problems, because these problems are significantly different from those for which conventional waterborne waste disposal has been invented.

GROUP 5: PRIVATE SECTOR PARTICIPATION

1. Government should create the environment and provide the appropriate guarantees, legislation and laws to encourage and attract private sector PS participation in water supply and sewerage (WSS) sector investment. This can be achieved through restructuring NWSA and its branches in financial, administration and technical aspects, upgrading it and preparing it to work on a commercial basis. This will attract the PS to invest in NWSA existing activities or to invest in new WSS projects.
2. The PS can be involved in WSS through several options:
 - Service Contracts (maintenance, billing, collection etc)
Management Contracts
Lease Contracts
 - Selling NWSA's shares directly to the public and NWSA staff (long-term)
 - Selling some governments assets to the PS
 - Building new WSS projects (waste water treatment plant and water supply networks etc.) on "Build Operate Transfer" (BOT) operations and similar.
3. It is necessary to define the most appropriate options for PS involvement in WSS, including positive and negative sides. All necessary conditions needed to encourage PS participation have to be created. The most appropriate privatisation option(s) have to be studied and implemented taking into consideration the objectives and aims of privatisation and the Yemen context.
4. Direct contact and communication has to be made with the PS groups both in Yemen and outside the country who are capable of involvement in WSS privatisation. Local communities should be involved in the process of privatisation and decisions about levels of service and investment which will affect future tariffs.
5. Government (through NWSA) should provide all necessary information to give a clear picture to investors and the public of the WSS Sector.

WORKING GROUP 5: PRIVATE SECTOR PARTICIPATION

APPENDIX 1

1. There are a number of alternative organizational arrangements which provide for private sector participation, to a larger or lesser degree, in the management and operation of water supply and sanitation services. In fact, even private ownership may use service-, management-, BOT- and even lease contracts. A concession contract would seem to be less likely in the case of private ownership because it does not appear to offer any particular advantage to a private owner.

2. Table 1 attached to this appendix provides a summary presentation of the advantages and disadvantages of four organizational arrangements, and the following text discusses the possible role of the private sector in the provision of water supply and sanitation services.

3. The two most likely choices from the previously mentioned four alternatives appear to be cooperatives and corporations. Cooperatives provide for maximum participation by the user of services, and are thus most suitable for small and medium sized communities, for example villages and rural towns. Organizational arrangements become more complicated as community size and complexity of operations increases. Corporations operate as commercial enterprises, and are thus more suitable for larger municipalities and entire regions.

4. A Cooperative with responsibility for a service area including many communities, such as a corporation would serve, would most likely consist of a cooperative in each community or municipal jurisdiction, each with its own membership and governing council. The Cooperative would be governed by a general assembly consisting of delegates from each of the local cooperatives and an executive elected by the general assembly.

5. Anyone residing in the area of a local cooperative would be eligible to become a member of that cooperative, able to vote for and hold office in the local cooperative council and vote and be eligible to become a delegate to the general assembly. Membership does not entail any financial risk, not does it represent a claim for dividends, but a membership fee is a requirement for participation. The benefits to the members are the services provided by the cooperative, though in the case of water and sanitation services, there is often a tariff for these services in addition to the basic membership fee. Cooperatives cannot raise capital through the sale of shares, but generate funds by borrowing and profits not distributed to members.

6. A Corporation, regardless of the proportion of shares held by government and private investors, is a commercial enterprise able to raise capital through the sale of shares and other investment instruments, as defined in the corporation law. To begin with, a regional corporation in Yemen would have a board of directors appointed by the participating municipalities and the government (the initial shareholders). Later, the annual meeting of shareholders would elect the board of directors, in accordance with the corporation's bylaws.

7. To ensure representative participation, municipalities could initially establish a council representing each participating municipality which would elect the Board of Directors of the Corporation (the council would most likely be too large to serve as a Board). Until private investors participate, the Council would serve as the shareholders of the Corporation. Cooperatives representing smaller communities could participate in the Corporation as members of the council, or as shareholders.

8. Private participation in the management of services, whether the service provider is organized as a government department, government owned utility, cooperative or corporation, includes

a. Service Contract - the undertaking of specific tasks, such as vehicle maintenance, operation of treatment plants, billing and collecting for service delivery, with contractor paid through fee, lump sum or unit price contract.

Suitable where service provider wishes to improve specific aspects of operations (leak detection and repair, billing and collection, vehicle maintenance, etc.) but maintain overall management of operation. Requires capacity by owner to evaluate bids, select bidder and administer individual contracts and provide overall management.

b. Management Contract - the management of part or all operations of the service provider for a fee.

Of advantage where specific tasks, for example the operation of treatment plants, are too complex for available staff and would therefore be handed over to a competent contractor. Owner would no longer have any responsibility for operation and maintenance for the period specified, and would pay either a negotiated fee or a specified amount for a given quantity of water or wastewater treated.

A management contract need not be restricted to specific tasks, but could be for the complete operation of all services provided by the owner.

Duration is relatively short, up to five years, and risk to contractor minimal: payment is by fee, often including a productivity bonus.

Suitable for owners who do not wish to relinquish control of tariffs and policy decisions but prefer to hand over management of difficult operations, or the whole operation, and pay a fee for the management services by the contractor who acts as the owners agent.

c. Build, Operate and Transfer - the construction (with service provider or builder financing), operation and eventual transfer to service provider by builder. Three formats are used:

i. BOO - build, operate and own (without time restriction) a component of a water supply or wastewater disposal system, such as a treatment plant, with charges (\$/1000 m³) to the service provider to cover O & M costs and amortization of capital.

ii. BOOT - build, operate, own and transfer, with a time limit, usually the time required for the builder to recover investment costs, after which the assets are transferred (T) to the service provider for operation and maintenance.

iii. BOT - build, operate and transfer (after a period sufficient for the service provider to acquire the skills to operate the facility) by the builder with the construction costs funded by the service provider.

All these arrangements are similar to (b) above, but include the construction of facilities to be operated.

d. Lease Contract - the management of the water supply and sanitation service operations for a specific period of time by a private contractor, including the provision of working capital and the financing of operation and maintenance, for portion of the revenues collected, with construction of additional system components financed by owner.

This method provides a greater incentive for the contractor to maximize efficiency of operation than the management contract, but the condition of assets needs to be known reasonably well if a contract reducing risk to both owner and contractor is to be properly prepared. The greater the uncertainty, the higher the payment the contractor is likely to demand.

Suitable for an owner who wishes to minimize his own involvement in the management of the services but make fundamental decisions on service expansion, investments and tariffs.

e. Concession Contract¹ - the management of the operations for a specific period of time, including the provision of working capital, the financing of operation and maintenance, and also the financing of capital investments for service expansion during the concession period, for part of the revenues collected from the consumers (part would have to be transferred to owner to pay for debt retirement for assets built prior to the commencement of the concession contract).

Concession Contracts are suitable for owners who wish to relinquish responsibility for operations for a specific period of time rather than to move to full privatization.

f. Private ownership - ownership and operation of all assets by private company. Company may be government owned, jointly owned by government and private shareholders, or 100% privately owned. Ownership could also be vested in a cooperative, although that is less common in large urban, more appropriate in rural water supply.

Requires appropriate legislative and regulatory framework for the control of monopolistic enterprises to protect the consumer.

Suitable where the government wishes to completely relinquish responsibility for service provision without time limit.

¹ Concession contracts can be difficult to design and negotiate because revenues have to be allocated to reflect the value of assets and capital invested by the Owner and the Concessionaire, the period of the contract (investments are usually amortized over longer periods than the duration of the concession), payment for rehabilitation of assets taken over by the concessionaire, and the provision of adequate maintenance of assets and equipment and the amount to be paid by Owner and Concessionaire for equipment and other assets and replacements towards the end of the concession period.

WORKING GROUP 5: PRIVATE SECTOR PARTICIPATION

Table 1

Summary of Advantages and Disadvantages of Organizational Arrangements

Organization	Advantages	Disadvantages
Government Department	Complete government control, facilitating achievement of social equity objectives, avoidance of need for regulatory control and mechanisms	Political considerations tend to i) keep salaries low, preventing hiring of adequately trained staff, ii) keep tariffs below financial needs, resulting in inadequate maintenance, deteriorating facilities and consequently, failing service; private sector not participating in raising capital for investment
Independent Utility owned by Government	A fair degree of management and financial independence which provides greater flexibility of operations and contractual arrangements; government policy setting ensures achievement of social objectives without regulatory mechanisms	Government ownership still can unduly influence financial and tariff decisions; civil service restrictions may impact negatively on personnel administration and remuneration, resulting in inefficient service provision; private sector participation in raising capital for investment limited
Cooperative	Uniquely suitable for community participation if society and culture is based on cooperative action and selfhelp; particularly valuable for small or rural communities and simple tasks and technologies; heavy emphasis on social equity	Complex decision making structure and need for consensus restricts/delays decision making, particularly on difficult issues or technologies; access to capital market restricted and thus ability to generate investment funds limited.
Corporation	Government and political influence minimal even with 100% government ownership (limited to decisions of the board which could have majority of private sector representatives); private sector salaries and management reward good performance leading to efficient operations; access to capital market to raise investment funds; gradual change from 100% government ownership to mixed to 100% private ownership permits establishment of regulations over time as experience is gained.	Social equity must be safeguarded by appropriate legislation, policies and regulatory mechanisms, otherwise profit motive may result in less privileged parts of society receiving inadequate service;

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FOR WATER AND SANITATION SECTOR REFORM
MINISTRY OF ELECTRICITY AND WATER

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WATER AND SANITATION SECTOR
REFORM STUDY
WORKSHOP NO.(2)

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12. NGO's-Yemen Water

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13. Private Sector:

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Al-Mutahar Motor Engineering Co.	Mr. Sami Abdul Samad Al-Mutahar	207018/207018

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• UNDP:

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Radio Station		282005/
Saba News Agency.	Mr. Yahia Al-Shaukani	250085/251562
Al-Thawra Daily Newspaper.	Mr. Mohamed Radman Al-Zurqa	322280/
Yemen Times Weekly.	Mr. Abdulaziz Al-Saqqaf	268661/268663

WORKING GROUP NO.(1)

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4. Eng. Radman Saleh	Director of Sanitation Proj-NWSA	Member
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6. Eng. Moh'd AbdulRazaq	Manager of Taiz Water-Project	Member
7. Eng. Thabet Al-Hoot	Ibb Branch Manager - NWSA	Member
8. Mr. Ahmed Al-Arashi	Manager of Water Admin.- MPD	Member
9. Mr. Digby Davies	Management Adviser - GTZ/NWSA	Adviser

WORKING GROUP NO.(2)

EXECUTIVE FUNCTIONS

1. Eng. Jamal M. Abdo	Excutive Chairman - NWRA	Chairman
2. Eng. Mohamed AlAroosi	Technical Adviser - NWSA	Repporteur
3. Mr. Abo Baker Ayash	Director Industry & Energy - MPD	Member
4. Mr. Ahmed Musaed Ali	Legal Affairs Department - MEW	Member
5. Eng. Saleh A. Al-Kwli	Director of Water Projects - NWSA	Member
6. Eng. Abdulah Abdul-Fatah	Aden Branch Manager - NWSA	Member
7. Eng. Ali S. Bamakhrama	Mukalla Branch Manager - NWSA	Member
8. Eng. Ahmed Qaed Sarhan	Hodiedah Branch Manager-NWSA	Member
9. Mr. Mohamed Al-Mutareb	Legal Affairs Department-NWSA	Member
10. Dr. Mohamed Al-Iriani	Engineering College - Sana'a Univer.	Member
11. Mr. S. Sender	Team Leader - GTZ/NWSA	Adviser
12. Mr. J. Blom	Sectors Specialist, Netherlands Emb.	Observer
13. Mr. Safwan M. Sallam	Director of Studies - MEW.	Observer
14. C. D. Handley	Water Research, Taiz (Sana'a Univ.)	Observer

WORKING GROUP NO.(3)

COST RECOVERY AND FUNCTIONS

1. Mr. Shawqi Al-Haboob	Deputy Director General for Admin. and Finance - NWSA	Chairman
2. Mr. Abdull Elah Mohamed	Aden Branch Finance Manager-NWSA	Repporteur
3. Mr.Obaed Awad Al-Humar	Deputy Minister- Ministrey of Finance	Member
4. Mr. Ahmed Abdul-Hafed	Director of Finance-NWSA	Member
5. Mr. Mansoor Al-Ahdel	Director of Control & Auditing - NWSA	Member
6. Eng. Issam Makki	Sana'a Branch Deputy Manager-NWSA	Member
7. Mr. Abdul Karim A. Mohamed	Taiz Branch Finance Manager	Member
8. Eng. Omer M. Ba-Abad	Wadi Hadramout Branch Manager	Member
9. Mr. Hussain Madhkoor	Representative of Minister of Agriculture and Water Resources	Member
10. Mr. Roskopf	KFW	Adviser
11. Mr. Jack Van Hoorn	Rada Branch - RWSSP	Observer

WORKING GROUP NO.(4)

**COMMUNITY PARTICIPATION AND
HUMAN RESOURCE DEVELOPMENT**

1. Dr. Mohamed A. Al-Saidi	Director General - NWSA	Chairman
2. Eng. Ali A. Al-Zubairi	Manager of Provincial Towns Project - NWSA	Repporteur
3. Mr. Beshar Al-Halali	Ass. Deputy Minister - Ministry of Local Administration	Member
4. Eng. Ali Abdul Aziz	Taiz Branch Manager - NWSA	Member
5. Eng. Taher A. Noman	Rada Branch Manager - NWSA	Member
6. Eng. Ali Jaber Alawi	Deputy Chairman -YWPS	Member
7. Dr. Anis Yussef	Aden University	Member
8. Mr. Hamoud Homran	Manager of operation and maintenance department	Member
9. Mr. J. Van De Haar	GTZ	Adviser

WORKING GROUP NO.(5)

PRIVATE SECTOR PARTICIPATION

1. Dr. Jafer Shootah	Chairman of Privatisation Technical Office	Chairman
2. Dr. Abdul Qaher Al-Zaemi	Engineering College-San'a University	Repporteur
3. Mr. Nageeb Qudar	Privatisation Technical Office	Member
4. Eng. Mohamed Al- Garadi	Sana'a Branch Manager- NWSA	Member
5. Mr. Anwer Al-Harazi	Ass. Deputy Minister - MPD	Member
6. Mr. Abdul-Bari Saleh	Vice Executive Chairman (Water Projects) - GAREW	Member
7. Eng. Ahmed Idrees	Deputy Director General for Technical Affairs, Director of Water Resources - NWSA	Member
8. Mr. Ahmed Kaid Barakat	Chairman - YWPS	Member
9. Mr. Fuad Abdul Lateef	NWSA Adviser	
10. Dr. Mansoor Al-Zendani	Sana'a University	Member
11. Mr. Yassin Abdul Wadood	Representative of Hayel Saeed Anam Group	Member
12.	Thabet Bros Group	Member
13.	Mohamed Saif Thabet Group.	Member
14. Mohamed El-Fatih Ahmed	Representative of Adhban Trading Corporation	Member
15.	Shaher Abdulhaq Company	Member
16. Mr. Ernst Doring	GTZ	Adviser