

# Water Management in SEE

## current situation and needs



Network of Associations of Local Authorities of South-East Europe  
Réseau des Associations de Pouvoirs Locaux de l'Europe du Sud-Est



## Project “Asset Management for water and sanitation sector in SEE”

**Goal** - Improved efficiency and transparency in managing water and sanitation infrastructures in SEE by introduction of Asset Management methods in Pilot municipalities.

### Institutional setup, partners and stakeholders



## Need for asset management in Public Utilities

“Asset management is an integrated approach to monitoring, operation, maintaining, upgrading, and disposing of assets cost-effectively, while maintaining a desired level of service.”

- Aging infrastructure
- Insufficient knowledge of own assets
- Unreliable systems
- Inadequate planning
- Scarce financial resources spent on non-prioritized investments

# Institutional Framework and responsibilities in provision of utility services

## Responsibilities of Municipalities:

- Overall planning and developing in water and sanitation sector
- Supervise the work of PUs through the Supervisory Board and Assembly
- In charge of making decision on water and sanitation tariffs

## Responsibilities of PUs:

- Providing continuous and uninterrupted utility services to all users
- Ensuring good quality drinking water
- Maintaining the water and sewage network in good condition
- Covering all costs through the service tariffs

## Management of assets

- Inventory of assets are very basic with limited data of questionable reliability
- No asset hierarchy
- No written regulation/protocol of asset data collection
- No methodology for asset condition and performance assessment
- No methodology for assessment of risk and consequence of asset failure
- Maintenance usually performed when failure occurs
- Lack or insufficient analysis of failure records

## Management of Assets - Gap Analysis and Conclusion

- Management of utility assets in Municipalities/PUs is not satisfactory
- Very little understanding what the asset management is
- Mostly short-term planning process, no clear vision of the future needs
- Existing AM databases do not provide data analyses, adequate for decision-making for future investments

## Project “Local Leaders in South East Europe: Lead for Change”

**Goal** - Improvement of the management, leadership and cooperation capacity of municipalities and municipal enterprises to improve the municipal services and capacity to absorb dedicated international funds.

### Institutional setup, partners and stakeholders



- 15 Pilot Public Utilities/ Municipalities
- Associations of public utility companies in project countries
- Danube Water Program implemented by World Bank and IAWD
- Investors/IFIs



# Preparation and implementation of capital WSS infrastructure investments

## Key challenges:

- Well-developed system of utility services
- Definition of roles and responsibilities
- Lack of information about financial opportunities
- Lack of guidelines and procedures requirements for submission of applications for various IFI funds
- Preparation of the feasibility study, including the cost-benefit analysis
- Negotiations with the IFI and the consultant
- Preparation and implementation of tender procedures
- Familiarity with PRAG, FIDIC contracting procedures, etc.

## Organisation of communal affairs at the local level

### Key challenges:

- No shared vision for long-term quality of services and sustainability of PUC operations
- Lacks of clearly defined roles and responsibilities and mutual rights and obligations between LGU and PUC
- Utility services treated as part of the social policy
- Utility services are not given appropriate status in the organisation of work of LGUs
- Political influences

## State of communal affairs at the local level

### Key challenges:

- Lack of financial resources for adequate development of utility infrastructure
- Low (social) tariffs of utility services
- Lack of professional / qualified personnel and insufficient capacities of middle management
- Lack of personnel able to provide quality project management

**Thank you for your attention!**

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