

Abstract

The management of water supply in Mauritania's small towns is particularly original and interesting. In contrast to other West African countries, Mauritania has since 1993 delegated the management of its system to local entrepreneurs and small firms.

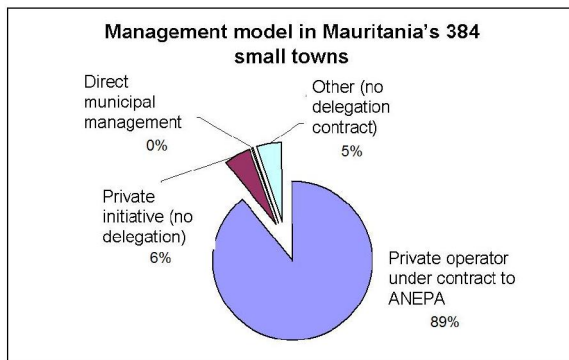
Today the technical and financial management of small towns water supply (with up to 20 000 inhabitants) is undertaken by more than 300 independent operators, each of whom signs a delegation contract with a parastatal body called ANEPA (Association Nationale de l'Eau Potable et de l'Assainissement).

These operators not only outperform larger towns on several key measures, but have notably managed to extend the water supply systems they run and partly democratise the system of household connections, even in towns with smaller populations.

The institutional, legislative, regulatory and contractual framework in Mauritania offers a few key insights for small town water supply in other areas, as well as lessons in how to engage both local entrepreneurs and local municipalities. This article looks at the progress that has been made and suggests some of the key factors that lie behind it.

The water market in Mauritania's small towns

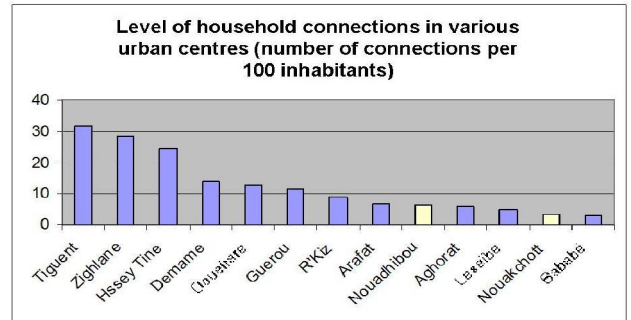
Current policy in Mauritania is to provide small network water systems to all towns with more than 500 inhabitants. Towns over 20 000 people are managed by the national water company, SNDE (Societe Nationale Des Eaux). Yet in smaller towns, rather than schemes run by SNDE, Mauritania has chosen to engage local operators to operate systems under a delegated management contract, signed centrally with a body called ANEPA (Association Nationale de l'Eau Potable et de l'Assainissement). With the system in place since 1993, one now finds the market in smaller towns dominated by independent entrepreneurs.



If we look at the overall market for water supply in Mauritania's urban areas, we find that private operators under contract to ANEPA manage 43% of the total number of connections in the country (with SNDE having 57%). Such figures probably fail to capture the entire market and it is likely today that small operators serve more than 50% of individual connections – a unique situation for West Africa.

A strong track record for more than 300 independent operators who manage the water system in small towns

There is a strong demand for household connections in these small centres and the operators have responded well, with a stronger track record than SNDE. The number of connections per head of population shows their progress: in the 325 centres served by operators under contract to ANEPA there are 5.7 connections per 100 inhabitants, whereas SNDE only reaches 4 per 100.



Even more striking is the penetration of household connections. A joint BPD / AFD study into small-scale provision (see the box below for more) compared over twenty towns with Mauritania's two urban centres, Nouakchott and Nouadhibou, which are served by SNDE. The adjoining graph shows the impressive performance of the smaller operators.

Expanding the number of connections has allowed operators to increase their margins, necessary given that tariffs have been more or less static for 10 years.

Small-scale private independent operators are individuals or small/medium-sized informal companies which offer an additional or complementary service to that offered by the predominant water service provider. Such independent operators often contribute significantly to the improvement of water supply and sanitation coverage rate in peri-urban zones and small towns. Despite this positive role, they often stay in the informal sector and must deal with significant constraints, which often derive from institutional stakeholders' limited knowledge of how the poor actually get access to water supply and sanitation services.

The Agence Française de Développement (AFD) and BPD (Building Partnerships for Development in Water and Sanitation) are working together on a two-year action research programme focusing on ways to better leverage the participation of independent entrepreneurs to extend access to water and sanitation services to poor consumers in three West-Africa countries : Ghana, Mali and Mauritania. The work focuses on improving dialogue between local stakeholders and adapting the regulatory and institutional framework in order to better serve the needs of poor consumers.

There are essentially three types of operator:

Operator	Respected local individual	'Professional'	Specialised entrepreneur
Location	Villages	Small centres	Urban centres
Advantage	Political and social status within community	Revenue only just sufficient to provide for full-time employment	Turnover comparable to systems managed by the national water company, SNDE
Personnel	One operator, often voluntary	An operator A plumber	3 to 10 permanent employees
Management model	Simplified	Billing and meter reading	Water company

Minimal public subsidies are required

The operators are particularly impressive when it comes to leveraging finance into the systems they run. Thanks to their innovation and commercial outlook they have succeeded in almost fully auto-financing – from users - new household connections and network extensions.

It is estimated that 1,5 billion UM (\$5.5 M USD) has been invested in network extension, corresponding to roughly 15% of the capital assets.

Operators are however hesitant to invest their own money into schemes, as the standardised contracts used by ANEPA do not encourage this.

Innovative contractual frameworks

The local private operators sign a delegation contract with a parastatal body called ANEPA (Association Nationale de l'Eau Potable et de l'Assainissement). Only ten percent of operations now fall outside this framework, giving a good indication of the success of the model.

The way private operators are selected is particularly interesting: generally this is not through pure competitive tendering but via consultation with the local community (including the municipality, users and local authorities) who suggest a particular operator or give their opinion as to suitable candidates. Of the operators consulted as part of the BPD / AFD study, only 20% were selected following a tender process.

Each operator has particular advantages that suit the context of the towns they work in.

The operators are tied to ANEPA by a management contract, with a standard term of 3 years. Under this:

- o the operators manage the pumps and their everyday maintenance, as well as the maintenance of the pipes and water towers.
- o their revenue comes from water sales to users either through household connections or standposts, with the prices fixed by the contract.
- o the operators pay a fee to ANEPA to cover depreciation and heavy maintenance. This fee is based on bulk water abstractions and determined on a case by case basis (which takes into account the location specific factors) and is set upon signing of the contract.
- o ANEPA fulfills an overall technical supervision role and provides a maintenance and replacement service for operators (covering pumps, generators and wells).

ANEPA, whose mandate covers water supply outside the operating area of SNDE, has a fairly original legal status for such an organization – being a non-profit organization that has signed an agreement with the State. It plays a central role as a delegated asset holder; helping to select the operators, determining the table of rates and the water tariff, and negotiating and signing the contracts with the operators.

Constraints

As well as the system works, there are a few constraints. One of the principal ones is to having the operators invest in the system itself. Several factors discourage this: the contract term is only three years, investment is not factored into the water tariff (which has not risen in the last 3 years, despite high inflation in prices for petrol and equipment), and it is not clear how operators would be remunerated for any own investment on their part.

Another constraint is in regulation. In theory two other bodies (ARM and APAUS) are involved in regulating the small towns water sector, but in practice they are quite distant from the realities of small town operations. This leaves ANEPA as the de facto regulator, in some conflict to its role as counter-signatory on contracts. Bringing in a third party to resolve disputes between ANEPA and the operators could well be a desirable step, as could be moves to promote an association of operators (not only to encourage exchange and learning, but to provide a common negotiating platform).

Last of all, steps could be taken to better institutionalise the valuable role played by ANEPA, whose financial autonomy and institutional visibility could be strengthened.

Conclusions & lessons learnt

Local firms and even individuals have shown themselves to be capable of not only operating water schemes in Mauritania's small towns, but in expanding them to cope with consumer demand, and in doing so, outperforming the national water company on several measures. Mauritania shows the advantages of dedicating an autonomous body to this task and equipping it with the tools and institutional independence to undertake it task. Contracts can be signed centrally even within a decentralised system, affording municipalities support that may otherwise be lacking. Innovation in how operators are selected, building on local strengths, has been fundamental to the success of the system.

To maintain the momentum, ways need to be found to retain the advantages of centralised contracting, while tailoring contracts to suit the different abilities and needs of a diverse set of operators. There is little experience in Africa of workable approaches that still encourage private operators to invest in small towns systems.

Contact

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