

ADB

# POWER OF TWO

Boosting Performance Through Twinning

Asian Development Bank

**H**aiphong is a bustling Viet Nam port city of more than a million people, located within easy distance of the world-renowned Halong Bay. Just some 900 kilometers away is Da Nang, another growing city often remembered for its sweeping bay, its China Beach, and nearby Marble Mountain.

The two towns share one big challenge—providing quality and reliable drinking water services to their communities in the most economical and efficient way possible.

Haiphong does this better than Da Nang, so in May 2008, Haiphong committed to help Da Nang under a twinning program initiated by the Asian Development Bank (ADB).<sup>1</sup> “I see great value in learning from similar utilities because they have demonstrated methods that achieve results,” says Da Nang Water Supply Company General Director Nguyen Truong Anh.

The new tie-up between Da Nang and Haiphong is one of seven utility twinning agreements established with ADB’s help over the past few months.

### Forging new ties

Twinning as a development strategy has been around since the first millennium. In many cases, towns, universities, and other entities located in geographically distinct areas, but sharing similar characteristics, pair off to foster human contact, cultural exchange, or knowledge sharing.

ADB has adopted and improved on this strategy for its Water Operators’ Partnership (WOPs) Program.

The WOPs program promotes knowledge sharing and builds the capacity of water operators and utilities in the Asia and the Pacific region. Among its key initiatives is the twinning of 20 water utilities and operators.

Whereas most twinning arrangements pair off entities with similar characteristics on the assumption that they will share similar problems and solutions, ADB’s approach is to match a stronger water and sanitation utility (expert) with

a developing utility (recipient). The aim is to enable the latter to improve service coverage and delivery, financial sustainability, and other aspects of its performance.

With the exception the Phnom Penh Water Supply Authority (Cambodia) and Binh Duong Water Supply Sewerage Environment Company (Viet Nam) partnership, which commenced in July 2007, ADB has completed six of seven currently operational twinning arrangements between November 2007 to June 2008. The seven twinings now in progress are:

Expert	Recipient
Malé Water and Sewerage Company Pvt. Ltd. (Malé, Maldives)	Thimphu City Corporation (Thimphu, Bhutan)
Jamshedpur Utilities and Services Company Ltd. (Jamshedpur, India)	National Water Supply and Drainage Board (Colombo, Sri Lanka)
Korea Water (Daejeon, Korea)	Dhaka Water Supply and Sewerage Authority (Dhaka, Bangladesh)
City West Water (Melbourne, Australia)	Metropolitan Cebu Water District (Cebu, Philippines)
Ranhill Utilities Berhad (Johor Baru, Malaysia)	Davao City Water District (Davao, Philippines)
Phnom Penh Water Sewerage Company (Phnom Penh, Cambodia)	Binh Duong Water Supply Sewerage Environment Company (Binh Duong, Vietnam)
Haiphong Water Supply One Member Company Ltd. (Haiphong, Viet Nam)	Da Nang Water Supply Company (Da Nang, Viet Nam)

Three more twins are planned this year, most likely to involve utilities from the Kyrgyz Republic, Pakistan, and Uzbekistan

### Facing common challenges

Despite their different geographical, cultural, and governance circumstances, utilities share many concerns and challenges. They worry about having access to sufficient and sustainable water supply, or whether their distribution network can reach all those in need of water. They all look for robust and efficient methods of metering, billing, and collection. They pursue tariffs high enough to recoup their operating costs and allow them to finance renewal and expansion. They also grapple with issues of autonomy, especially as it allows them to make speedy decisions, and recruit and reward skilled personnel.

Recipient twins welcome the opportunity to access the experiences and insights of the expert twins on these issues. Of course, not all issues faced by utilities can be the subject of their twinning arrangements. Priorities have



Indian experts sharing energy saving techniques with Sri Lankan peers

<sup>1</sup> ADB Regional Technical Assistance Project 6396 entitled “Supporting Water Operators’ Partnership (WOPs) in Asia.”

to be set to make the best use of available resources and special talents of their twinning partners.

In the table below is a list of topics covered in the mutually agreed workplans across the seven twinning agreements signed so far.

### Why expert twins commit

It is easy to understand why recipient twins would enter the twinning arrangement—they can achieve immediate, tangible performance improvements in specific areas of their operation. But can the same be said for the expert twins? What do they get out of this arrangement? After all, they are investing some skilled resources in another utility that should have been devoted to their own service needs.

Surprisingly enough, expert utilities have given various reasons for wanting to twin. One expert twin is proud of its achievements and wants to demonstrate its knowledge outside the country. Another utility sees it as a way to provide greater job scope and satisfaction for its senior engineers. Some consider twinning a desirable social duty to help others, or they just want to share their skills. The rest want to understand the practices of less developed utilities so they can both work toward possible improvements in their own operations.

On the average, expert twins commit to at least 100 days on site with their counterparts. These days are spread over a period ranging from 6 months to a year. This is equivalent to a gift of expert time conservatively valued at \$1 million for the entire program.

Expertise being offered includes the provision of senior operations personnel that can advise on improving water quality; reducing nonrevenue water; applying hydraulic modeling; using modern leak detection practices; developing reliable and comprehensive management information systems, including geographic information systems; business planning; and even human resources development. Generally, this will be provided through experts visiting the recipient twin.

### Twinning means results

Twinning is not a “feel good” program. It is about getting tangible results in terms of the utilities’ performance. Take the examples of Thimphu, Dhaka, and Cebu.

Malé has committed to work with Thimphu to get their nonrevenue water (NRW) down from around 37% to 15%. Malé has an almost unbelievable 2% NRW driven

by the need to save on expensive desalinated water. It is obvious one can learn from the other.

Dhaka Water serves 10 million customers and relies on ground water as its source, including wells and the nearby river. It has great difficulty sustaining high water quality and service continuity. In contrast, its twinning partner— K Water— has superior water quality results and provides 24/7 supply to an equally large population. In this twinning deal, improving water quality is the immediate target.

Midway down the chain of islands comprising the Philippines is its oldest city, Cebu. There, the water utility is well run and serves over a million people. The utility targets further reducing its NRW, which has already been cut from around 50% a few years ago to the current 28% average. It anticipates getting performance benefits by twinning with Melbourne-based City West Water whose customer base is more than three times that of Cebu and its NRW is just under 9%.

### Making twinings work

Both parties pour in time, knowledge, and financial resources to make sure the twinning works. While it is too early to judge what works best, it is possible to discern conditions that could contribute to this end. Obviously, the recipient twin’s commitment to implement the improvement programs that will result in the partnership is a must. But other factors also contribute, among them the following:

- Creating choices for the twins;
- Matching the personal/organizational chemistry;
- Ensuring easy flow of communications;
- Facilitating the diagnostic stage; and
- Knowing what the expert twin wants from the association.

**Creating choices for the twins** recognizes the fact that everyone has different expectations and it is unwise to force relationships. For example, Australian expert utilities indicated preference for Southeast Asian utilities rather than South Asian ones. Another example is a utility in Southeast Asia that, when offered twinning support from two sources, made its choice based on which utility had the lower NRW.

**Matching the personal/organizational chemistry** is much more difficult but equally important. Recipient twins do not want to be dictated to. After all, it is a

### Focus Areas of Twinning Work Programs

Utility location	Nonrevenue water	Water quality	Distribution system design, maintenance	Management practices, including human resources	Energy saving	Metering
Binh Duong, Viet Nam	x		x			x
Thimphu, Bhutan	x	x		x		
Dhaka, Bangladesh				x		
Da Nang, Viet Nam	x			x		
Davao, Philippines	x			x		x
Cebu, Philippines	x		x	x		
Colombo, Sri Lanka	x				x	

twinning, not a takeover. The forceful management style of some cultures may strike a jarring note with utilities from other countries. Getting the chemistry right has relied mainly upon observing the style and behavior of utility representatives during workshops and being aware of their cultural differences.

#### **Twinning needs easy flow of communications.**

English is the common medium for communications across countries, but it is not always easy to have that, especially when dealing with senior personnel on technical subjects. The challenge has been met to date by having two delegates from each utility participate in dialogues and diagnostics—at least one of them is bound to know English. However, one twinning has been in-country—Viet Nam—and the fact that both twins share a common language has made early discussions smooth and productive. No doubt that benefit will flow into the implementation phase. In Central Asia and South Caucasus, where English is a rarity, utilities have Russian as their common language. This has meant conducting workshops in Russian and seeking out experts with Russian speaking skills.

Twinning is very like two strangers meeting and seeking to build mutual trust. To introduce the twins to one another and ensure that a practical work plan is produced, ADB has adopted the **use of a twinning facilitator**. This job includes getting the twins to work through a short but systematic diagnostic process with the specific aim of preparing an agreement, work plan, targets, and budget before the visit ends. An earlier attempt to work without a facilitator proved to be difficult and slow.

**Knowing what the expert twin expects to gain** from the association also ensures their commitment to the process. There is no commercial motive in twinning—it is mostly a case of government utilities helping other government utilities (though some private utilities are also serving as experts). But the experts have identified various motives for engaging in the process, and making those benefits a reality should keep them interested.

### **Higher level performance, longer term alliances**

Similar to this current round of twinning, future twinings should continue to be supported through the associations of utilities such as SEAWUN, SAWUN, and CASCWUA. These networks provide an excellent medium for utilities to meet, exchange information, and signal their interest in achieving change through such strategies as continuous improvement, benchmarking, and twinning.

<sup>2</sup> SEAWUN is South East Asian Water Utilities Network, SAWUN is South Asian Water Utilities Network and CASCWUA is Central Asia and South Caucasus Water Utilities Association.

In this document, \$ refers to US dollars.

It is still the early days of the twinning program. While agreements have been signed and work plans endorsed, results have yet to emerge. Most endorsed work plans cover the period up to about April 2009, which is comparatively short. The vision is that these twins will grow into longer term strategic alliances, providing lifelong partnerships between utilities that share the common goal of delivering “Water for All.”

## **How Twinning Works**

ADB’s approach to twinning covers the following steps:

- Identify “experts”
- Identify expertise offered
- Canvas recipients and their needs
- Seek compatibility in size, culture, and language
- Observe experts and recipient candidates in workshop conditions
- Offer possible candidates to the “expert” before approaching the recipient
- Once a recipient twin agrees, conduct onsite brief diagnostic study by “expert” and ADB facilitators
- Agree on priorities with recipient twin and expert, based on the diagnostic study
- Use the diagnostics to test the “chemistry” of the twinning relationship
- Conclude diagnostic with a signed agreement, including work plan, committed resources, and ADB budget support\*

While the diagnostic activity may take only a few days to a week, the preliminaries take some time. In fact, it has taken from November 2007 to June 2008 to put together six twins—and that includes observing utilities at workshops in November (Mumbai), February (Bangkok), and March (Tashkent).

\*ADB will finance travel and accommodation of participants in exchange visits. Twin utilities are expected to provide human and time resources.

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