

## Cooperation Fund for the Water Sector

### Pilot Demonstration Activity

#### Request Form

<b>Activity Title:</b> Establishment of Samoa Water Authority Wastewater Division and Associated Private Sector Participation Enabling Conditions	
<b>Proposer (Name, Div/Dept):</b> Nancy S. Convard, PAHQ	
<b>Request Date:</b> 28 March 2003	
<b>Region:</b> Pacific	<b>Country:</b> Samoa
<b>Activity Start Date:</b> May 2003	<b>Activity End Date:</b> November 2003
<b>Cost Estimate:</b> \$50,000	
<b>Implementing Organization Contact:</b> Latu Sauluitoga Latu, General Manager, SWA	
<b>Consultants Identified?</b> Yes	<b>If so, Consultant(s) Contact:</b> Utility Management Advisor: Vince Kough, (vkeogh@samoa.ws) Financial Management Specialist: Fiona Waters ( <a href="mailto:fionawaters@compuserve.com">fionawaters@compuserve.com</a> )

#### **Short Description:**

##### **1. Background and Rational:**

ADB is preparing on loan to the Government of Samoa for a Apia Sanitation and Drainage Project (ASDP), with the sanitation component comprising approximately 70% of the loan. The Samoa Water Authority (SWA) has been designated as the implementing agency for the proposed project. The current SWA business activities are limited to the management of water supply to approximately 16,000 customers across Samoa. Utility managed individual sanitation systems and a wastewater collection and treatment system are new concepts for Samoa. Recognizing this fact, the Government has requested assistance to help SWA to develop a sustainable strategy for the management of the new schemes that maximizes private sector participation (PSP), prior to commencement of the loan. The project represents a unique opportunity to develop a wastewater utility with a PSP focus for a small island country. It will encourage the Government's overall reform program and PSP efforts.

##### **2. Objectives:**

The overall objective of the project is to establish the enabling conditions for SWA to be a successful wastewater management services provider with established systems for involving the private sector in service provision.

##### **3. Scope of Work/Description of Activities:**

The project will orient SWA business activities toward sanitation management, (ii) develop SWA's strategy for managing sanitation systems, (iii) identify utility twinning opportunities, (iv) commence work on several specific Capacity Building issues; (v) identify small-scale PSP opportunities for Samoa that will be relevant to other Pacific DMCs. Specifically, it will assist the SWA in the following activities:

- Development of a Management Strategy for the new scheme, with a particular focus on private sector participation. This component would include a survey and assessment of capacity and willingness of private sector organizations to be involved in the management of sanitation and small scale centralized wastewater management schemes.
- Review and amendment of its Corporate Plan to incorporate its responsibilities for management of sanitation functions.
- Redesign of its organizational structure to accommodate a new Sanitation/Wastewater Division
- Incorporation of the project into the Business Plans of its various Divisions.
- Review of preferred tariff structures with consideration of cost recovery requirements of PSP.
- Development and implementation of a preliminary Public Relations plan to raise community awareness of the project and its implications for the population of Samoa.

- Establishment and facilitation of a key Stakeholder Committee comprising of SWA, GOS, commercial and community stakeholders that meets regularly to identify and discuss the various strategic issues and achieve resolution in a timely manner.
- Identification and recruitment of additional staff to manage the scheme in accordance with the organizational structure and management option adopted.
- Development of TOR for the loan funded Capacity Building component of the project including a broad outline of the training requirements for existing and proposed divisions.
- Review of the Samoa Water Asset Management System (SWAMS) and redesign the SWAMS implementation strategy to accommodate management, operation and maintenance of the sanitation assets.
- Review of the capacity of the existing SWA Public Utility Billing System (PUBS) to process both water and sanitation tariffs and identify software system upgrade requirements. Review Customer Database for the greater Apia area and identify support needed to strengthen cost recovery capability.
- Investigation of options for a twinning arrangement with an established wastewater utility.

The consultants will also prepare a brief summary of work undertaken and prospects for PSP in small-scale water sector projects and water sector management.

### **3. Implementation Schedule, Institutional Management Arrangements, and Proponent Qualifications:**

The activity is expected to be initiated in May 2003 and continue on an intermittent basis until October 2003. The project will be managed by PAHQ, with Ms. Nancy S. Convard as Project Officer. Samoa is has a stable and reform oriented Government and the SWA has demonstrated significant improvements water utility management. The consultants will liaise with the SWA Donor Project Manager.

### **4. Expected Results (outputs/outcomes/impacts):**

The SWA will be an effective wastewater utility with a PSP focus and small-scale PSP opportunities for small island countries will be identified. Specific outputs will include organizational plans and strategies included in the activities above.

### **5. Measurable Performance Indicators:**

Performance indicators will be the completion of the listed outputs and the readiness of the SWA to undertake the ADB project and involve the private sector in its wastewater and sanitation operations.

### **6. Stakeholder Participation:**

Stakeholder participation will be encouraged and formalized through the Stakeholder Committee described above.

### **7. Scope for Replication/Use in Other DMCs:**

There is high potential for replication in other DMCs, particularly the Pacific Region. Pacific DMCs are showing increasing interest in PSP in the water sector and are keen to identify incremental approaches to such participation. Samoa has already been recognized for taking this incremental approach to wastewater management and this attention will foster the distribution and uptake of small-scale PSP.

### **8. Cost Estimate:**

Water Utility Management Specialist (Institutional Strengthening Advisor)	3 months @ 7,900/month	23,700
Finance Specialist	0.5 months @20,000/month	10,000
Communications and misc. expenses		900
International Airfare		1,000
Per Diem 3 months @120/day		<u>14,400</u>
<b>TOTAL</b>		<b>\$50,000</b>