E A P TASK FORCE

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Background Paper on
Reform of water supply and sanitation in EECCA at the municipal level

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Objective of the paper

- To understand why devolution of responsibilities to local authorities has not yielded expected outcomes
- To identify ways to generate more positive results

Structure of the paper

- Executive Summary
- Introduction
- Water supply and sanitation as a municipal policy
- Definig the roles of local governments and utilities through performance based contracts
- Improving the managerial capacity of service providers

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Key Messages

- More reform needed at the local level (jurisdictions and utilities)
- Policy making by local governments
  - Set stable strategies backed by realistic, multi-year financial plans
- The relationship between local authorities and utilities
  - Separate service provision from local jurisdictions
  - Clarify responsibilities
  - Develop performance based contracts which clarify roles and responsibilities, and create incentives
- The management of utilities
  - Corporatise utilities
  - Strengthen the management structure, and hire professionnal staff
  - Or, develop service and management contracts with private operators

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Issues for discussion

- What steps should be taken to enable local authorities to provide more effective direction, support and regulation of water utilities?
- What are the main opportunities and obstacles to further private sector participation in the water sector?

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