



# The Malawi Peri-Urban Water & Sanitation Project

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# Malawi Peri-Urban Sanitation Project



- Project preparation started in 2006
- Application for funds from EU ACP Water Facility in June 2006
- Approval by the EIB Board of Directors in December 2006
- Signature of Service contracts in 2009
- Official project start in November 2009

# Malawi, Peri-Urban Water & Sanitation

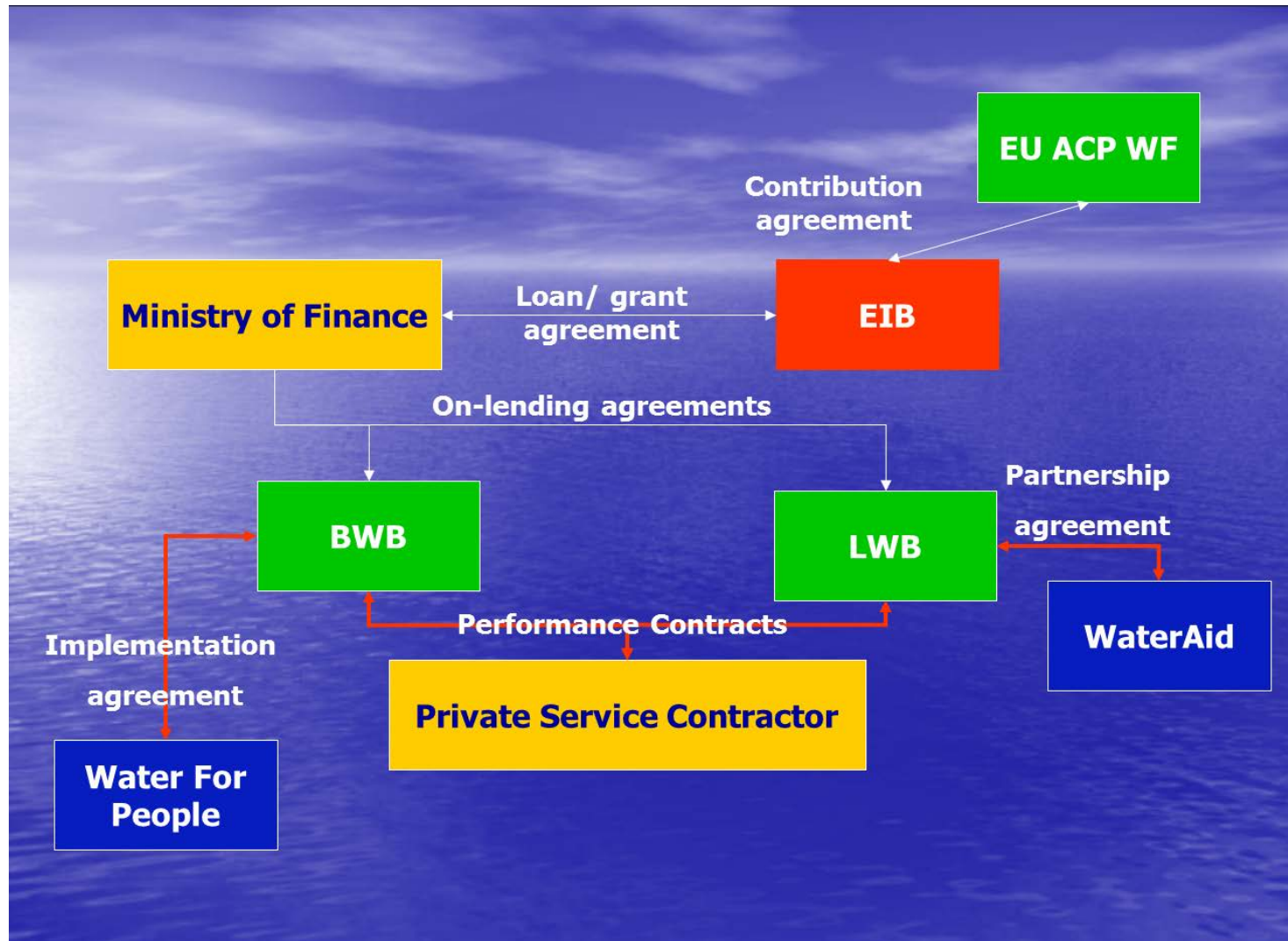


- Initial goal : increase supply & access to low income areas in Lilongwe & Blantyre the two major cities in Malawi
- Leakage reduction made a priority thanks to EIB experts & TA support: (i) makes water available to increase access at lower costs - in Blantyre water needs to be pumped up 800m; (ii) helps reduce energy consumption and GHG emissions
- Innovations: (i) procurement of management contract; (ii) scaling-up of successful NGO solutions
- Resulting benefits: access at lower cost; community involvement; improve finances of Water Boards; reduce GHG emissions; increase system resilience



- Lilongwe Water Board
  - Blantyre Water Board
  - WaterAid
  - Privatisation Commission
  - NWDP II
  - Joint PIU
  - EIB
  - World Bank
  - NGOs, CBAs
  - Water Users
  - Low Income Area Users
  - Ministry of Finance
  - ???
- Applied:
  - 15.4 mill EUR = 48.4% EU grant
  - 15.9 mill EUR = 50.0% EIB loan
  - 0.5 mill EUR = 1.6% Water Boards
  - 31.8 mill EUR ≈ 42 mill \$ total
  - Approved:
  - 30.8 mill EUR eligible cost
  - 14.9 mill EUR EU contribution

# Contractual Relations - Implementation





# Procurement of Service Contractor

- Building Ownership with stakeholders
- Stakeholder workshop facilitated by BPD
- Investment Facility financed Transaction Advisory Services
- Alliance Approach for Procurement
- Open tender for Expression of Interest (EOI)
- Bidders Conference in Malawi with broad international attendance
- 8 bids received, 2 companies shortlisted
- Signature of Project Development Contract prior to bid preparation
- Both bidders spent close to 15 man-month on bid proposal
- Loosing bidder was compensated
- Signature in August 2009



## Replicating successful models: WaterAid

- WaterAid (in partnership with LWB) demonstrated a successful local kiosk management model:
  - “The Water User Association” built on a strong social/community fabric
- WUA’s:
  - manage up to 100 kiosks
  - Single customer interface for Water Board
  - WUA’s: charge slightly increased fees to:
    - Pay kiosk operators & WUA administrators
    - Recover prior debts
- Kiosk design with “superstructure” against vandals/theft
- Success has sensitised WaterBoards who now have special LIA unit to deal with WUA’s.
- Sanitation marketing



## Procuring an NGO for Blantyre ?

- Only identified 3 potential NGO's;
  - NGO's need local grass-root presence;
  - Do they bid competitively (WaterAid not);
  - Open to consultants?
  - Level playing field ?
- 
- The contract was awarded to Water For People after a competitive bidding process open to consulting companies and NGOs





# THANK YOU FOR YOUR INTEREST!



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