

WEBINAR SERIES

Water Utility Engagement in Urban Sanitation

WEBINAR #02



German Water
Partnership



African Water and
Sanitation Association
Association Africaine de
l'Eau et de l'Assainissement



organized by



sustainable
sanitation
alliance

giz Deutsche Gesellschaft
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Zusammenarbeit (GIZ) GmbH



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Housekeeping Rules

WEBINAR #02



German Water Partnership



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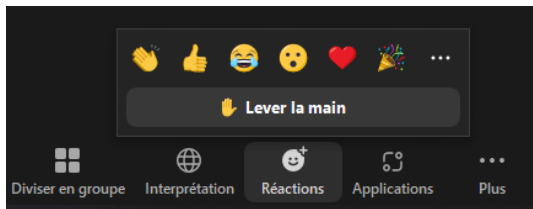


sustainable sanitation alliance

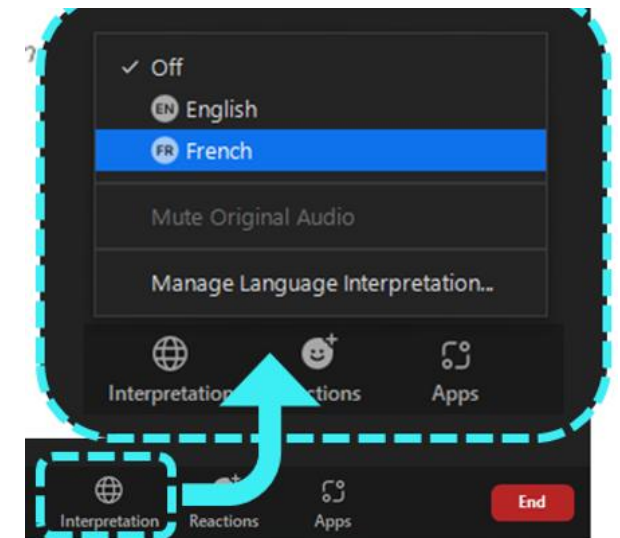
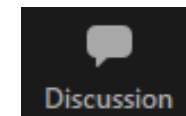
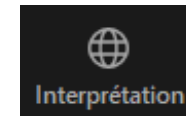
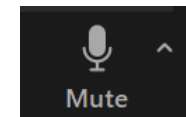
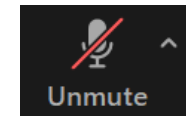


HOUSEKEEPING RULES / PARTICIPATION 'HOW TO'

- ❑ To ask to speak: 1. click on 'REACTIONS', 2. click on "RAISE HAND"

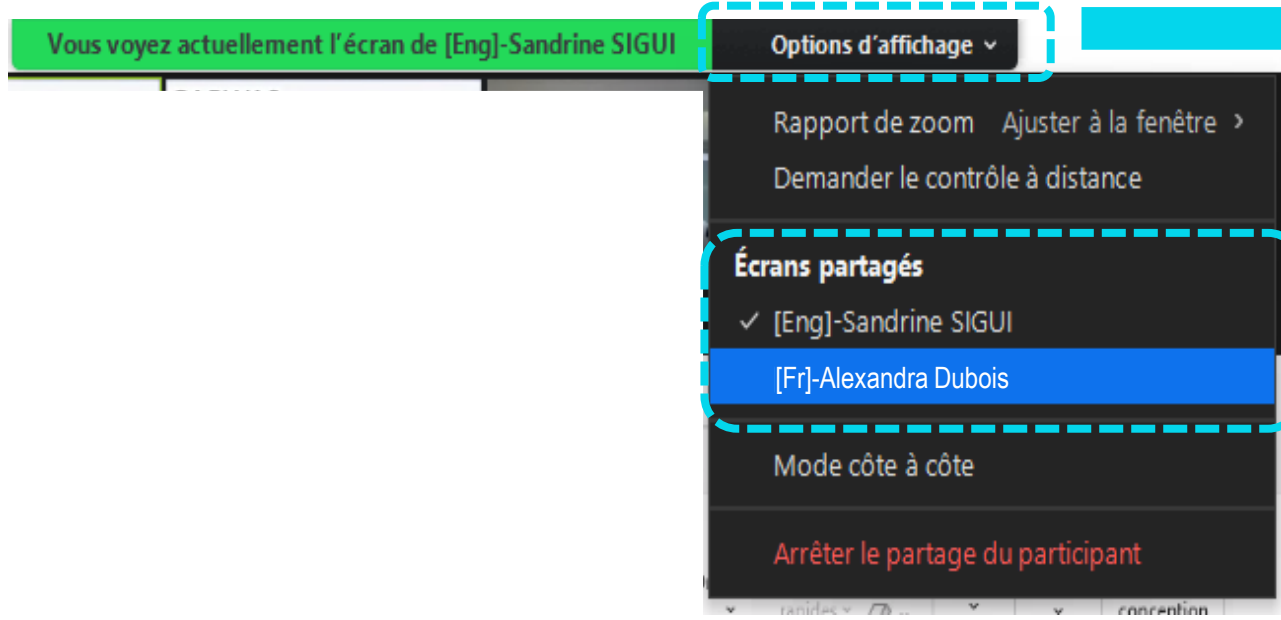


- ❑ To unmute: click on the microphone
- ❑ To mute: click again on the microphone
- ❑ For interpretation: click on 'translate' button
- ❑ To ask questions in writing: click on the 'chatbox'



HOUSE PARTIC

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YOUR LANGUAGE,

Webinar Series on utility engagement in sanitation

Conveners



African Water and Sanitation Association

Association Africaine de l'Eau et de l'Assainissement

AWASA / AAEA



German Water Partnership



AquaFed

giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

sustainable sanitation alliance

Objective

Facilitate the exchange of knowledge, experiences and lessons learned among water operators across Africa, showcasing diverse case studies and approaches to improving urban sanitation access.

WEBINAR #02

Managing sanitation effectively: two models of national utilities in Senegal and Burkina Faso

DATE
25 Oct., 2023

TIME
12:00 - 13:30 CEST
10:00-11:30 GMT
13:00-14:30 EAT

ONLINE PLATFORM
ZOOM

LANGUAGES
French and English



SPEAKER 1
Mr. SANOU Tontama
ONEA - Burkina Faso



MODERATOR
Mr. Moussa Seck
AfWaSa - Cote d'Ivoire



SPEAKER 2
Dr. Papa Samba Diop
ONAS - Senegal

WEBINAR #02

Managing sanitation effectively: two models for national offices in Senegal and Burkina Faso

Agenda

N°	Time	Contribution	Speaker / Moderator
1	15 minutes	About ONEA	Mr Sanou Tontama
2	15 minutes	About ONAS	Dr Papa Samba Diop
3	45 minutes	Guided discussion (10min) / Questions and answers from participants (35min)	Mr Moussa Seck
4	5 minutes	Next steps	Alexandra Dubois

DEVELOPMENT OF
SANITATION
SERVICES IN
URBAN AREAS: THE
CASE OF THE
OFFICE NATIONAL
DE L'EAU ET DE
L'ASSAINISSEMENT
(ONEA) IN BURKINA
FASO

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WATER UTILITY ENGAGEMENT IN URBAN SANITATION

WEBINAR #02: Managing sanitation effectively: two models of national utilities in Senegal and Burkina Faso



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ONAS - Senegal

Organisation, operation and missions of ONEA

Line Ministries

- Ministry in charge of water (technical)
- Ministry of Finance and Budget (financial)
- Ministry in charge of public and semi-public companies (management)



Governance

- State-ONEA plan contract (three-year): Annual review
- General Meeting of State-Owned Companies: Annual Review
- Board of Directors: at least 3 sessions per year
- ONEA Activities Supervision Committee: Annual Review
- Technical audits

Creation date

Created in 1985 and transformed into a state-owned company in 1994



Missions

WATER

the creation, management and protection of drinking water catchment, conveyance, treatment and distribution facilities

Sanitation

the creation, promotion of the creation and improvement as well as the management of collective, individual or autonomous sanitation installations for the removal of used water and excreta.

Organisation, operation and missions of ONEA

Organisation

- 1 Directorate-General
- 10 Central Divisions
- 6 Regional Divisions
- 58 Centres



Anchoring sanitation at ONEA



From ONE before 1985 to ONEA in 1985

The Office National de l'Eau et de l'Assainissement (ONEA) was created by **decree n°85/387/CNR/PRES/EAU of 28 July 1985 as a state-owned** industrial and commercial public establishment (EPIC). It was transformed into a State company on 2 November 1994 (decree no. 94-391/PRES/MICM/EAU).



The creation of ONEA, which was responsible for developing sanitation services in urban areas, was accompanied in 1985 by the introduction of a **sanitation tax** indexed to the water bill.

Reform of the Urban WATSAN sector



Major findings that led to the reform of the urban WATSAN sector in the **1990s**

Unclear legal and regulatory framework

- Day-to-day interference by the State in management: high mobility of CEOs and managers, awarding of contracts by the supervisory ministry, etc.
- Creation of unprofitable centres all over the place.

Technical aspects

- Low level of drinking water supply, particularly in large towns (1990): 53%, including Ouagadougou (55%) and Bobo Dioulasso (50%);
- Poor continuity of service: numerous water cuts in hot periods and real crises in the event of poor rainfall;
- Low sanitation coverage rate: strong odours in Ouagadougou city centre (5%)

Reform of the Urban WATSAN sector



Major findings that led to the reform of the urban WATSAN sector in the **1990s**

In financial terms

- Solvency problems (available value of 51 million in 1990);
- Very low tariffs that do not cover operating costs (147FCFA/M3=0.20euro);
- Total lack of control over costs.

In terms of human resources and customer service

- Staff administration;
- Overcrowded workforce (649 employees for 30,800 subscribers, i.e. **21 employees per 1,000 subscribers** in 1990);
- Monopoly logic with administrative customer management
- Lack of customer culture

Reform of the Urban WATSAN sector

The results of implementing the reform can be seen at both institutional and ONEA levels

At institutional, regulatory and legal level



- ➔ Clarification of missions
- ➔ Management autonomy
- ➔ Accountability

At the ONEA company level



- ➔ Financial viability of the company
- ➔ Total cost recovery
- ➔ Improving service coverage
- ➔ Improving the quality of customer service
- ➔ A culture of cost control



Development of sanitation at ONEA

The implementation of the reform will be a lever for the development of sanitation activities

And so:

- The Strategic Sanitation Plan for the city of Ouagadougou (PSAO) was drawn up in 1992 with funding from the World Bank and technical assistance from the Regional Group for Water and Sanitation (GREA), followed by that for the city of Bobo-Dioulasso (PSAB) in 1998;
- A Sanitation Department was set up within ONEA in 1996;
- The national sanitation strategy was drawn up in 1996 and revised in 2007 to produce the National Sanitation Policy and Strategy (PSNA).



Changes in the institutional, legislative and regulatory, political and strategic framework

Legislative and regulatory framework

- The Constitution of June 1991 and its amendments, in particular Article 18 of Act No. 072-2015/CNT revising the Constitution of Burkina Faso;
- Codes governing public health, hygiene, town planning and construction, and the environment
- General Code of Local Authorities
- etc.....

The DGAEUE of the MEEA is responsible for coordination of the AEUE sub-sector

SANITATION SUB-SECTOR

MEEA (Ministry of the Environment, Water and Sanitation)
DGAEUE (Directorate General for the Sanitation of Used Water and Excreta)

Policy and strategy framework

- the National Economic and Social Development Plan (PNDES);
- the "environment, water and sanitation" sector policy ;
- the national water strategy (SNE);
- the 2016-2030 PN-AEUE ;
- the national sanitation policy and strategy (PSNA).

Results achieved

- ❑ 62 PSAs have been drawn up, 49 of which are operational
- ❑ Some 463,668 on-site sanitation facilities, including 210,575 latrines and 253,078 cesspools, were built for the benefit of the population
- ❑ The construction of four (04) sewage sludge treatment plant, including 3 in Ouagadougou and one (01) in Bobo-Dioulasso
- ❑ The construction of a pilot biogas production plant
- ❑ The two main cities, Ouagadougou and Bobo-Dioulasso, have public sewerage networks with a total length of 140 km and 1,445 users connected.



Sanitation financing

Sanitation is funded by:

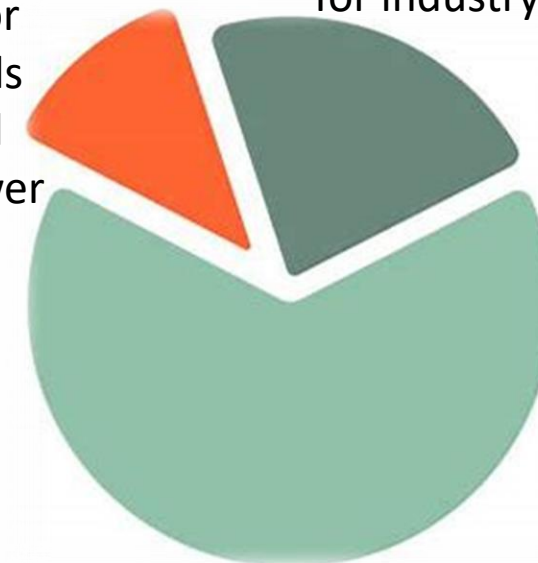
- Sanitation fee;
- Sludge tipping fees (60 FCFA/m³).
- State contributions (budget support);
- Contributions from Technical and Financial Partners (TFPs);
- The polluter pays principle;
- Cost-sharing (household contributions).



Sanitation fee

60 FCFA for households connected to the sewer

90 FCFA/m³ for industry



21 FCFA/m³ for users of on-site sanitation systems

The sanitation fee + sludge tipping fees \approx 1.8 billion FCFA barely cover operating costs without the subsidies granted to households for the construction of their latrines. Investments are dependent on resources mobilised from Technical and Financial Partners and SBS (sector budget support).

Main challenges

Financing

- How to mobilise resources to finance the structuring investments included in the PN-AEUE (2016-2030) drawn up with the aim of achieving the SDGs by 2030?



Organisational

- What organisation should be put in place to better support and respond to the ever-growing demand, especially as the scope of the business continues to expand?
- How can we get the key stakeholders more involved?

Strategy

- What strategy should be put in place to accelerate the achievement of results, especially given the slow progress in recent years?
- The SDGs advocate a service approach. What strategy should be developed to address all the links in the value chain?

Outlook



- ✘ Finalising and making operational the management concept for the on-site sanitation sector, with particular emphasis on the sanitation value chain;
- ✘ Deployment of the strategy to end open defecation (ODF) in urban areas;
- ✘ Testing the results-based funding mechanism;
- ✘ Financing strategy;
- ✘ Operationalising the recovery of treated sludge by implementing the recommendations of the study carried out for this purpose;
- ✘ Seeking solutions to improve wastewater treatment at WWTPs and percolate treatment at FSTPs;
- ✘ Experimentation with innovative systems for treating faecal sludge (containerised treatment system).



Thank you for your kind attention





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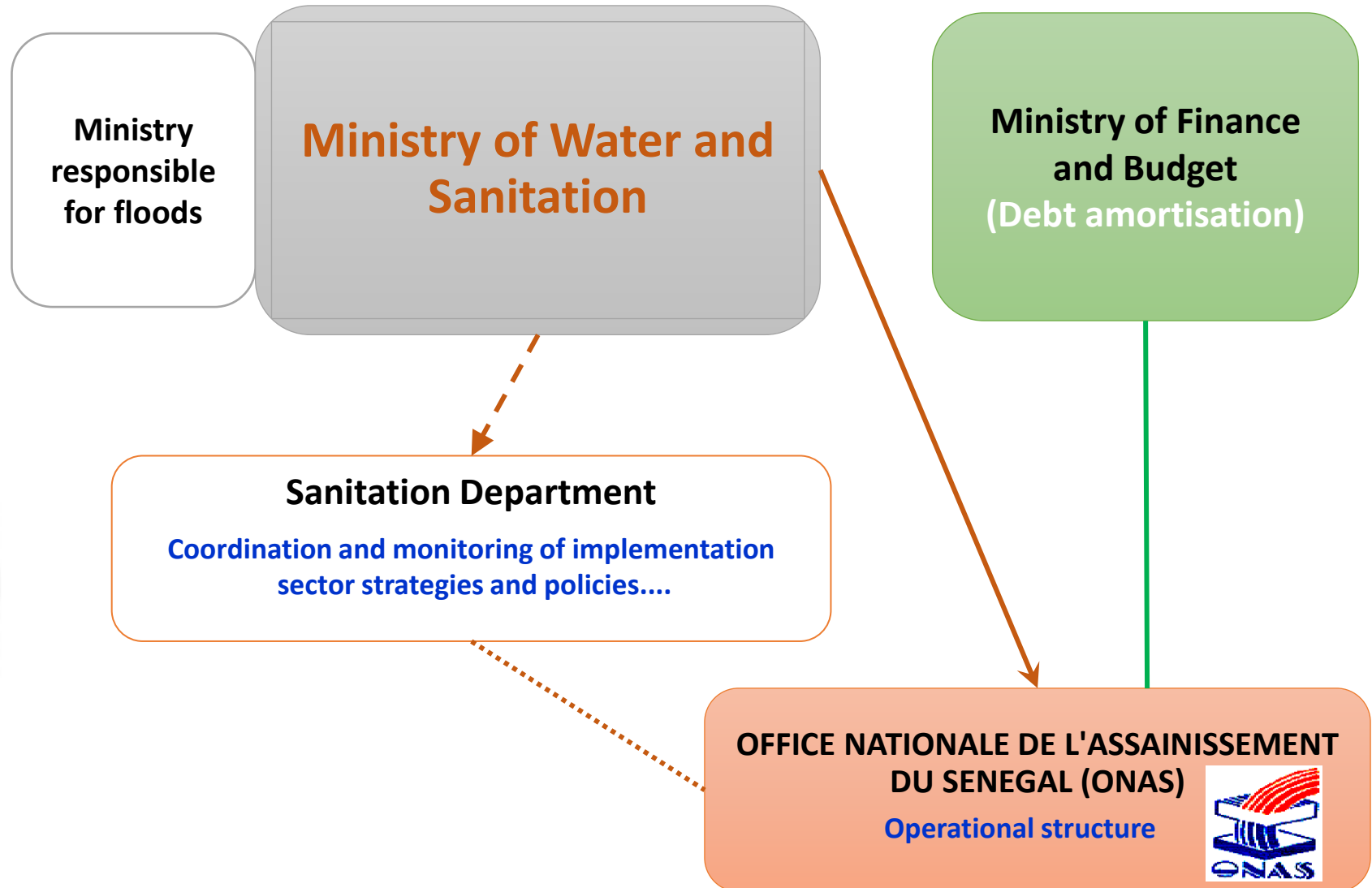
Dr. Papa Samba Diop
ONAS - Senegal



From a simple service provided by a leasing company to a national office that intends to maintain or further enhance its trajectory despite the phase of loss of momentum it is going through

Presented by Dr. Papa Samba DIOP, CT at ONAS Senegal,
Email: papsambadiop@gmail.com Tel: +221776374135

Organisation of the sanitation sub-sector



Organisational changes in the water and sanitation sector

Up to 1971: Some would say that it is a matter of the political decision-maker responding to strategic objectives, after diagnosing any limitations and taking into account projected changes in needs. Senegal's water and sanitation sector is a good example of this, having undergone very substantial changes over the last thirty years, not forgetting the period that preceded it, with the transition in **1971** marking the end of the **CGE's** activities and the creation of **SONEES**.

1971-1983: Management by the Société Nationale d'Exploitation des Eaux du Sénégal (SONEES), which is the leasing company

1983-1995: Société Nationale d'Exploitation des Eaux du Sénégal (SONEES) becomes **concessionnaire** for the sector

1995: Dissolution of **SONEES** and creation of **SONES** (Société Nationale des Eaux du Sénégal), a public limited company with public capital, responsible for managing urban water assets, **SDE** (Sénégalaise Des Eaux), a private company with private capital, responsible for managing urban water services, and **ONAS** (Office National de l'Assainissement), a public industrial and commercial establishment (EPIC), responsible for wastewater treatment and rainwater drainage.

2020: **SEN'EAU** replaces **SDE** from 2020 with a new 15-year leasing contract



Adjustments made in the drinking water sub-sector



Amendment 1 to the leasing contract in 2002: SDE made a profit and SONES posted a positive net result. The sector was moving towards financial autonomy. By continuing to respect the original provisions, the State would have chosen to allocate the "water rent" to the asset management company, i.e. to investment, in order to finance extensions and improvements in water quality. By modifying the scope of the costs included in the Pe, it de facto allocates the water rent to the leasing company, and derogates, for the first time, from the method of regulation by ceiling price, reducing the risky nature of leasing and authorising SDE to generate a margin that is much higher than what was planned **(financial problems)**.

Amendment 3 to the leasing contract in 2006: the mode of economic regulation shifted definitively towards adjusting prices to costs. This marked the end of the management-at-risk scheme. The regulatory system was not adjusted. The sector is no longer regulated. Either costs are spiralling out of control, or margins are rising. In the first case, SDE staff benefit; in the second, shareholders benefit. SDE's income comes from the sale of water and from renewal work not included in the Pe and paid for by SONES **(financial problems)**.

In 2006, the plan contract between the State and SONES was reclassified as a performance contract in a first amendment to the concession contract in 2006.

Amendments 7 and 8 to the leasing contract in 2014: SONES was disqualified from renewing and then extending its water assets. Its role is limited to relaying **funding** from traditional donors, a role largely undermined by the decline in sub-sovereign loans. SDE has positioned itself as the sector's banker, a special kind of banker because the terms and conditions of its financing are unknown. Unless these conditions, which have yet to be defined, are more advantageous than those for concessional financing, this position runs counter to the interests of creditors (the State and/or users). SDE is carrying out the extension work without having to apply the public procurement code, which, unless its prices are lower than those of the competition, is also unfavourable to the interests of the State and/or users **(financial problems)**.

The case for reform: Key performances recorded



*The **years 2010-2013** were the most chaotic of the period studied. President Wade wanted to put an end to the vision that had emerged from the Reform by bringing together the sub-sectors that had been separated and entrusting the management of the entire sector to a single concessionaire. This decision comes at a time when the sector's main financial backers have become the majority shareholders in Eranove, the investment fund that owns 58% of SDE, since the sale of SAUR by the Bouygues group. In four years, the financial situation of SONES, whose very existence has been called into question, has deteriorated considerably.*

Senegal has achieved its objectives in terms of access to drinking water, and its performance in urban areas is remarkable: Dakar has an access rate of over 98%, which is close to 80% in the area covered by the PPP. What's more, Senegal is one of only three countries on the African continent where the rate of connection of the population to a household water supply has increased by more than 25%, behind Botswana (+52%) and ahead of Morocco (+25%) with +33%, between 1990 and 2015.

In 2002-03, the objectives of the Reform have been achieved: the leasing company has been making operating profits since 1999 and SONES is balancing its cash flow and making a positive net profit on the basis of the fee paid to it by the leasing company.

REFORM OF THE URBAN WATER SUPPLY SECTOR



Before the reform

1995

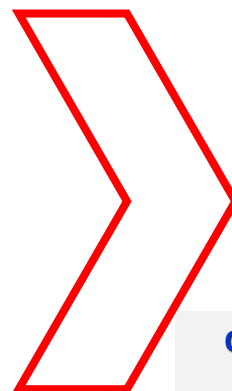
After the reform



Wastewater network operator
EU



Research and Investment in sanitation
EU



Société Nationale des
Senegal waters



Senegalese Des
Water

Office National de l'Assainissement du
Sénégal (ONAS) E.P.I.C.



OBJECTIVES

catching up / drinking water

provide urban centres with appropriate and effective sanitation systems

ensure its financial equilibrium via the wastewater treatment levy and sale of treatment by-products, sewer connection

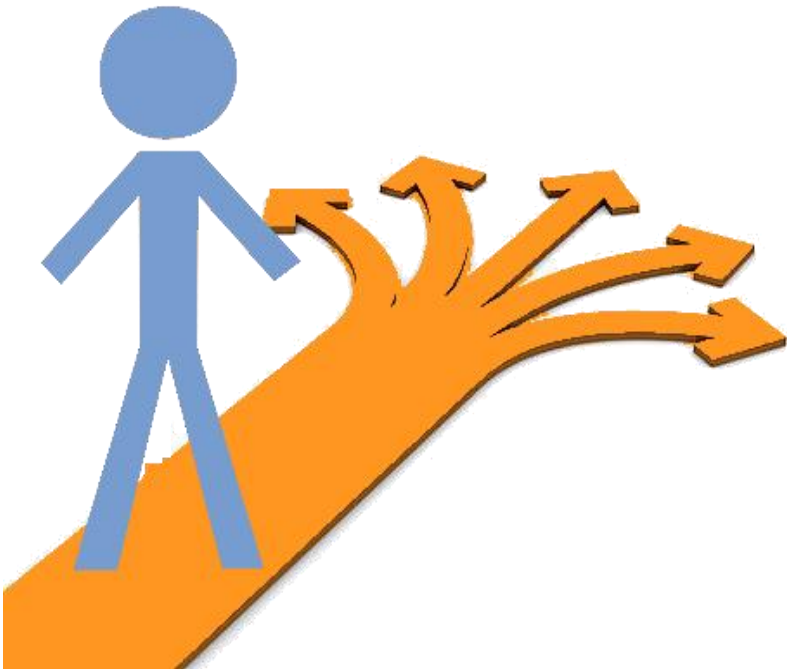
develop new, lower-cost wastewater treatment technologies

Desired adjustments in the sanitation sub-sector

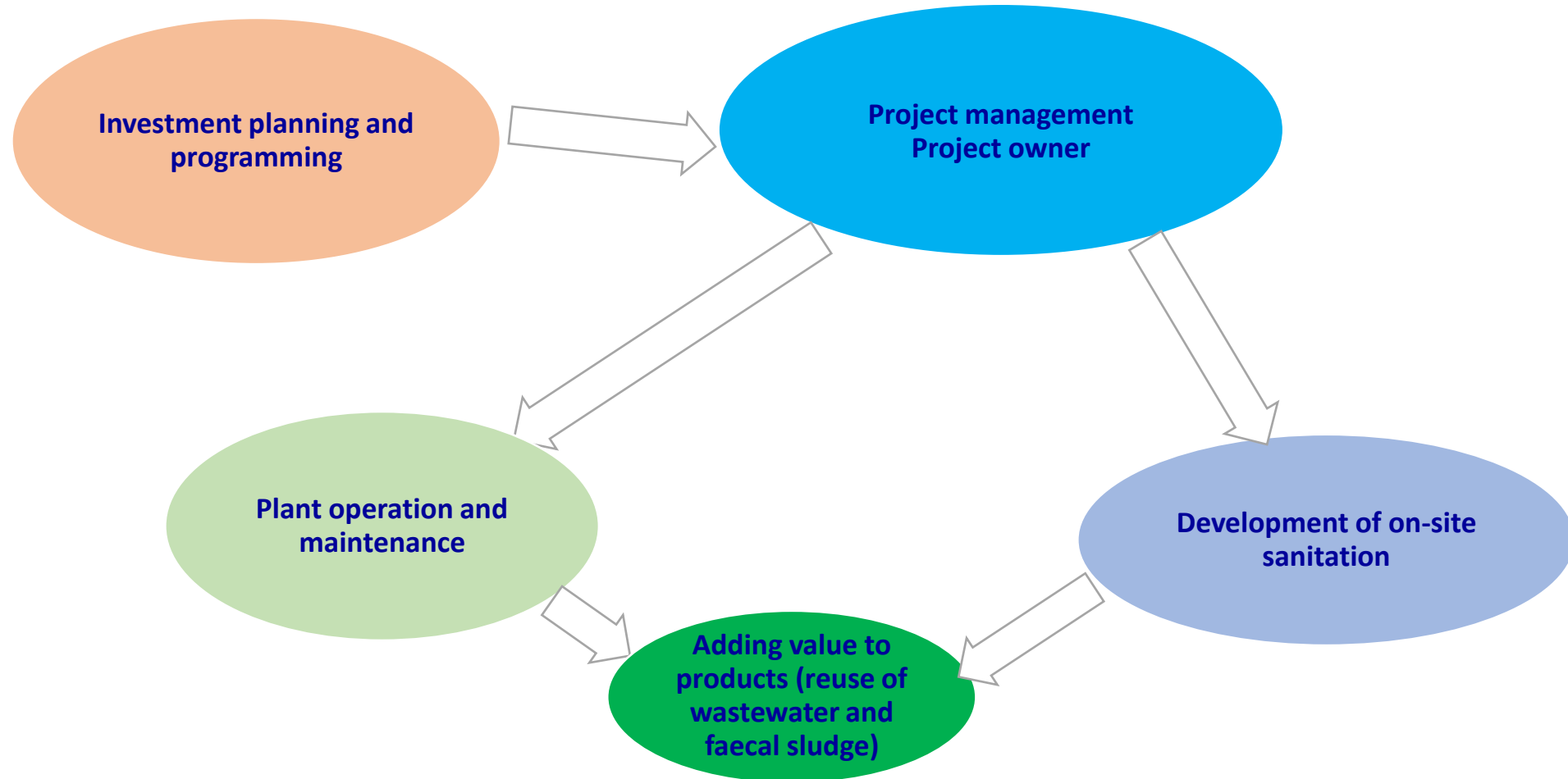
- **2010: first attempt at** a public service concession for drinking water and sanitation in urban areas by the State and SDE, which was aborted because of a **financially unsustainable business model**.

- **2014: second attempt to** entrust the management of the public urban sanitation service to SDE by considering elements of a study financed by the EU. This attempt was unsuccessful due to **legal constraints**.

- **2015: third attempt** to include urban sanitation in the second-generation reform, in the same economic model as water. This attempt was abandoned due to a timetable that was not optimal for **ONAS, which did not consider the time appropriate**.



ONAS MISSIONS



Improving the quality of life

Protecting the environment

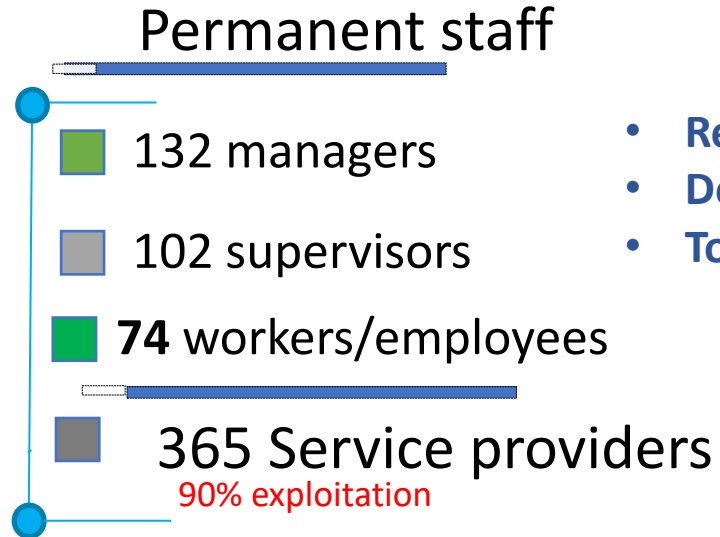


Years after the 1995 reform

More than 20 decentralised services



Workforce in 2020



Mapping of master plans produced through the BCI

- Regional capitals (10)
- Departmental capitals (26)
- Towns of strategic interest (5)

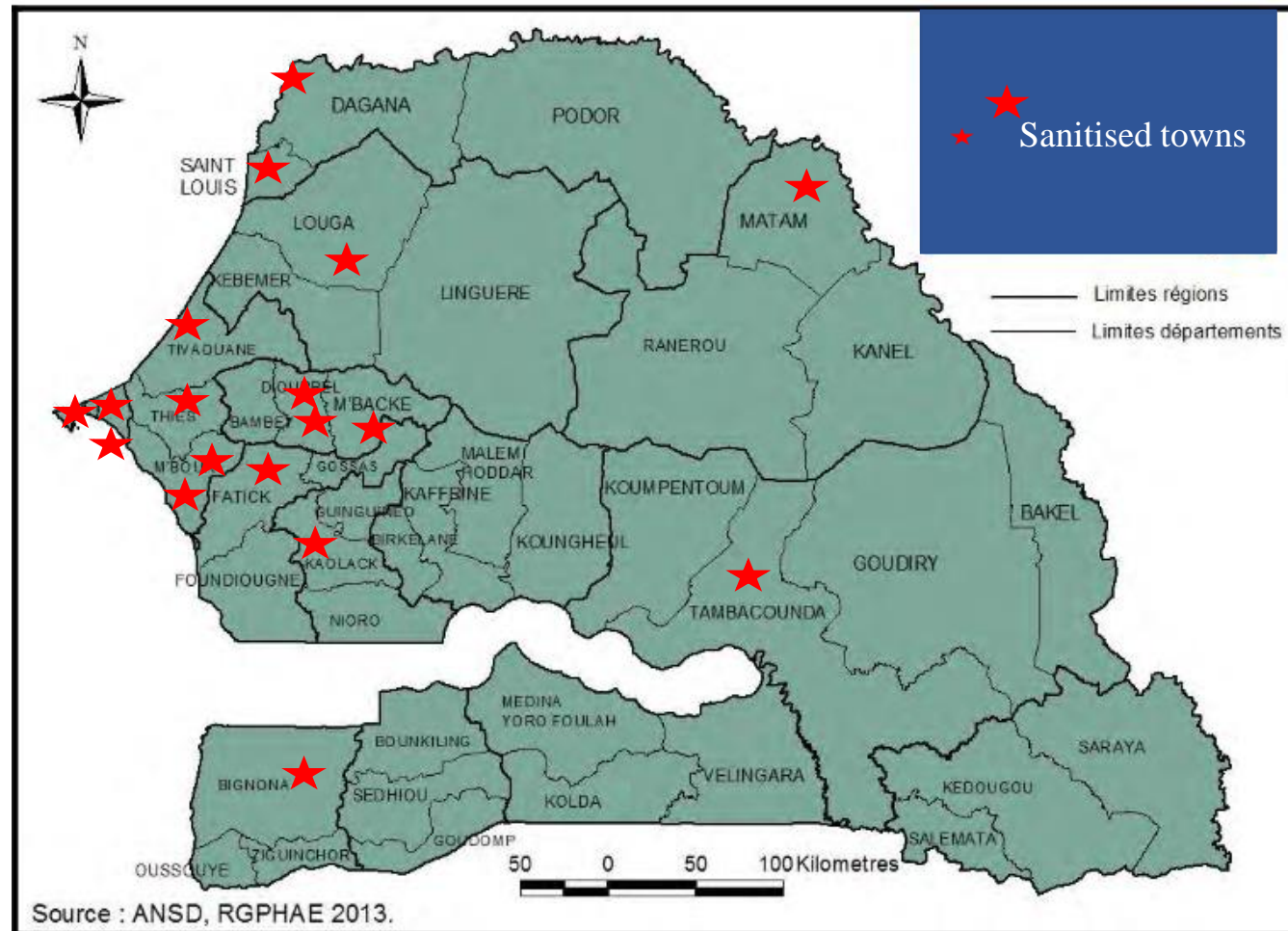
Years before reform

The 4 communes, historically known in the colonial period, have managed sewerage networks:

- *Dakar*
- *St-Louis*
- *Gorée*
- *Rufisque*

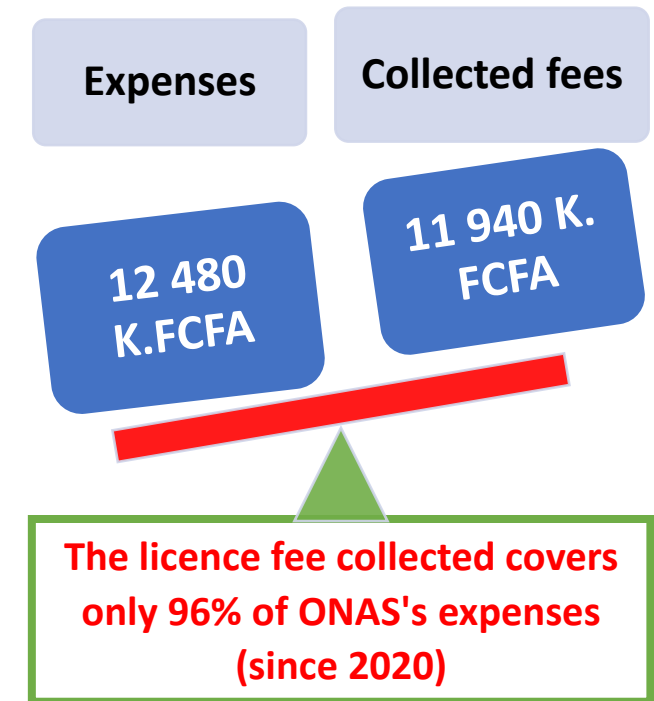
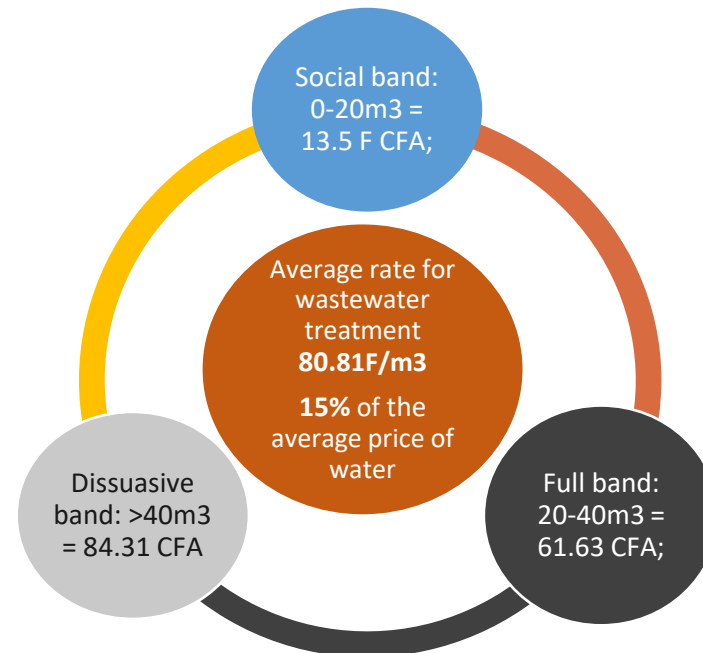
ASSETS IN 2020

	Length of collective network (Km)	Network connection	Pumping station (EU)	WWTP
TOTAL	2 084	152 129	111	15



Operating resources

90% of operating resources are made up of the wastewater treatment levy collected through the price of drinking water.

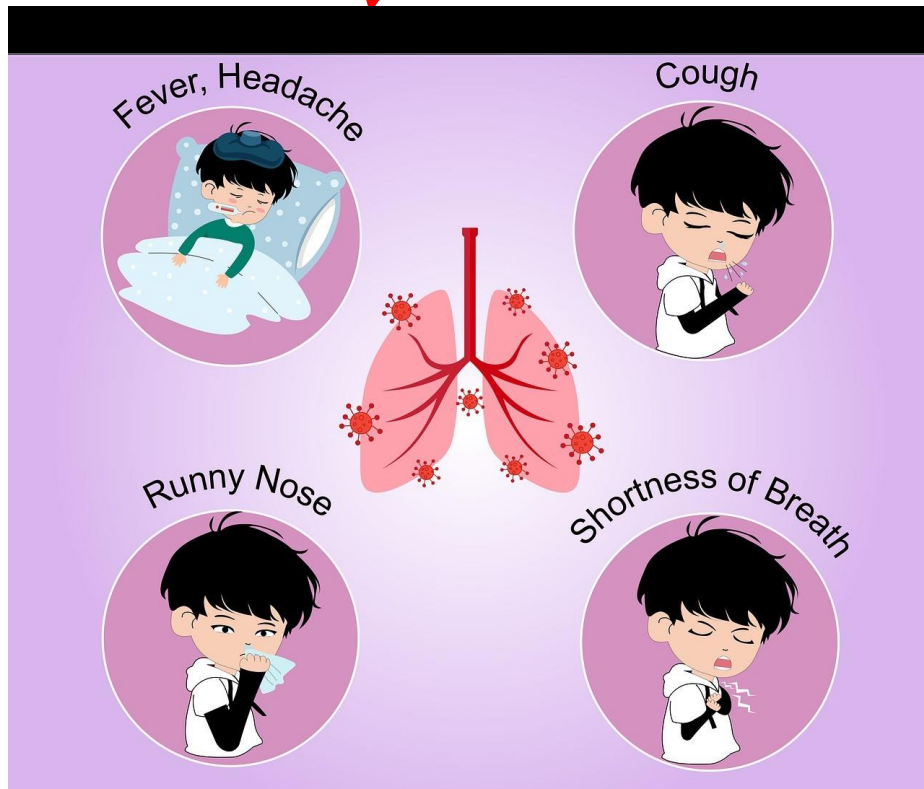


Investment resources

Investment is mainly provided by the State with the support of Technical and Financial Partners

Loss of momentum in the sanitation sub-sector

LOSS OF MOMENTUM FOR
MORE THAN FIVE (5) YEARS

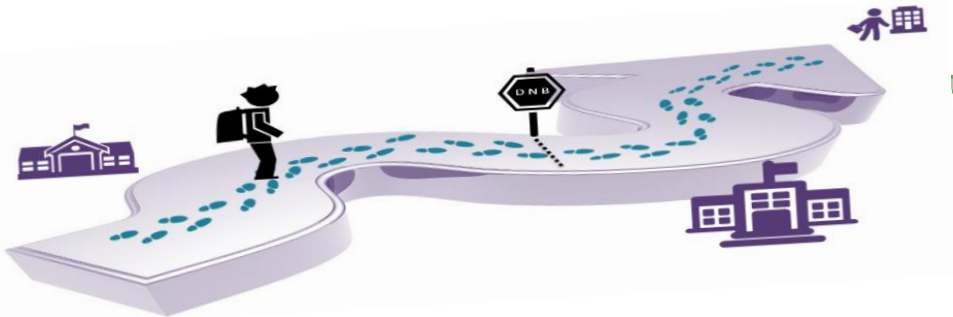


- Reduced capacity to absorb available credit*
- Shortage of highly qualified HR*
- Limits to national private-sector involvement in infrastructure operation and maintenance*
- Failure to break even*
- Lack of urgency to make on-site sanitation the real spearhead for achieving MDG 6.2*

OUTLOOK

2024
THIRTY(30) YEARS OF EXISTENCE OF ONAS
1996

*This has been a lengthy process that has dealt with a range of concerns and issues relating to drinking water, relegating the rehabilitation aspect to the background; the future of this sub-sector has always been seen in terms of catching up.
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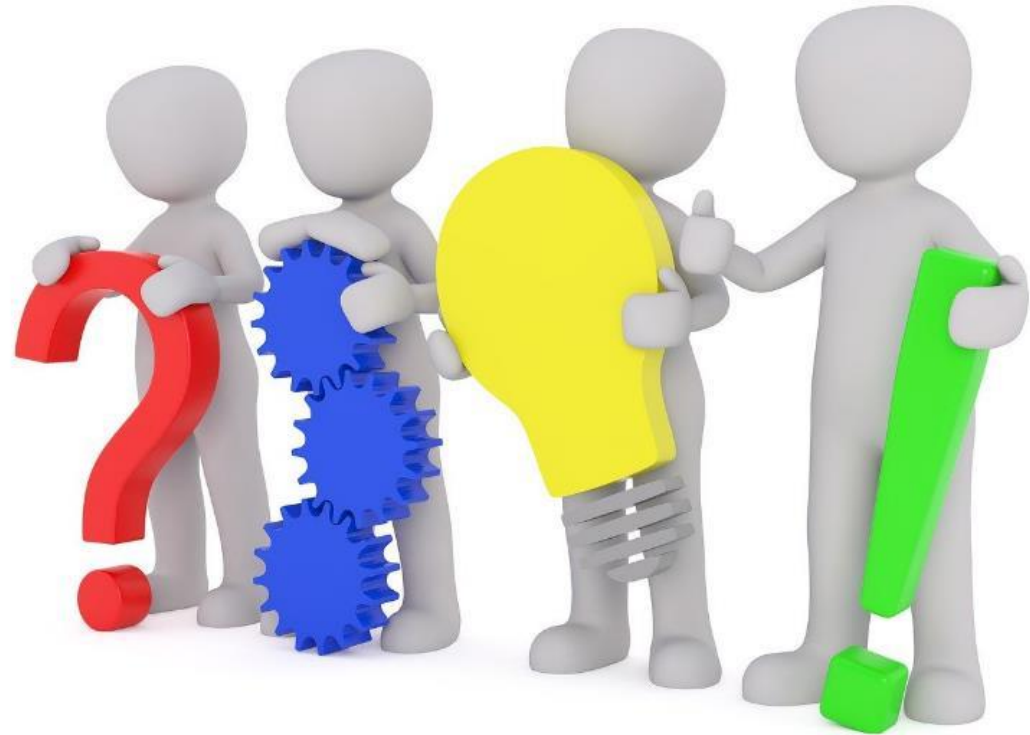


After 2024
2024

Guided Discussion

-

Questions and Answers



Webinar Series on utility engagement in sanitation

Calendar

Webinar	Speakers	Date
WEBINAR #01: From challenges to successes - Kenyan Water Utilities' Sanitation Transformation in Nakuru and Malindi	NAWASSCO and MAWASSCO in Kenya	Wednesday 13 September 12:00 – 13:00 CEST
WEBINAR #02: Managing sanitation effectively: two models of national utilities in Senegal and Burkina Faso	ONEA in Burkina Faso and ONAS in Senegal	Wednesday 25 October 12:00 – 13:00 CEST
WEBINAR #03: Innovative alliances for advancing on-site sanitation - Water utilities partnering with CBS private service providers	Sanergy in Lusaka and Kisumu and CleanTeam in Kumasi	Wednesday 22 November 12:00 – 13:30 CET
WEBINAR #04	Case studies from Nigeria, South Africa, Mali, Zambia, Tanzania	Wednesday 24 January 12:00 – 13:30 CET
WEBINAR #05		Wednesday 21 February 12:00 – 13:30 CET

Webinar Series on utility engagement in sanitation

How to follow-up and get involved



- Through the [SuSanA Africa Chapter](https://forum.susana.org/) and the dedicated [Forum discussion thread](https://forum.susana.org/)

SuSanA Forum



Global WOPs Community



- Through the WOPs Sanitation COP

FSM toolkit



AfWaSa



- Through the FSM Alliance's toolkit around non-sewered sanitation



- Stay tuned for information about the AfWaSa's specialist group to work with peers from utilities