Workshop on equitable access to water and sanitation
Social measures in Bucarest and Yerevan

Geneva - 05/07/2011
Context and presentation of the challenge

Bucharest

Concession contract for water and wastewater - started in 2001 - 25 years

Urgent issue: Poor quality of the drinking water and extension of the distribution network

Yerevan

Lease contract for water and wastewater - started in 2006 - 10 years

Urgent issue: Drinking water availability is only 75%

Challenge: Improving the quality of the service in a low-income country
Policy measures adopted

Gain of efficiency
- Limitation of "unproductive" expenses
- Increase of productivity
- Improved billing and collection

New commercial policy
- Installation of meters for all the clients
- Close monitoring of consumption and unpaid bills - Quick reaction in case of difficulties and discussion with the client
- Dialogue with the Municipality and creation of a solidarity fund (100k€/y - 3000 families)

Affordable Tariff for an improved service
Assessment of results achieved

**Bucharest**
Water is available to new populations thanks to a significant extension of the network - The quality of water has improved thanks to the construction of a new plant  
Average net income for a family of three: 690€/month  
Average bill: 13€/month # 1.9% of the net income  
Collection rate > 98% means tariff is affordable for almost all

**Yerevan**
Water availability for the population has improved by 25% in 4 years, and permanent supply for all will be obtained in the near future  
Average net income for a family of three: 280€/month  
Average bill: 3€/month # 1% of the net income  
Collection rate > 95% means tariff is affordable for almost all
Lessons learned

The installation of water meters is essential: People fell responsible and are willing to pay if they can control their level of consumption and thus the amount of their bills.

Improved billing and collection: Being efficient in billing and collection with ordinary clients gives the possibility to have a soft approach for the poor clients.

Dialogue with stakeholders: The close cooperation between the commercial department and the block associations, the municipal authorities and the NGOs is essential to differentiate ordinary fraud from real difficult situations, and to find an appropriate solution to the latter.

Remaining challenges

Getting a better knowledge of the revenue of the poorest section (first quintile - decile) of the population to assess properly their capacity to pay.

Continue to test tools to address efficiently the target population (solidarity funds, social tariff...).

Integrate these tools as a requirement in the operator's contract - Integrate their cost in the tariff of the service.