



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



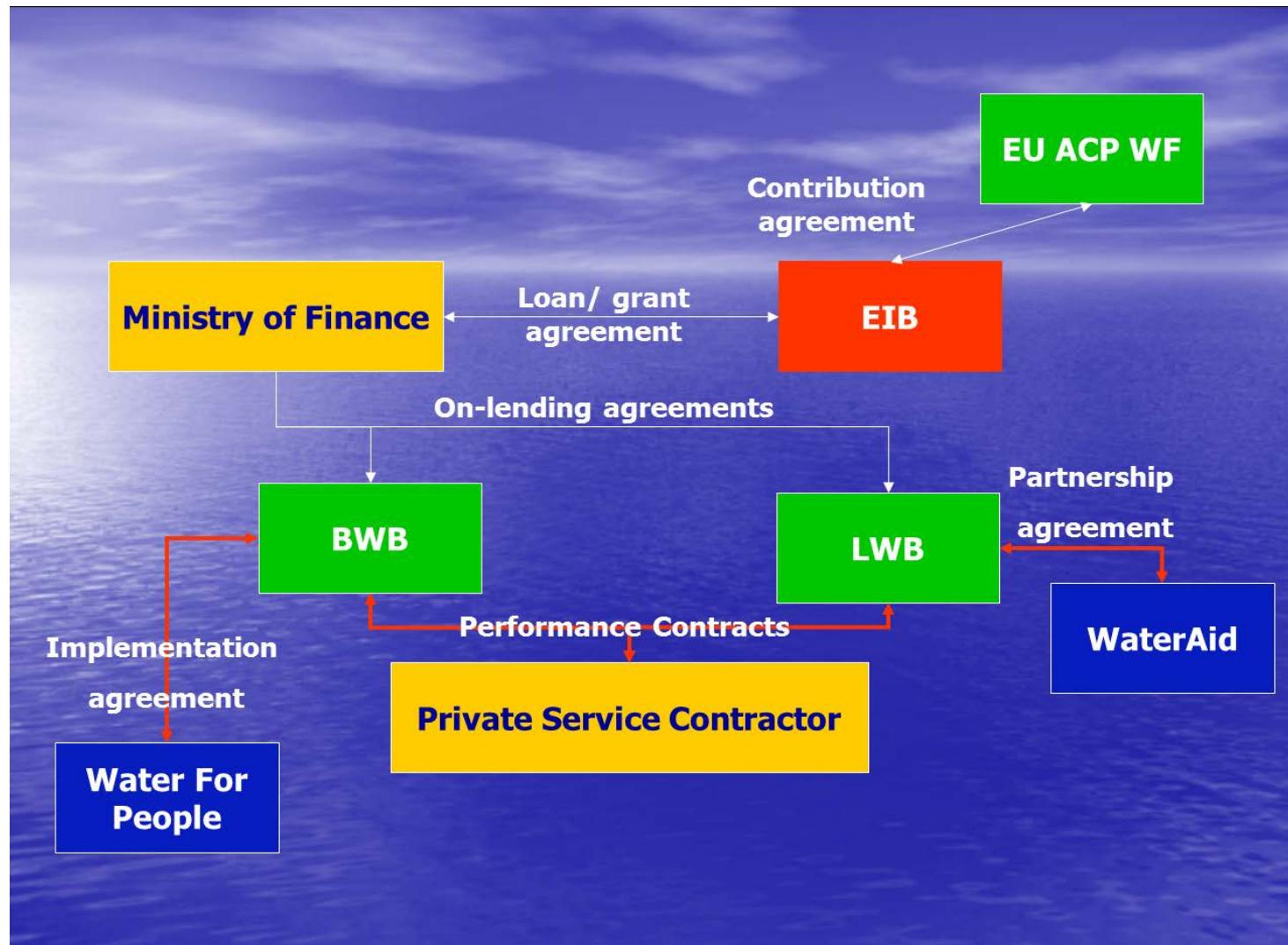
Stakeholders, Budget



- 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 \approx 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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