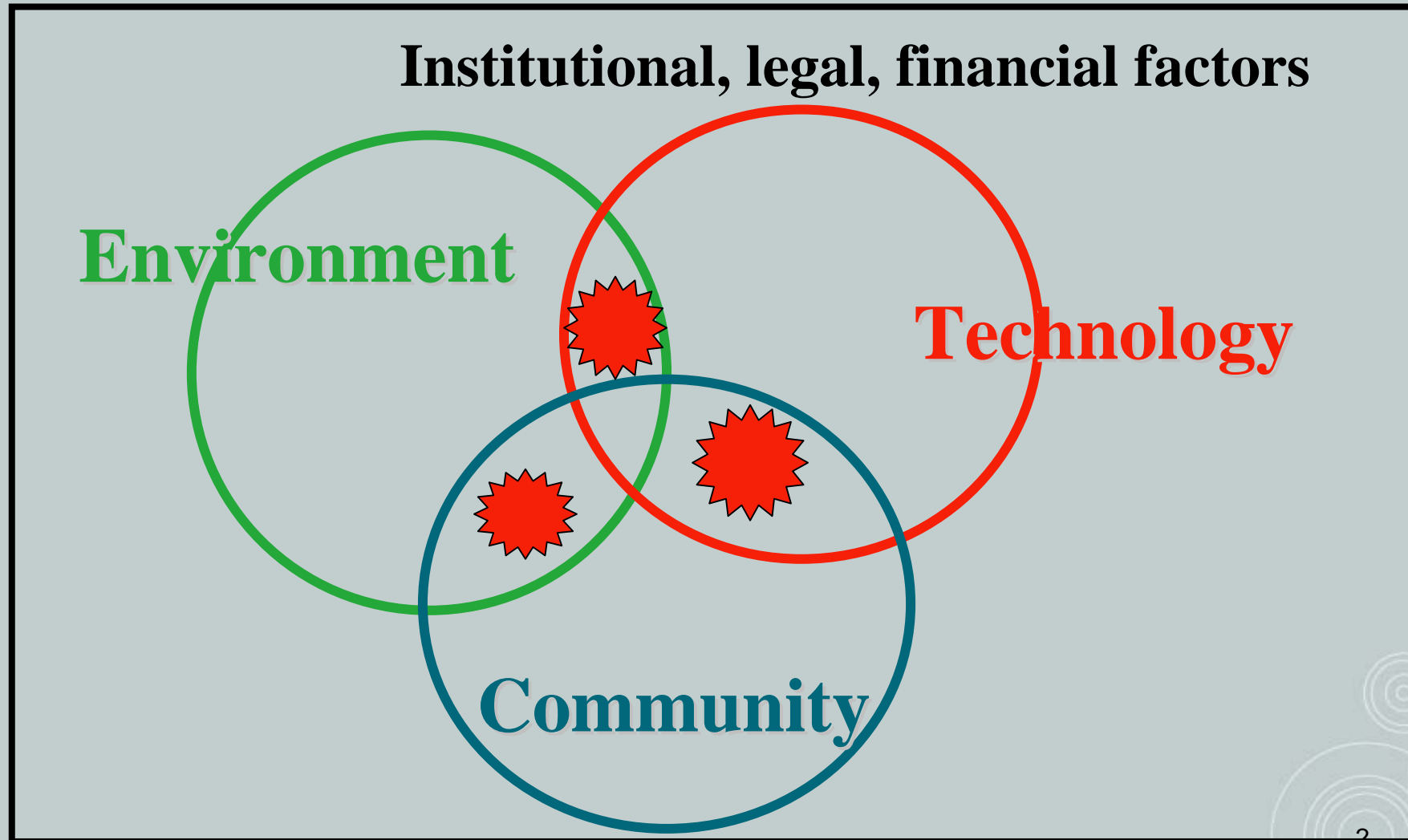


Discussion on O&M and sustainability issues

Session FT 3.52

Francois Brikke
March 19, 2006
WWF4, Mexico

Sustainability: a global perspective



A service is sustainable when :

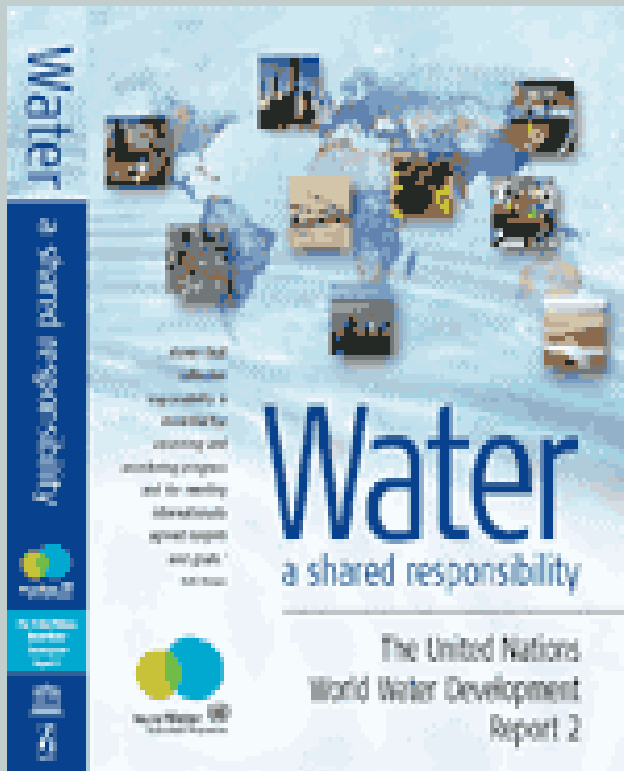
It functions and is being used.

It is able to deliver an appropriate level of benefits over a prolonged period of time

Its management is organized.

Its operation, maintenance, administrative and replacement costs are being covered at local level.

It can be operated and maintained at local level without negatively affecting the environment.



The UN study identifies as key constraints for the sector :

- ❖ Poor management
- ❖ Corruption
- ❖ Insufficient resources
- ❖ Changes in climate
- ❖ Weak governance and coordination

Lessons from recent studies

- ❖ **Study in Ecuador on 90 rural localities shows that sustainability depends on : managerial, gender and cost recovery factors**
- ❖ **Study in small towns in Peru shows that the majority of municipal firms are highly indebted, poorly managed, with inappropriate tariff structure, and very high level of unaccounted for water**
- ❖ **Study in Uganda shows that sustainability depends on : Reduction in unit costs, promotion of self-supply options; improved O&M systems, including the supply chain for spare parts ; Stakeholders capacity for implementation and operation.**

Word of caution

- ❖ **Today, many governments want to embark into programatic approaches and SWAps ... with high priority given to investments**
- ❖ **Reaching the MDGs should not forget the issues of O&M and sustainability.**
- ❖ **A firm can be efficient, but can also collapse because of social pressure (Bolivia)**

Today, sustainable O&M mainly depends on:

Efficient management

Adequate tariff setting and cost recovery

Control of unaccounted for water

Effective supply chain

Social participation

