GIZ Water Utility Support

Lessons Learned from Technical Assistance to ROU Mafraq
Background

- GIZ provided technical assistance to ROU Mafraq through Dorsch International Consultants from December 2016 to December 2018
- Objective: Accounts Receivables Management
- Review of commercial management processes
- Organization of field work
- Provision of vehicles and equipment through local contractor
- Provision of labor through local contractor
Results

- More than 40,000 field visits to defaulting customer by YWC-GIZ team
- 2700 customers disconnected, 2100 re-connected after settlement
- Improved accounts receivable management: installments, re-activation of seizure procedures (public funds law)
- From December 2016 to June 2018, the TA field team collected 1.2 Mio. JOD accounts receivables
- 499 illegal connections have been identified, worth an estimated amount of 275,000 JOD charged backwards
- 264 illegal connections have been legalized and 78,000 JOD have been collected
Results cont.

- Renovation of customer center in preparation to enable efficient one-window customer service (start in December)
- Re-organization of commercial management department to institutionalize new tasks and distribution of responsibilities
- Process optimization / reduction of response time

<table>
<thead>
<tr>
<th>Process</th>
<th>Previous Duration</th>
<th>New Duration</th>
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<tbody>
<tr>
<td>Re-Connection</td>
<td>7-10 days</td>
<td>Within the same day</td>
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<tr>
<td>Meter Replacement</td>
<td>1 month</td>
<td>3 days</td>
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<td>Objection procedure</td>
<td>3 cycles (9 months)</td>
<td>1 cycle (3 months)</td>
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<tr>
<td>New application</td>
<td>1-4 years</td>
<td>1 cycle (3 months)</td>
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Lessons learned

- Improvement in customer relations management requires a) social skills, b) IT-based systems, c) physical infrastructure (customer center that enables one-window customer service)
- Vehicles and equipment are needed
- Given limited budget for maintenance, vehicle rental is recommended
- Field staff (e.g. plumbers) is not sufficiently qualified
- Resource pooling is not effective, each ROU needs to have its own resources
- Need to improve communication between YWC HQ and ROUs, as a wheel as to improve communication between ROUs and customers
Lessons Learned

• **Technical assistance is effective:** NRW can be reduced and revenues increased through technical interventions and coaching at the ROU operational level.

• **Results have often been limited in scope and duration:** The economic situation of the utilities remains critical.

• **Underlying problems are not addressed:** Project-based interventions do not have the mandate and scope to change and innovate framework conditions.

• **Utility performance comes down to staff performance:** Staff’s job satisfaction and motivation is key to improve productivity and performance
Lessons Learned

• **Performance pays off**: Incentive schemes are important, but need to be more transparent, fair and targeted

• **Organizational Development for business integration**: Roles and Responsibilities need to be clarified, Job descriptions need to match actual demands and requirements

• **Recruitment processes**: fast recruitment solutions for critical missing positions needed

• **Continuous Capacity Building is essential**: focus on on-the-job training as new procedures and system require specific skills

• **Knowledge sharing and inter-ROU learning is vital**: more frequent official meetings / presentations between ROUs and donor coordination chaired by YWC
Lessons learned

• **Project recommendations** should be defined, presented and discussed widely (not only high level) in early stages of implementation

• **Coordination with other projects** on the ground must be more effective for efficient resources allocation

• **Better definition of roles and responsibilities** for all betters can be defined better
Challenges

Data and Systems:
- Unreliable and incomplete baseline data
- No systems or databases except for billing, most data only available on paper

Organizational:
- Lack of documented business procedures
- Organizational structure and distribution of responsibilities were not clear
Challenges – cont.

Decision Making:

• Culture of impunity: Customers were not used to adhere to decisions taken at YWC & ROU level, such as disconnection, Amiri law procedures, …

• Impulsive decision making

Awareness & Coordination:

• High percentage of refugees who are also not aware of rules and regulations
Challenges – cont.

Operational:

- No control over meter readers
- More than 1,000 customers had water meters installed, but were not registered in the billing system
- Disconnection procedure was not fully activated
- Installment procedures was not organized (only 120 cases)
- Amiri procedures were managed by YWC
- Billing performance less than 75%
- Average time for reconnection 2-3 weeks
Approach

- Analysis of baseline data
- Documentation and development of commercial business procedures
- Design system/tools to support business procedure implementation and reporting
- Coordination with YWC-HQ for overlapping tasks and procedures
- Management of Account receivables
- Knowledge transfer from RWU project to YWC staff
- Ensuring sustainable improvement and future outlook
Progress Overview

Collected amounts (JOD)

- from non-governmental customers during first 9 months increased from 2016 (before TA) to 2018 +100,02%
Progress Overview

Accounts Receivables reduced

ROU Mafraq

- constantly reducing AR -4%
- while increasing Revenues +13%

YWC Total (without ROU Mafraq)

- increase of AR +8%
- minor increase of Revenues +3%
Progress Overview

Collection Efficiency

Mafraq developed to be the best ROU

1-9 2016  62%
1-9 2018  111%  +49%
Next steps

- Finalize on-the-job training for hand over to YWC ROU Mafraq staff
- Capacity building analysis
- Support YWC to define and integrate the developed with their main systems
- Assessment of ROU needs to design support for 2019-2021