

Strengthen rural water operator capacity and determine an affordable water tariff in Rwanda



Rwanda is a fast growing, East African country which has made huge socio economic progress since the country was devastated by genocide in 1994. However, many rural Rwandans have relatively low incomes, and are still reliant on subsistence agriculture and trade as their main source of livelihoods. The country's Vision 2020 aims to provide every Rwandan with access to safe drinking water by 2020. The country will not achieve this, but has made significant improvement in this regard.

The provision of water in rural areas of Rwanda is undertaken by private companies that operate and maintain the infrastructure on behalf of District governments, with the district providing the necessary capital investment, and the private operators responsible for the operational expenditure only. This process is regulated by RURA, the Rwanda Utility and Regulatory Authority, who is also responsible for setting tariffs for rural water. UNICEF contracted PDG along with its partners, the Institute for Policy Research and Analysis in Rwanda (IPAR-Rwanda) and software developer Sean Walsh, to assist RURA in the calculation of an affordable tariff in rural Rwanda, and assist in the development of an online monitoring and reporting database system. PDG also led the team that conducted a nationally representative survey of rural Rwanda to determine the willingness and ability to pay for water.

PDG developed a Microsoft Excel-based model to calculate the theoretical cost of water supply, using the technical characteristics of all 970 water supply schemes. This cost was calculated using international best-practice benchmarks, and feedback from the private operators on the practicalities of running the water systems. PDG then developed a tariff model which takes the cost of adequate



water supply and calculates the required tariff. This tariff is compared to affordability thresholds to determine the subsidies necessary to implement an affordable tariff. Private operators were also trained on the principles of financial and commercial management to strengthen their operations and enable them to better provide safe water to rural Rwandans. These operators then report technical and financial data into the online system designed by PDG and Sean Walsh. This enables RURA and other institutions with oversight responsibilities to monitor the implementation of the water service, assess the private operators against agreed upon key performance indicators and provide the operators themselves with valuable management information to assist them in the running of their businesses.

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RWT PROJECT:

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