

Qualitative Opinion Research in the Framework of the Municipal Water and Wastewater Project in Albania

Situation analysis

World Bank is involved in the water supply sector in the last few years in Albania and it has been mostly through the on-going Municipal Water and Wastewater Project and through the earlier water supply urgent rehabilitation project. The Bank financed Municipal Water and Wastewater Project and is using its limited funds to finance the international private operators for water supply, wastewater services and for rehabilitation of water networks in the project areas and for meeting urgently needed repair and maintenance. This resulted in a financing gap to support the complimentary activities described above for which the PPIAF is being requested. In this regard, World Bank together with Antea Madison & Company NY L L C in collaboration with Comport SHPK in November 2003, decided to follow up a qualitative research on this project.

The main issues proposed to be taken into consideration for the PPIAF project by our company were:

- **Consumer satisfaction and equity – providing service to the poor.** The water utilities in Albania lack a professional internal consumer relation structure. In view of reforming the water sector and encouraging private participation in service provision, new attitudes should be developed to serve the public diligently. Striving for cost-recovery or profit maximization should not leave consumers' satisfaction unconsidered. Similarly, if a water utility would act only based on commercially driven objectives, this would lead to high quality service to high-income customers, while needy areas would remain under-served. Targeting vulnerable groups, reducing the gap between the rich and the poor by providing a more equitable service is an important sector project achievement.
- **Water resources management and environmental protection.** So far, most of the attention of water decision-makers in Albania has been dedicated to supply – matching the ever-increasing water demand with options for supply. Due to this, the most attractive alternatives for supply have already been implemented and in many places it is hard to think of feasible solutions for a further increase of the supply. As the water demand is expected to increase even more in the future, the problem of water shortage takes critical proportions. A sustainable use of water resources should include elements of technical, financial, social, institutional, and environmental sustainability.
- **Improving the performance of water utilities.** An action plan has been defined to improve the commercial and financial performance of the water utilities in a way

that it can be monitored by a set of performance targets and benchmarks, also taking into account the increasing trend of decentralization in the sector.

- Monitoring and benchmarking will allow local authorities to compare the performance of different water utilities and request those under their jurisdiction to improve such performance.
- Increasing revenues of water utilities could be done by increasing the collection rate by enforcing a coercion system for late payers, disconnecting illegal connections, and reducing technical and non-technical losses.
- Demand management – future development should be based on the principle that water is finite and attention should be shifted from managing the supply to influencing the demand.
- Public awareness campaign is an important action that would lead to reduced water wastage, acceptance of the metering process, payment of the water bill, and introduction of the wastewater fee.

Strategy and implementation

Long time ago, planners in many countries have embraced sustainable development as the leading philosophy that on one hand would allow the world to develop and on the other hand preserve non-renewable resources and guarantee adequate living conditions for future generation. If ever the theory of sustainable development can be put into practice, the role of water in this process is crucial. As the awareness of people and decision-makers in water issues is small, it is worthy to highlight that some elements of sustainability are obtained through the following processes:

- **Planning in water resources management:** By definition, this is the development and allocation of a resource matching water availability and demands, taking into account the set of national/local objectives, constraints and the interests of stakeholders. Based on the Albanian peculiarities, a distinction according to the scope of the planning would define the following:
- **Involvement of stakeholders:** Proper functioning of water resources system, at national or local level, requires the commitment of all involved parties to make the system work. The only plan that will actually work is a plan based on the deep involvement of the relevant stakeholders, leading to a compromise or consensus on design and implementation. Certainly, it is difficult to create the institutional setting in such a way that water resources development is sustained by the vast majority of the people. The answer to this problem lies in the involvement of stakeholders. This ensures that stakeholders participate in the decision process at an early stage and that they can have an influence on the course of action. Consequently, this creates the basis for commitment.
- **Peoples' participation:** The experience shows that many water resources management projects, although technically and economically successful, have

enlarged inequality and failed to reach the poor and most importantly failed to be sustainable in the long term. Some of the most suspected reasons are because of:

- People do not see the benefits. Social impacts and the distribution of benefits were not taken into account when projects were proposed. This situation is a real failure in development projects. If the project does not affect peoples' lives positively, technical and economical success is of no value.
 - People have no incentive for operation if they were not committed from the beginning to the project ideas, or to bearing the responsibility of management. Peoples' participation in planning and implementation of water projects is an important prerequisite to avoid such problems and lack of such participation should be regarded as one of the main reasons for their failure in Albania. Thus, a water resources management strategy can be sustainable if it has the support of a broad base of stakeholders, thereby opening up the possibilities both to strengthen local institutions and people's organizations and to develop self-reliance and confidence.
- **Creating a sustainable management of water resources.** It should be regarded as fully integrated with the protection of the environment, and both should aim at contributing to sustainable development. Given the critical state of the environment in Albania, it is realistic to envisage that the short- and medium-term objectives should be to:
 - Reduce/stop the process of environmental degradation;
 - Create conditions for the rehabilitation of polluted areas and bring them within minimal security standards;
 - Increase the sustainable use of environmental resources. The interventions in the environment should be given priority in those areas where there is a high level of human exposure to environmental risk, considerable values/assets are endangered, and where the damage has a greater impact on the poor. Priority measures should include:
 - **Institutional strengthening.** Attention should focus on the consolidation of the National Environmental Agency, specialized institutions, and other local bodies involved in the field of environmental protection. Two important aspects can be distinguished here:
 - Increasing the awareness among local communities, the civil society, the business community, etc. and involving them in the decision-making processes.
 - Capacity building, especially at local level and delegation of increased competencies in environmental monitoring and protection.
 - **The adoption of environmental policies and instruments.** Strategic plans and action plans should be prepared with regard to urban and rural development, use of resources, land use, transport, agriculture, etc. The implementation of these policies should be supported by the establishment of instruments such as fees/taxes and the strict compliance with standards on discharges and

environmental quality. Compensatory policies should be applied to minimize the burden of costs or the adverse effects of environmental policies on the poor.

- ***The reduction of pollution from existing sources.*** Attention should be focused on sources of pollution close to inhabited areas that cause considerable damage to economic values or undermine development, having most of the impact on the poor. The interventions should start from the environmental ‘hot spots’ and should aim at reducing historical and on-going pollution and elimination of toxic components. It is crucial that efforts be made to combine policies that increase the motivation for a rational utilization of resources with measures that increase management capacities and enhance accountability.

Results:

First, it was found that the main stakeholders still do not communicate, with the local authorities and administrators still not participating enough in the process. The experience of the pilot clearly demonstrate that, while water supply has improved, communication among those who manage the reform process—MTAT, local governments, PIU and the private operator—continues to be handled in separate channels by each stakeholder. Hence, there is a critical need for a communication mechanism that would promote closer collaboration among these key players as they work together towards a common goal to improve water services. To this end, the communication team within MTAT should be put in charge of coordinating the various action steps. In addition, the coordination of the various communication flows into an organized communication process should also involve public participation.

Second, it was found that the public is well inclined to participate in the process to support the decentralization of public services in the water supply and wastewater sector. The results of the meetings in villages showed that people would gladly put in their time to establish a new water system in exchange for higher service standards.

Third, there is a need to communicate positive changes to the public to increase public confidence that the situation in Albania is indeed changing for the better. Timely communication of positive results achieved through water sector reforms to the public is critical for the success of the program. This would help obtaining public approval of the reform and encourage broader public participation in the process.

Fourth, the development of a comprehensive communications plan should incorporate the views of the public on the state of delivery of water supply and wastewater services in their respective locations. This should be carried out through consultations with the public. This mechanism would ensure proper assessment of the different service levels in different regions, which would require different communications approaches.

Finally, a new confidence in government's work must start at the local level and expand to the national level to confirm that decentralization of management and responsibilities are proving to be successful.