



Relation between Investment and Operate-Maintain

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IRC

Supporting water sanitation
and hygiene services for life

Vitens Evides International

- Mission
 - Increase global access to safe and reliable water & sanitation services
- Strategy
 - Enhance performance of urban water operators → attract investment
→ improve and expand services, also to the urban poor
- Focus
 - Water Operator Partnerships
 - Delegated Management contracts
 - Technical assistance
 - Multiple year programmes
 - Not for profit
 - No equity (co-) ownership



Global portfolio - currently in 20 countries

- Water Operator Partnerships
- Service contract
- Technical Assistance
- Management Contract
- Infrastructure development contract



- Africa: Mozambique, Zambia, South Africa, Malawi, Ghana, Ethiopia, Kenya, Tanzania, Ethiopia, Zimbabwe, Burkina Faso, Uganda, Rwanda
- Asia: Philippines, Vietnam, Bangladesh, India, Mongolia

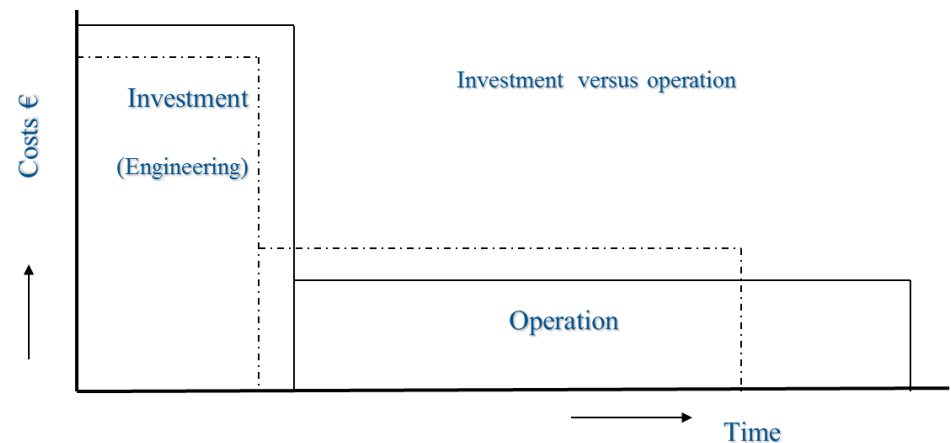
Why premature failure of water infrastructure ?



Examples of premature failures in Uganda

Why premature failure of water infrastructure ?

- Focus on coverage , instead of a full cost recovery approach.
- Lack of knowledge on operate and maintain.
- Distance between strategy and operation.
- Often the needs of the operator is not translated into the right investment.
- No connection between investment and operation TCO, LCC.



What can be done in practice to avoid waste of investment in infrastructure ?

- Include a list of spare parts during the procurement;
- Include a maintenance scheme and training within the procurement;
- Include the operation costs of the different scenarios of the business case;
- Clarify the investment process;
- Manage the operate and maintain process;
 - Spare parts.
 - Tools.
 - Education.
- Asset Management ?.

The What and How Question

**“Asset Management”
philosophy & framework**

*The What
& Why*

**Investment
& renewal**

**Operation &
Maintenance**

**Materials &
Resources**

*The Who
& How*

Asset Management enablers
(risk mgmt, asset register, work mgmt systems, education etc)

Vitens Evides International Approach on Asset management

Step 1

Knowing your assets

Step 2

Preventive maintenance planning on existing infrastructure to ensure its proper functioning over the entire economic design life time.

Step 3

Replacement investment planning based on business cases and policy making for short- and long- term investment plans to replace existing infrastructure.

Step 4

Total operation and maintenance planning for all existing and extension infrastructure based on Full Cost Recovery tariffs ('total life cycle costing').

Three ways to look at Asset Management

- Asset Management as Mindset

- Guiding principle: “How should I act when deciding about assets?”

- Asset Management as a Process

- This process leads to optimization of asset systems, by focusing on those issues that really matter
- A process is manageable
- Processes contributes to the ability of continuous improvement

- Asset Management as a Set of (Technical) Tools

- To ensure that the tooling can be used meaningful it must match the degree of development of the company
- Think in terms of organization, technical skills, competencies, etc.



sustainable water services