

UKT Tirana Water - Financial and Operational Performance Improvement Programme, Stakeholder Participation Programme (FOPIP)

Context

Created in 1939, UKT is a municipal utility company providing water supply and wastewater services for the municipalities of Tirana, Vora and Kamza.

Existing studies and documents indicate that UKT is facing a number of operational challenges including: poor condition of the water network and low maintenance leading to high levels of interruptions in water supply and poor water quality; a high rate of non-revenue water; threatened sustainability due to the Company's reliance on depleting and polluted wells; high cost of pumping groundwater; complicated cash flow situation, etc.

In order to increase its capacity, UKT has received a loan from the European Bank for Reconstruction and Development to implement an investment project to finance improvements in the water supply system, more specifically for (i) construction of a pipeline for transferring water from the Bovilla water treatment plant to the western part of the City; and (ii) extension of the Bovilla water treatment plant.

Project objectives

The objective of this FOPIP Project is to support the General Manager of UKT in further building the company's operational and financial performance and implementing commercial rigor through:

- The development of a programme to improve the financial and operational performance of UKT Tirana with focus on improving revenue collection, reducing operational costs;
- The preparation of a Public Service Contract to streamline interactions between UKT and the

Municipality of Tirana and other stakeholders through the clarification of the respective roles and responsibilities as well as the definition of indicators for measurable improvements to improve operational efficiency and levels of service;

- Develop and implement a Stakeholder Participation Programme aimed at increasing public participation in the provision of water services and in particular:

- Design and conduct an information campaign;
- Establish WUCs at the level of neighbourhood associations;
- Establish an Advisory Committee in the Municipality, which will meet every three months and which includes all client groups;
- Establish a grievance mechanism.



Expected Deliverables

The key deliverables are as follows:

- FOPIP Inception Report;
- FOPIP Water Report;
- Public Service Contract;
- Stakeholder Participation Programme.

GENERAL INFORMATION

DONORS:

- European Bank for Reconstruction and Development (EBRD)

PARTNERS:

- UKT Tirana
- SEURECA Veolia
- Bakertilly

DURATION:

- 04/2019 - 01/2020

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