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# Municipal Infrastructure Support Programme

●●● Building together for the future

## Program podrške razvoju infrastrukture lokalne samouprave

●●● Gradimo zajedno za budućnost





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# MASTER CLASS ON MISP TRAINING

## Financial and Operational Performance Improvement Project (FOPIP)

**Date: 24 March 2011**



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## TOPICS

1. The *FOPIP* concept
2. *FOPIP* strategy and approach in MISPII
3. Results FOPIP Rasina District Regional water supply (Krusevac) & lessons learned





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## What is a FOPIP?

- Financial and Operational Performance Improvement Project
- Overall objective: to sustain investments by improving management & operations
- Focus on performance improvement of existing utility organisation, operations, procedures and systems
- Frequently implemented in parallel with physical investments
- Typical duration 1 – 2 years
- Piggy backed to loans/grants from IFI's (EBRD, KfW development bank, EU)





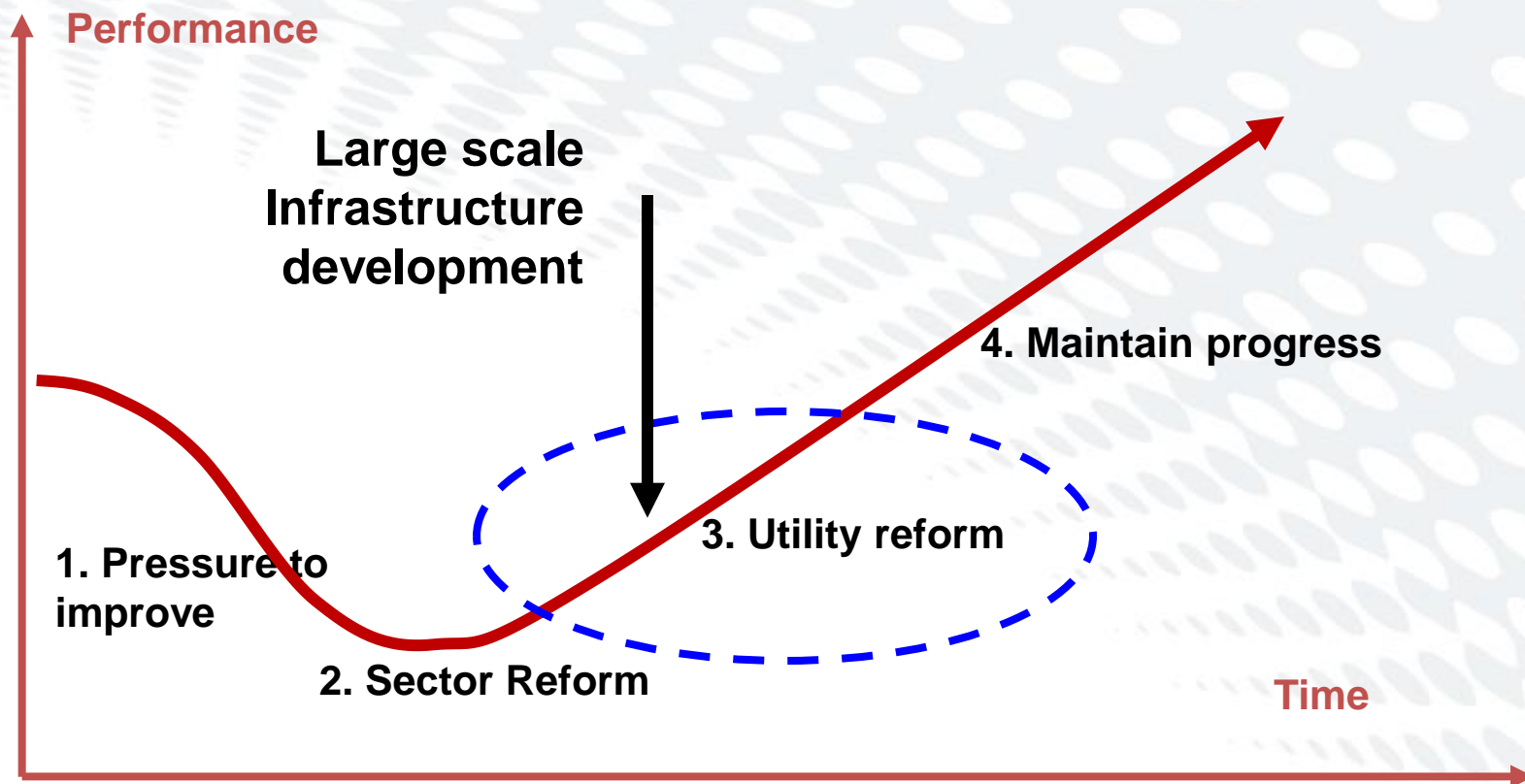
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Source: world bank study



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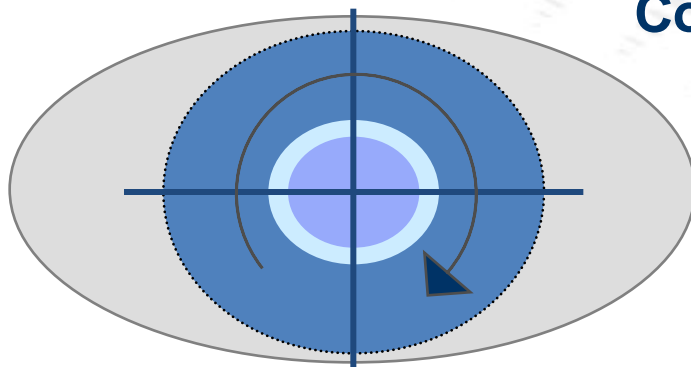
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## The FOPIP system

### Conceptual model



### Process





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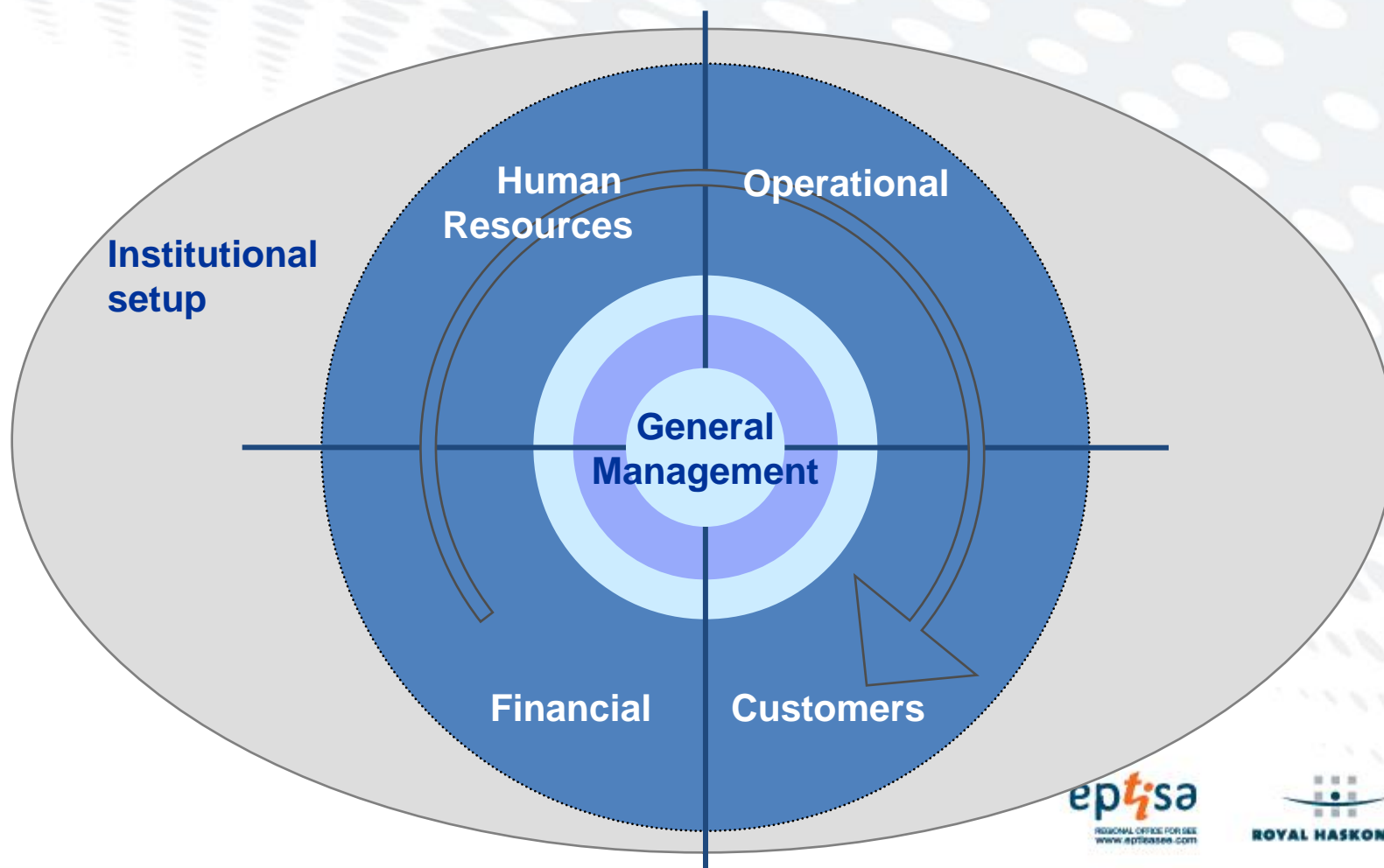
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## Key Management Areas & Processes





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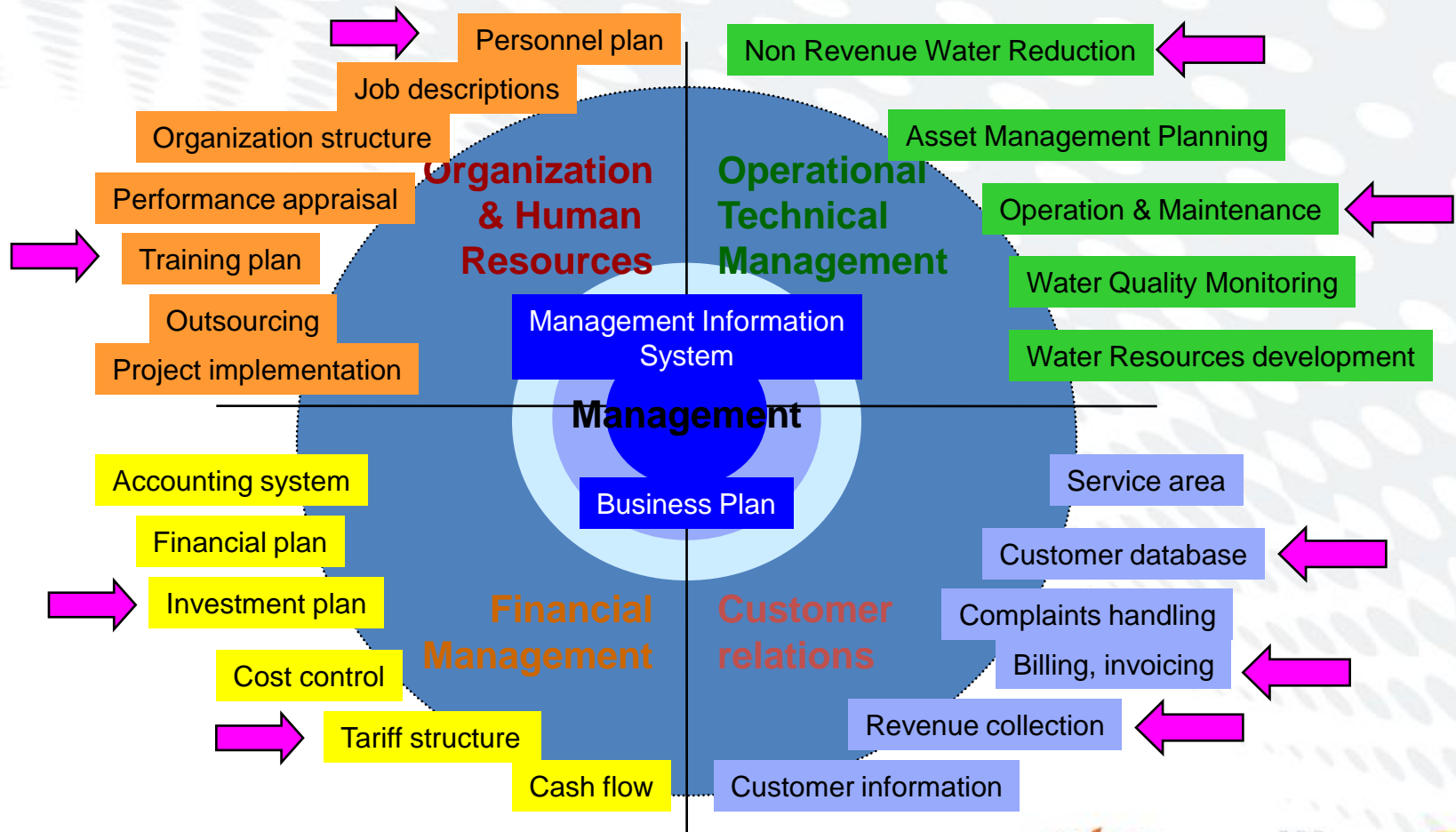
# Water Utility FOIP

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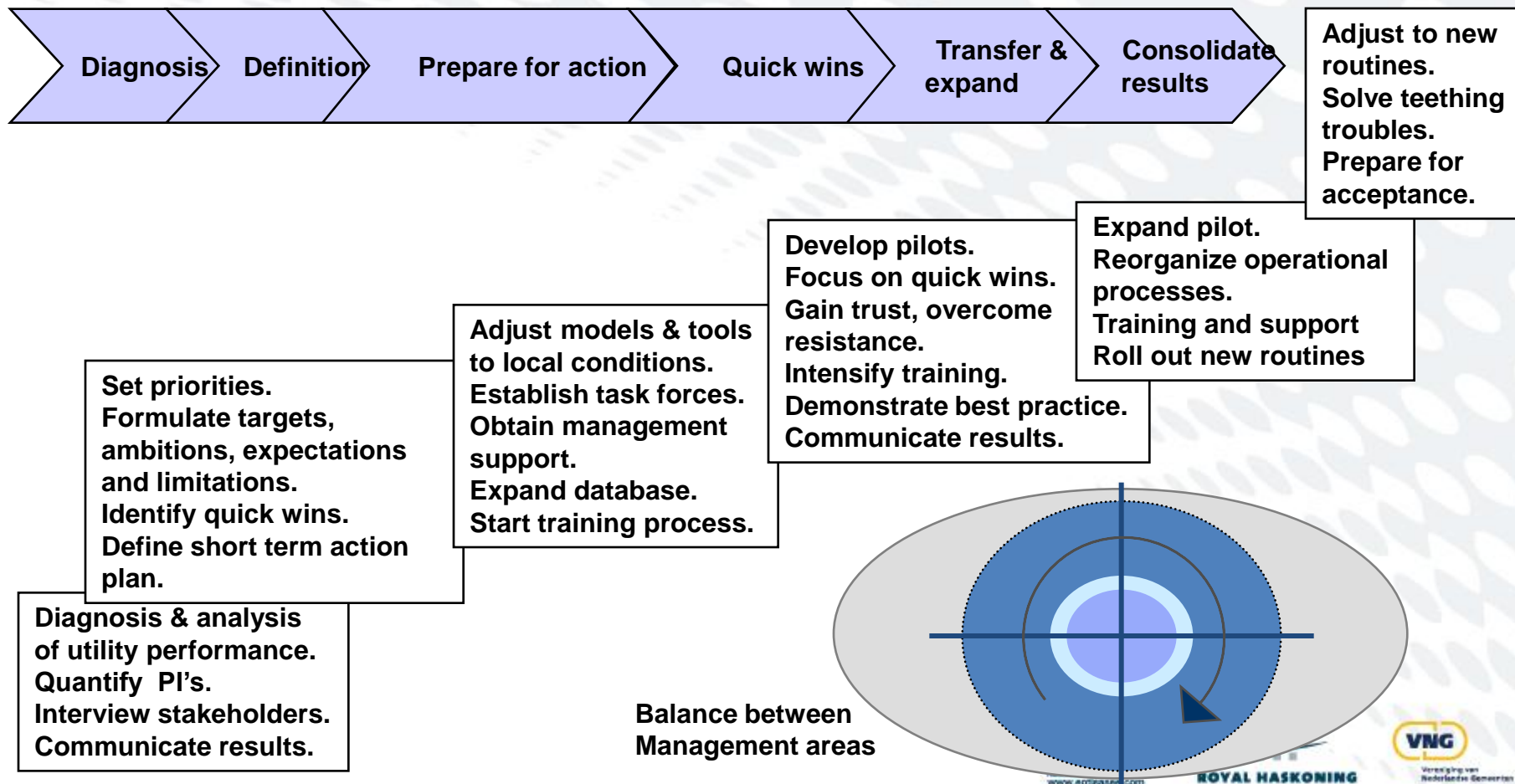
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## FOPIP road map





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## **FOPIP strategy and approach in MISPII (1)**

- **2x Solid waste** (Piroć, Sremska Mitrovica-Sabac) **3x Water & sewerage** (Rasina District, Vrbas-Kula, Sabac)
- Parallel implementation with construction
- Planned duration 12-24 months each
- Distinction between:
  - Improvement of existing utility
  - Set-up new entities/PUC's (regional schemes)
- Intervention builds upon (i) institutional work (situation audit, inter-municipal agreement) and (ii) Engagement Letter



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## FOIP strategy and approach in MISPII (2)

<b><i>Phase</i></b>	<b><i>Duration</i></b>	<b><i>Milestone deliverable</i></b>
Assessment & design FOIP action plan	3 months	Action Plan
Implementation FOIP action plan	9-12 months	Final report FOIP TA intervention
Aftercare / on-demand support	12 months	Monitoring report end of aftercare / on-demand support phase



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## Results FOPIP Rasina District Regional water supply

- Start Mar-2010; end intensive phase Mar-2011
- Initial participatory workshop to identify priority areas and gain commitment from management & staff (April 2010)
- Strong focus on implementation & on-the-job training
- Action plan agreed and implemented comprised of 12 different measures, examples:
  - Bulk water delivery contract
  - Improved template customer contract
  - Non-revenue water monitoring & reduction
  - Cost centre based financial management system
  - Bulk water tariff model



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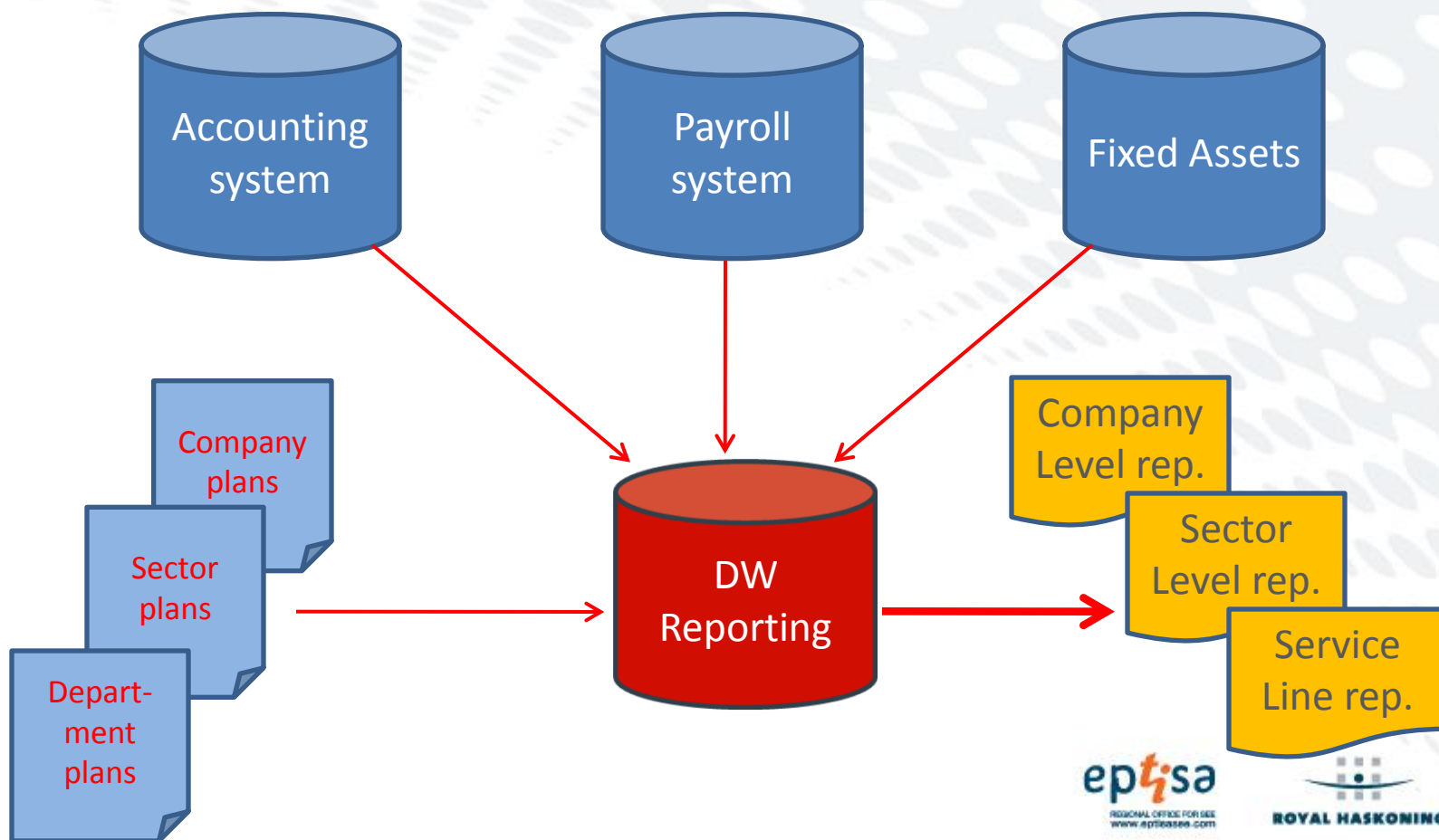
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## Result (1): cost centre based financial management system







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## Result (2): Training & capacity building delivery mix

- Workshops (Participatory workshop, non-revenue water methodology)
- On-the-job training (tariff model, financial management system)
- Management briefings & in-company presentations (inventory management system, bulk water delivery contract, financial management system)
- Formal training sessions (asset management)



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## Lessons learned (sofar!)

- Difference in focus & timing of FOPIP for existing utilities and new entities
- Construction works dynamics impact on timing FOPIP assistance, especially for new entities
- Close and continuous feedback to top management is crucial -  
> need for on-site / in-house consultancy. Involve other crucial stakeholders as well, especially municipality!
- Focus on quick wins and implementation: best showcase of FOPIP impact and greatly supports acceptance of results



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## QUESTIONS AND ASSISTANCE

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Thank you for your attention!