MADEVIE PROJECT – LAO PDR

IMPROVING BUSINESS MANAGEMENT & INCREASING ACCESS TO WATER SUPPLY IN VIENTIANE CAPITAL

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GENERAL DIRECTOR’S ADDRESS

“Among the major events of this last quarter there is the confirmation by the AFD Vientiane Agency of the extension of AEP 2 project until November 2013. This one-year extension gives us opportunities to push further our efforts to improve NPNL performances and service quality to our customers.

Concretely, NPNL is going to take advantage of it to carry out more actions aiming at reducing non-revenue water on the network but also reinforcing our financial management system and assisting further the Pak Ngum District Authorities, the operator and the concessionaire on the construction and operation of the water supply system.

Regarding the accomplishments during this last quarter, a vast survey on the water demand was designed. We wish to better understand perceptions and expectations of our customers. This survey is the first of this kind ever conducted by Nampapa. Furthermore, we have signed the consultancy contract for the development of our GIS and we also launched two procurement processes, one for the IT equipment of the billing system, the other one for the domestic water meters.

Also, NPNL is mobilized for the preparation of the Asia-Europe Meeting on the 05 & 06 November with the extension of the water supply service to the ASEM village. All these topics are detailed in this newsletter.

Mr Khamphneuy Vongsakhamphoui
General Director of NPNL

1. FINANCIAL MANAGEMENT AND STRATEGY

NPNL and Vientiane Municipality Authorities are exploring solutions to increase NPNL capacity to improve the water supply service by strengthening its financial health through the adjustment of the water tariff policy. NPNL is also exploring ways to reduce electricity expenses.

The Terms of References for the audit of the NPNL financial management system are under preparation. The audit should be conducted in September of October. It will help NPNL management to identify areas of improvement in the financial management system and should propose a road map with clear actions to improve its performances.

2. COMMERCIAL MANAGEMENT

The study on the water demand is about to start a large survey targeting 600 households from the whole NPNL service area. It will involve 7 surveyors during two months for data collection and processing. The first results of the survey are expected in November.

The study will provide information on the level of satisfaction of the water service users The study results will enable NPNL to define its communication campaign to promote its service and improve the company’s image. This strategy will contribute to the reduction of the non-revenue water.
2. COMMERCIAL MANAGEMENT (continued)

The Customer Water Billing System (CWBS) is now successfully upgraded and the NPNL staff from the commercial section has been trained on the new system by NSS technicians. The system will be installed on the new servers that are currently being purchased. The new servers will be delivered in October.

The next step will be the adjustments of the water meters database so it can be linked to NPNL hydraulic model and GIS that are under development stage. This will enable the technical department team to input the exact water consumption by village in the hydraulic model on a monthly basis.

3. ASSET MANAGEMENT

Liemmaniseng Company has completed 76% of the contract which consists in the replacement of the old leaking steel pipes (GSP pipes), the testing of the new pipes and the private connections. Due to slow progress of the contractor, NPNL is considering to extend the duration of the contract so the work can be achieved in good conditions. A second phase of the project is under preparation to replace the remaining GSP pipe in Vientiane Capital. The elimination of the old GSP pipes will reduce significantly the physical water leaks on the network.

The NPNL hydraulic model is now operational. The project has entered in the fourth and final phase related to the use of the model to simulate interventions aiming at increasing the water pressure in the network.

The bidding process for the purchase of 6'234 domestic water meters was launched in August. The order will be finalized in September. The new water meters will replace the old defected ones that are not reliable.

On the 15th of August, NPNL and the consortium WTA / ESRI Thailand signed the contract of GIS development and hydraulic model mentoring. The NPNL has appointed a team for the management of the GIS. In September, 7 staff will participate to the GIS training.

4. PUBLIC PRIVATE PARTNERSHIP PILOT PROJECT IN PKA NGUM

The construction work started in July on the two production sites, in Ban Phao and Ban Somsavat with the office buildings and the fencing. The concessionaire has been advised by NPNL to drill the boreholes early next year during the dry season to have optimal testing conditions.

The Authority of Vientiane Municipality will support the project with a subsidy of 10'000 USD for the construction of the water supply system.

Regular meetings were organized with all stakeholders of the project to explain the PPP model and its specificities in terms of ownership, responsibilities and project coordination. More meetings will be organized during the construction phase.

With the support from:

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