

PPIAF Assistance in the Democratic Republic of Congo

The Democratic Republic of Congo (DRC) was severely impacted by the civil war that lasted until 2003. Years of economic mismanagement and conflict had devastating effects on the country's economy and on citizens' quality of life. Lack of maintenance and damage from the conflict led to the steady and significant deterioration of roads, bridges, other transport infrastructure, electricity and water supply systems, and facilities for solid waste management, and as a result led to increased pollution in urban centers. With political stability gradually returning to the country and reengagement of the international community, the government of the DRC requested PPIAF assistance in 2002 to support the water and solid waste sectors.

Technical Assistance for DRC's Solid Waste Sector

In 2002 the government of the DRC requested PPIAF assistance to support selected urban centers of the capital city Kinshasa to improve solid waste management services. During the 10 years of civil war, the city was subject to an unprecedented population growth, becoming one of the most populated cities in Sub-Saharan Africa. During the civil war the government was unable to provide cleaning services, which led to the significant pollution of Kinshasa and the dumping of garbage all over the city, including in indoor markets and along roads and rivers.

PPIAF funded a **feasibility study for the participation of the private sector in the management of the solid waste of Kinshasa**. The objective of the study was to define the modalities to improve the management of solid waste in the city with the participation of the private sector. The results of this study were presented during a workshop held in Kinshasa from April 23–25, 2003 where representatives of several city communities, the national sanitation program, and the private sector discussed the study's initial conclusions and recommendations. In total there were 24 mayors and more than 60 municipal waste management technicians.

The workshop enabled to choose the best strategy available to maintain clean in a sustainable manner the city of Kinshasa. In line with the study's recommendations, it was agreed to: (i) reorganize the sector at an institutional, regulatory, and administrative level and to revisit the modalities to recover the costs of the sector to better facilitate the participation of the private sector, and to (ii) develop a project with the participation of the local private sector and of medium sized companies to implement the recommendations in order to help the city exit its unhealthy condition.

The comprehensive strategy for the participation of the private sector proposed to: (a) hire small and medium sized local companies for the primary collection of garbage; (b) repair existing vehicles for secondary collection; (c) install transfer stations and controlled dump sites; (d) build solid waste treatment plants; and (e) reinforce the capacities of centralized and decentralized services.

The PPIAF-funded study also proposed amendments to the existing institutional framework and proposed the creation of the *Office National de l'Assainissement* (ONA) (National Sanitation Office), to be in charge of all operational sanitation activities in the country. ONA would be a public entity responsible for conceiving, controlling, and following-up cleanup and drainage works and to subcontract the corresponding works to the private sector. We are following up on whether ONA was created.

As a follow-up to the initial strategy, PPIAF was asked to fund the **study for a pilot project for solid waste management in Kinshasa with the participation of the private sector**. This study was completed in 2005 and analyzed various modalities for private sector participation in solid waste management as well as the legal, regulatory, and institutional frameworks and national policies related to cost recovery, landfill, and recycling.

PPIAF-funded studies paved the way for a €22 million project from the European Union called *Programme d'Assainissement Urbain de Kinshasa* (PAUK), signed in November 2007, which comprises assistance for the development of improved solid waste management systems for the communities of

Gombe, Barumbu, and Kinshasa. As of October 2010, waste transfer stations had been installed in several locations of the three communities where cart-waste collectors collect the garbage and other waste in the city and empty it into such deposits. Subsequently, all solid waste is transported to a site in Mpsa, a suburban neighborhood of Kinshasa located approximately 30 km from the city center, where a new solid waste treatment plant is under construction, also funded by the PAUK. We are following up on whether the waste treatment plant in Mpsa has been built, and whether a private operator has been selected.

Results of PPIAF's Activities in DRC's Solid Waste Sector

Category	Outputs
Enabling environment reform	
<i>Plans/strategies prepared</i>	<ul style="list-style-type: none"> • Study of the management of solid waste of the city of Kinshasa, April 2003 • Study of pilot project for the management of solid waste for the City of Kinshasa, November 2005
Project cycle related assistance	
<i>Transaction support</i>	<ul style="list-style-type: none"> • Draft Lease Contract for Primary Recollection, November 2005
Capacity and awareness building	
<i>Workshop/seminar</i>	<ul style="list-style-type: none"> • Workshop held in Kinshasa from April 23–25, 2003 to discuss results of study of the management of solid waste for the city of Kinshasa

Category	Outcomes
Enabling environment reform	
<i>Plans/strategies adopted</i>	<ul style="list-style-type: none"> • Pilot project for the management of solid waste for the communities of Gombe, Barumbu, and Kinshasa adopted and being implemented with the support of the European Union, 2007

Category	Impacts
<i>Additional private investment in the sector</i>	<ul style="list-style-type: none"> • European Union PAUK program to improve waste collection and sanitation in the city of Kinshasa with €22 million
<i>Increased number of people with infrastructure services</i>	<ul style="list-style-type: none"> • Garbage collected from 250,000 inhabitants of the city of Kinshasa over an area of 1,130 hectares

Technical Assistance for DRC's Water Sector

In 2003 the government of the DRC embarked in a major reform of the water sector and requested PPIAF support to improve water supply to the population with the participation of the private sector. PPIAF has since provided technical assistance to the government of the DRC for the reform of the legal and institutional frameworks of the water sector as well as for the improvement of the national water utility REGIDESO's operations.

In 2003 PPIAF funded a National Seminar on the Reform of the Water and Sanitation sector in the DRC, which took place from October 15–17, 2003 in Kinshasa. With over 80 attendees, the seminar enabled participants to develop a common vision of the problems existing in the water and sanitation sector and outlined the process for preparing institutional reforms to improve access to drinking water in urban areas. This seminar and corresponding report is considered to be the starting point for the reforms of the water and sanitation sector which helped build consensus on long-term solutions for the sector.

In 2004–2005 PPIAF funded a seminar that took place in Kinshasa from March 31–April 1, 2005 to make Congolese private sector companies aware of the opportunities to participate in infrastructure projects financed by the World Bank and other donors, including in the water sector. This workshop, with over 185 participants, was crucial because with regained stability in the DRC starting in 2001, aid-funded development resumed on a considerable scale, and the government of the DRC wanted Congolese companies to participate in such projects. The workshop helped sensitize local companies on procurement, coached them on the processes to secure financing and technical assistance for project work, and advised them on how to facilitate partnerships with larger, more experienced firms. An outcome of this seminar was the establishment of a Steering Committee by the Minister of Finance, with the participation of the private sector, bank representatives, and the *Fédération des Entreprises Congolaises* to implement the recommendations proposed during the workshop. We are following up on whether the recommendations were ever implemented.

As of 2006, the country's water sector was characterized by: (a) low level of coverage and access rates, with only 22% of the population (11.5 million) having access to safe water supply and 10% (5.2 million) to sanitation (the supply rate of water in urban areas was 37% in 2004). Two cities, Kinshasa and Lubumbashi, accounted for 76% of the national water utility REGIDESO's activity; (b) high levels of technical losses (50%); (c) low collection rates at 49% of billed amounts; (d) REGIDESO's bad financial situation with high operating losses, high indebtedness levels, inability to service debt, and low productivity levels.

In 2006 PPIAF support was sought to fund the preparation of a strategy to develop—on a pilot basis—options for private sector participation in the water sector for Lubumbashi, the country's second largest city. The consultants analyzed the present situation of REGIDESO and identified several private sector participation options for the improvement of REGIDESO's operations in Lubumbashi. The reports on current service performance and challenges in Lubumbashi were presented and discussed at a workshop on July 23–24, 2007. The options and implementation plan identified by the consultants were later discussed during a workshop held in Kinshasa on December 13–14, 2007 with the participation of representatives from REGIDESO, the civil society, and the donor community. At the close of the workshop it was agreed to adopt the five-year management contract option in Lubumbashi and 14 Katanga centers, with an investment program for each center. The objective of the management contract would be to allow the private company to make urgent essential works and identify an investment program during the five-year period. At the end of this term, the question of whether or not to extend private sector participation through a lease or concession contract would be analyzed. Following the recommendations of the Lubumbashi strategy and other sector-related work, the government of the DRC prepared an action plan to improve the financial condition and operations of REGIDESO, and decided to award a five-year management contract for the full management of REGIDESO to a private sector operator.

To attract the highest number of bidders for the REGIDESO management contract, the government requested PPIAF assistance again in 2008 to fund the preparation of the bidding documents including the information memorandum for potential investors, to update the existing draft water management contract and financial model, and to organize and implement road shows to present the reforms in the DRC's water sector and collect feedback from private operators on the design of the management contract and assess their interest. The road shows took place on December 8–12, 2008 in Paris, Rabat, and Lyon and again in January 2009 in Johannesburg. A closing workshop to discuss findings was also held in Kinshasa on February 5, 2009.

Two private sector companies from France and Morocco submitted proposals for the management contract, but the contract was finally not awarded. We understand that the government has not cancelled the procedure, so there is hope that the procedure could be revived.

Results of PPIAF's Activities in DRC's Water Sector

Category	Outputs
Enabling environment reform	
<i>Plans/strategies prepared</i>	<ul style="list-style-type: none"> • Strategy to develop—on a pilot basis—options for private sector participation in the water sector for Lubumbashi and implementation plan, March 2008
<i>Transaction support</i>	<ul style="list-style-type: none"> • Bidding documents for the award to a private sector operator of a management contract for REGIDESO dated March 2008, including information memorandum and update of water management contract and financial model • Road show to present the reforms in the DRC's water sector and collect feedback from private operators on the design of the management contract and assess their interest on December 8–12, 2008 in Paris, Rabat, and Lyon; on January 29, 2009 in Johannesburg; and closing workshop to discuss findings in Kinshasa on February 5, 2009 • Final report on results of road show and consultation with the private sector to implement a public-private partnership in the form of a management contract for REGIDESO, March 2009
<i>Workshops/seminars</i>	<ul style="list-style-type: none"> • National Seminar on the Reform of the Water and Sanitation Sector in the DRC held on October 15–17, 2003 in Kinshasa • Seminar for Congolese private sector companies to make them aware of infrastructure opportunities and projects to be funded by the international community, March 31–April 1, 2005 • Reports on service performance and challenges in Lubumbashi presented and discussed at a workshop on July 23–24, 2007 • Workshop to discuss options for private sector participation and implementation plan in Kinshasa on December 13–14, 2007

Category	Outcomes
Enabling environment reform	
<i>Plans/strategies adopted</i>	<ul style="list-style-type: none"> • Strategy to award a five-year management contract to a private sector operator for REGIDESO, November 2009
Capacity and awareness building	
<i>Consensus achieved</i>	<ul style="list-style-type: none"> • National Seminar on the Reform of the Water and Sanitation Sector in the DRC helped build consensus on long-term solutions for the sector and was starting point for reforms, 2004 • Establishment of a Steering Committee by the Minister of Finance to implement the recommendations proposed during the Seminar for Congolese private sector companies, 2005