

In Vietnam, achieving the millennium goal for drinking water and sanitation is an important spearhead. In the big cities, access to safe drinking water is to be a priority in the coming years.

This includes Danang, a port city in the middle of Vietnam with a population of 800,000. About 65 percent of the residents have access to tap water provided by the local water company, DAWACO. The other 35 percent has to rely on shallow ground water and surface water. In addition, the demand for drinking water exceeds the capacity of the distribution system.

The Water Operators Partnerships (WOP) between Vitens Evides International, DAWACO and the Dutch Embassy in Hanoi began in October 2007. DAWACO is presented with a challenge to expand its water service. It is realized that improvement of its operational and financial performance is an important prerequisite to finance investments.

## Danang




# Vietnam

### Project objectives

The project is intended to realise the sustainable management of the drinking water facilities in Danang. The support is the first step in a development to be implemented by DAWACO. In the end, DAWACO should have a much stronger financial position. A better-performing DAWACO will also be able to provide sustainable water services to the urban poor. An important success factor for this project is the realisation of a cultural shift at DAWACO. Vitens-Evides has formulated the following objectives together with DAWACO:

- Reduce the NRW.
- Improve the quality of the tap water.
- Consistent production operation management.
- Create a financial management system.

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- Develop a client registration system.
  - Professional billing and collection.
  - Introduce a programme to provide house connections to the urban poor.

Vitens Evides International has seconded a project manager at DAWACO for three years, who will be part of the management team. The project manager has been assisted for short terms by specialists from Vitens and Evides.



## Expected results

Through this public-private partnership, about 800,000 people in Danang will receive a better, constant supply of water. Professionalising the operational management should improve the financial position of the water company. This is necessary in order to be able to invest in the quality of the mains system and the production companies and to partly re-distribute the financial benefits to the urban poor.

## Population

Danang has 800,000 people.

## Financing

The Netherlands Ministry of Foreign Affairs (DGIS), the Dutch Embassy and Vitens Evides International.

## Type of contract

WOP between Vitens Evides International, DAWACO and the Dutch Embassy in Hanoi.

## Contract value

€ 2.4 million.

## Duration of the contract

1 October 2007 – 31 december 2010.

## Vitens Evides International

Vitens Evides International supports water companies in developing countries by helping them to improve their business processes in a sustainable way. This we do by sharing the extensive and prolonged experience of the two largest privately run public operators in the Netherlands: Vitens and Evides Water Company. Through technical, operational and management support, we enable local utilities to make progress in such areas as Water Quality and Safety, Non-Revenue Water, Asset

Management, and Financial Planning & Control. By teaming up for better performance, we aim to generate the investments required to improve and expand water services in the world's most rapidly developing urban areas. This means that more people will enjoy reliable and safe drinking water and sanitary facilities, now and in the future. With its activities Vitens Evides International contributes to achieving the Millennium Development Goals set by the United Nations. Over the past ten years, Vitens Evides International has already helped to improve water services to more than twenty million people in Asia, Africa and Latin-America.

## Available funds

Vitens and Evides make € 3 million available each year for international projects. This internal budget is leveraged by contracting public-private partnerships and deploying the financing opportunities of the various parties, such as the Netherlands' Ministry of Development Cooperation and Economic Affairs, the World Bank, the European Bank for Reconstruction and Development (EBRD) and the Asian Development Bank. Vitens and Evides have also formed the independent foundation 'Water for Life', enabling their clients to contribute to international water projects via their water bills.

## Millennium Development Goals

The Dutch government actively supports the UN target to halve the number of people without safe drinking water and sanitary facilities (1.0 billion and 2.5 billion people respectively) by 2015. In this context Vitens and Evides are doing all they can to share their expertise and experience in water purification, maintenance and waste water solutions with water companies in developing countries. Through the international alliance, Vitens and Evides are involved in providing safe drinking water to over 20 million people in parts of the world where reliable water services are not readily available.

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