



WATER OPERATORS' PARTNERSHIP BETWEEN

**Da Nang Water Supply Joint Stock Company**

(Dawaco) Vietnam

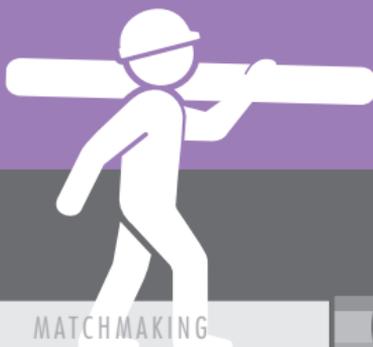
**VEI – Dutch Water Operators**

(VEI) Netherlands

TARGETED IMPROVEMENTS ON

Non-Revenue Water and Water Loss | Operation and Maintenance | Integrated Urban Water Resource Management | Water Supply | Tariffs | Customer Relations | Asset Management | Financial Management | Service to the Poor

# TIMELINE



2006

MATCHMAKING

2007

First contact between VEI and Dawaco

**Oct** MoU signed between VEI, Dawaco, RNE and PC Da Nang  
**Nov 2007-Jan 2008** VEI and Dawaco carried out a baseline survey and produced a work plan for 2008

INCEPTION & PARTNERSHIP BUILDING

**Feb-Mar** Inception report  
**Jul** Approval of project by PC Da Nang; Tariff study  
**Sept** Strategic plan  
**Oct** Utility Support Programme (USP) Action Plan and multi-year investment plan  
**Oct 2008-Oct 2009** Registration of visible leakages (Care-Taker Model)

2009

IMPLEMENTATION

2008/9

IMPLEMENTATION

Customer Satisfaction survey  
 Water quality control and cleansing activities  
**May** Implementation of Central Control Unit (CCU) and metering equipment installed in the network

Training on Customer Relations  
 Water Asset Management System  
 New tariff structure approved  
**Jan** Update of Dawaco's financial system  
**Jun** Steps to equitize Dawaco  
**Dec** Project conclusion



**Jan** Implementation of a new tariff structure

2010

POST-WOP

2011

## COST



DIRECTORATE-GENERAL FOR INTERNATIONAL COOPERATION (DGIS) OF THE NETHERLAND'S MINISTRY OF FOREIGN AFFAIRS, ROYAL NETHERLANDS EMBASSY (RNE)

DAWACO

VEI

US\$ 1.9 MILLION

US\$ 282,500  
(IN-KIND CONTRIBUTION)

US\$ 550,000

TOTAL COST OF WOP **US\$ 2.7 MILLION**

# APPROACH



The VEI-Dawaco WOP was carried out from 2007 until the end of 2010. The WOP focused on the extension and improvement of water services in Da Nang, while supporting Dawaco in achieving management autonomy and a stronger financial position. Besides the achieved operational, managerial, and financial water utility performance improvements, the WOP was successful in supporting water services for the urban poor. Through improved processes and pro-poor strategies, the WOP's approach allowed for Dawaco to build on its own capacity and contribute to the sustainability of results, including effective, long-term and inclusive water delivery.

# IMPROVEMENT TRACKS



## Objective 1: Extension and better water services in Da Nang City

- NRW reduction from approx. 39% to 26% (2007-2010) and 15% by 2017.
- Nearly 49,000 new connections were made, averaging over 16,000 per year.
- Water quantity and quality meters installed at two water treatment plants to monitor 99% of the total production. Water quality control and cleansing activities implemented at the end of 2009.
- Implementation of a Central Control Unit including real-time metering equipment in May 2009.
- Water Asset Management System including GIS incorporated in 2010.
- Water resource management plan led by parallel ADB project.



## Objective 2: Management autonomy and stronger financial position

- Steps to equitize Dawaco, becoming a limited liability company in June 2010.
- Tariff study in 2008 and new tariff structure approved at the end of 2010 and implemented in January 2011.
- New financial Management Information System implemented in January 2010.



## Objective 3: Sustainable water services to urban poor

- Over 7,800 connections for the poor were made, averaging around 2,600 per year and amounting to 16% of the total new connections.
- Pro-poor strategies through the implementation of VEI's "Water for Life" programme in cooperation with PC Da Nang.
- New tariff structure approved which made low consumption costs accessible to the poor who generally use a limited amount of water.

# CHALLENGES



**Cultural differences:** Building cultural bridges and overcoming language barriers.

# SUCCESS FACTORS



- Dawaco management's commitment to change
- The expertise of VEI's team, combining a good foundation of Dutch water infrastructure and knowledge management
- The openness of the VEI team to teach Dawaco everything they know
- The strong motivation by staff at all levels during the WOP
- The availability of funds for investments.

# WHAT THEY SAID



"People keep talking about the achievements or the results of the KPIs, such as NRW, or something that can be easy to measure, talking by figures. But for myself, I think the most important, or the most valuable result is regarding the behaviour and the awareness of the staff of Dawaco, that they could learn from the Dutch and from the experts of the WOP."

**Former VEI-Dawaco Project Assistant, Ms. Duc Hanh Nguyen**

"In Vietnam, you know, usually people don't want to say what are the bad things to another. But when we worked with VEI, we told them about all the bad things of our company. So they could choose the things that they could support us in. For example, the water loss was very high, nearly 40%. The network was not good. The quality was not stable. And the human resources were not good. So we told VEI everything."

**Chairman of Management Board, Mr. Nguyen Trung Anh**

"An unplanned activity for Dawaco was being a peer to neighboring utilities. People that visited the company to witness the SCADA system were impressed by the results. Dawaco got visibility and went to two provinces to train on Non-Revenue Water. That really made them proud of the changes they'd made."

**Former VEI-Dawaco Resident Project Manager, Mr. Gerard Soppe**

- 1 Now we cannot supply for 100% of the population, so we want to be able to supply to the whole population.
- 2 Now there are not enough water treatment plants performing at their maximum capacity, so in the future, we want to have more water treatment plants.
- 3 Lastly, I want the company to perform the best in order to decrease the water tariff that people have to pay, i.e. to have the appropriate price for the people."

**Dawaco General Director, Mr. Ho Huong**

# MENTEE

## Da Nang Water Supply Joint Stock Company

(Dawaco) Vietnam

Water utility of Da Nang City –  
Joint Stock Company (since 2016):  
60% The People's Committee of Da Nang, 35%  
Strategic main holder, 5% Dawaco Staff shares.

# MENTOR

## VEI – Dutch Water Operators

(VEI) Netherlands

VEI represents a number of Dutch water operators,  
motivated by Corporate Social Responsibility (CSR)  
to engage in Water Operator Partnerships.

## GENERAL DATA

2,746 km

LENGTH OF NETWORK  
(2016)



102,000 km

LENGTH OF NETWORK  
(2016)

0.81 millions of m<sup>3</sup>

WATER SUPPLY  
(2016)



887 millions of m<sup>3</sup>

WATER SUPPLY  
(2016)

954,262

POPULATION SERVED  
(2016)



11,873,000

POPULATION SERVED  
(2016)

## MOTIVATIONS

Enhance the company's capacity and  
performance and access funds to  
improve service provision.

Exercise Corporate Social Responsibility  
(CSR) and draw the interest of a younger  
workforce supportive of VEI's mission.

## SUPPORTING THIRD PARTY

This WOP was facilitated by the Royal Netherlands Embassy (RNE) in Hanoi and the People's Committee of Da Nang (PC Da Nang). The main incentive for the RNE and the PC of Da Nang to facilitate the WOP between VEI and Dawaco was to deliver water to the poor.



Global Water Operators' Partnerships Alliance



FOR A BETTER URBAN FUTURE



## WATER OPERATORS' PARTNERSHIPS

WOPs are peer-support arrangements between two or more water and sanitation operators, carried out on a not-for-profit basis with the objective of strengthening operator capacity.

### BEWOP

Boosting the Effectiveness of Water Operators' Partnerships (BEWOP) is a research, operational support and outreach initiative aimed at boosting the effectiveness of Water Operators' Partnerships around the world.

Launched in September 2013, BEWOP is a collaboration between leading water sector capacity development institute, IHE Delft, and UN-Habitat's Global Water Operators' Partnership Alliance, the organization leading the global WOPs movement.

This project has been made possible with support from the Governments of Netherlands and Spain.

This factsheet is part of a series summarizing WOPs cases being studied in order to draw lessons and guide better practice.

**FIND OUT MORE** [BEWOP.org](http://BEWOP.org) | [#BEWOP](https://twitter.com/BEWOP) | [GWOPA.org](http://GWOPA.org)



Ministry of Foreign Affairs of the Netherlands



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