

# ECA

ECONOMIC  
CONSULTING  
ASSOCIATES



Solutions for infrastructure

ECA's water and urban services practice

# ECA

ECA provides economic consulting  
advice in infrastructure services for  
utilities, investors, governments,  
regulators and financial institutions  
worldwide

## Introducing ECA

*ECA has undertaken more than 200 assignments in over 40 countries since 1997. A selection of water and urban services projects are briefly described here*

### **Yemen urban water OBA project**

*Project design entails tailoring OBA subsidies to support private sector investment and management of water supply services in un-served and under-served areas near Sana'a and peri-urban areas of other major cities*

### **Lesotho economic and financial regulatory models**

*Project involves developing models and making recommendations on the financial management of utilities and the regulatory framework for improved performance in the water and electricity sectors*

ECA was formed in 1997 to provide economic and regulatory consulting services to industry and government. Since then, we have undertaken more than 200 assignments in over 40 countries, covering large and small developed and emerging markets on all continents.

Our core team of 15 professionals is based in offices in London, Bangkok and Auckland. All permanent staff members hold qualifications in economics, engineering or both, supplemented by many years practical experience. They are supported by an established network of associates with legal, technical and financial expertise.

Our approach is focused on providing structured solutions supported by rigorous quantitative analysis drawing in particular on the conceptual insights offered by economics.

In the past, ECA's experience was concentrated in the energy sector, but the firm has in recent

years undertaken major projects in water and urban services. We also have highly relevant experience in multi-sector work including telecoms and transport.

Our wide range of expertise and experience in urban services can be grouped into five main areas:

- ❑ Policy and institutional reforms
- ❑ Regulatory institutions, legal and planning frameworks
- ❑ Public private partnerships (PPPs)
- ❑ Utility tariff setting, pro-poor tariff design and subsidy policies, including output-based aid (OBA)
- ❑ Financial management of utilities

### **ECA's global experience**



## Our water and urban services expertise

### Reform Strategy for Communal Services Enterprises, Macedonia

*With a focus on water, sewerage and solid waste, the strategy is tailored to the needs of CSEs at different stages of development*

### Capacity Building for the Egyptian Water and Wastewater Regulatory Agency

*Assistance to develop tariff review framework in which water utilities are given on-going incentives to improve their performance*

### Strategy for Water Resources Pricing and Financing, Zambia

*The strategy promotes efficiency of water use, equity in access to water and environmental protection, while addressing inter-sectoral water usage concerns*

#### **Policy and institutional reform**

We have advised on the formulation of clear and consistent policies and the implementation of associated institutional reforms, recognising these as the basis for effective delivery of urban services.

#### **Regulatory institutions, legal and planning frameworks**

Infrastructure regulatory institutions are major aspect of ECA's core business. We have assisted governments in many different countries establish appropriate legal frameworks and assisted in setting up regulatory agencies, including training staff. We also specialise in infrastructure planning and have similarly assisted in establishing planning frameworks.

#### **Public private partnerships (PPPs)**

The involvement of the private sector in the provision of water, wastewater and urban services holds the potential to overcome the historical legacy of under-investment and inefficient management in the sector. However, these are sensitive sectors for PPPs, and in this regard we have developed considerable experience in investment strategies and regulated tariff-setting mechanisms that incorporate clear pro-poor arrangements.

#### **Utility tariff-setting, pro-poor tariffs and subsidy policies**

ECA has carried out numerous utility tariff projects. Setting

economic tariffs for utilities, having assurance of inflation adjustments and regular tariff reviews are fundamental requirements for sustainable and effective urban service provision.

For urban service reforms to succeed, these policies also need to address legitimate concerns about affordability of low income households need to be fully addressed. ECA has considerable experience in the analysis of affordability and the design of subsidy schemes.

#### **Financial management of utilities**

ECA regularly develops comprehensive financial models for utilities and provides training in their use. Drawing on these skills:

- **For clients at a national policy level**, we offer expertise in strengthening frameworks for urban services and providing incentives and monitoring mechanisms to ensure improved quality and efficiency in service delivery by utilities.
- **For public and private utilities**, we are able to analyse the policy and regulatory framework, design transactions which anticipate and minimise exposure to risks, and provide tailor-made analytic tools for improved financial management.

## Example project references

### Financial Analysis of Kisumu Water and Sewerage Company Tariffs, Kenya

*A detailed financial model was used to formulate optimal water and wastewater tariff and fee structures. The project also analysed the innovative delegated management (PPP) model implemented in peri-urban areas*

### India PPP Toolkits

*Web-based toolkits in water and sanitation, solid waste, urban transport, ports and highways are being developed to assist practitioners with all aspects of PPP development, structuring, transactions negotiation and implementation*

### Grant Scheme for Heating, Armenia

*ECA designed a grant scheme to be applied in conjunction with private sector providers to help fund gas heating infrastructure for low income households living in urban multi-apartment buildings*

### Urban water output-based aid project, Yemen

Ministry of Water & Environment and Global Partnership on Output-based Aid

### Economic and financial regulatory models for the water and power sectors, Lesotho

Lesotho Electricity and Water Authority and World Bank

### Institutional capacity building for the Egyptian Water and Wastewater Regulatory Agency, Egypt

Egyptian Water and Wastewater Regulatory Agency and the European Union

### Strategy and action plan for the reform of Communal Services Enterprises, Macedonia

Ministry of Finance and Public Private Infrastructure Advisory Facility

### National strategy for water resources pricing and financing, Zambia

Water Sector Reform Secretariat and Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)

### Grant scheme for gas heating infrastructure, Armenia

Renewable Energy & Energy Efficiency Fund and Global Partnership on Output-based Aid

### Financial analysis of Kisumu Water and Sewerage Company tariffs, Kenya

Lake Victoria South Water Services Board and Agence Française de Développement (AFD)

### Public Private Partnership Toolkits, India

Department of Economic Affairs, Ministry of Finance, and World Bank

### Development of public private participation policy framework, Tamil Nadu, India

State Government of Tamil Nadu and the World Bank

### Private participation in infrastructure, Angola

Ministry of Planning and the Public Private Infrastructure Advisory Facility

### Network infrastructure regulatory development, Kazakhstan

Agency for the Regulation of Natural Monopolies and European Bank for Reconstruction and Development

### Governance in private participation in infrastructure, Cambodia

Royal Government of Cambodia and Public Private Infrastructure Advisory Facility

### Lessons in rural infrastructure provision, Cambodia, Guatemala, Laos & Vietnam

Public-Private Infrastructure Advisory Facility

### Multi-utility regulator, Armenia

Government of Armenia, the Armenia Energy Regulatory Commission and the World Bank

## Our senior experts



Ray

### **Ray Tomkins** Managing Director

Ray established ECA in 1997. His professional career spans 35 years and includes founding the Energy Policy Research Group at Imperial College, University of London and the energy and environment practice at ERM and London Economics. He leads much of ECA's PPP work including in Angola, Bulgaria, Cambodia and India.

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Paul

### **Paul Lewington** Director

Paul has over 25 years experience as an infrastructure economist. He is an expert on regulation and private sector involvement, and is leading ECA's work on regulatory models in Lesotho and urban water OBA-supported PPP schemes in Yemen.

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Ian

### **Ian Rowson** Director of Regulation and Forensic Services

Ian has over 25 years professional experience as an advisor and specialises in regulatory economics and policy in the utility and transport sectors, with particular experience in advising regulators on all aspects of price control. Ian developed the core price control models for a number of reviews and has recently led projects developing new regulatory policy frameworks in Africa and Asia. He has given oral and written evidence on sector economics, forensic accounting



Peter

and discount rates in a number of commercial disputes. He is a Chartered Accountant.

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### **Dr Peter Robinson** Director for Africa

Peter has almost 30 years experience as a consultant in energy, water and telecoms. Based in Zimbabwe for many years, Peter recently moved to London but maintains a strong focus on Africa. In urban services, Peter has led ECA's projects in Macedonia, Kenya and Zambia. He has water project experience in several other African countries and regional organisations (Southern African Development Community Water Division and the Nile Basin Initiative).

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William

### **William Derbyshire** Director for Asia

William has 15 years experience in consulting on utility regulation and infrastructure markets, and is a long-term advisor to the electricity regulatory agencies in Kosovo and Vietnam as they introduce new power markets. His experience includes advising on energy sector strategies for PPP in Macedonia, the development of a concession for municipal gas distribution in Johannesburg, and the commercialisation and introduction of private sector management in water services in Bulgaria, South Africa and Trinidad & Tobago. William is based in our Bangkok office.

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## Contact us

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