



ECONOMIC  
CONSULTING  
ASSOCIATES



## **solutions for infrastructure**

Water and urban infrastructure practice

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

## Introducing ECA

ECA has undertaken more than 500 assignments in over 70 countries since 1997. A selection of these are shown here.

### Zimbabwe water sector investment analysis

ECA recently completed project where economic assessments of all planned investment projects in the water sector were completed to obtain a prioritised list of investments.

### Specialist tariff adviser for water utilities in Greece

A consortium led by ECA was appointed as Special Tariff Adviser (STA) to develop tariffs for the water and sewerage (W&S) companies of Athens and Thessaloniki.

### Investment appraisals for projects in the water sector in Africa

As the financial and institutional experts for the EIB, ECA advised on the financial sustainability, co-financing opportunities, economic viability, institutional arrangements, and opportunities for PPP for five projects in the water sector in Zambia, Ghana, Burundi and Rwanda.

ECA was formed in 1997 to provide economic and regulatory consulting services to industry and government. Since then, we have undertaken more than 500 assignments in over 70 countries, covering large and small developed and emerging markets on all continents.

Our core team of 16 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.

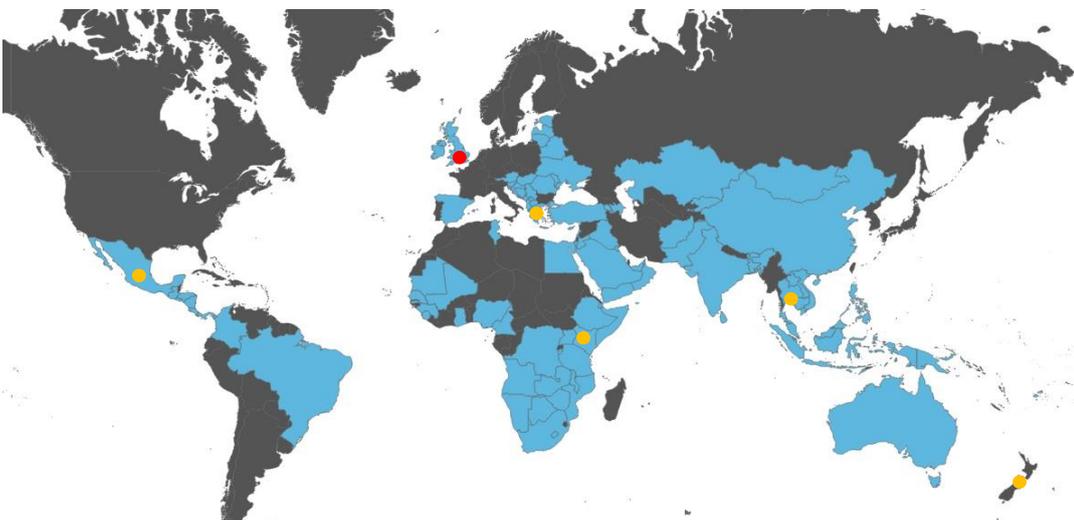
Our approach is focused on providing structured solutions supported by rigorous quantitative analysis drawing in particular on the conceptual insights offered by economics.

ECA's experience has traditionally been strongest in the energy sector but the firm has recently strengthened its expertise in water and urban services with new senior team members.

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 geographical presence and experience



## Our services

### Uganda Urban water regulator

The objective of the project was to establish an autonomous urban water regulator for Uganda. This ensures that water supply is both financially sustainable and affordable for consumers through setting appropriate tariff structures and other regulatory mechanisms.

### 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.

### 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.

### 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.

### **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.

### **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.

## **Example project references**

### **Uganda Urban water regulator**

Sustainable Water and Sanitation in Africa, USAID

### **Zimbabwe water sector investment analysis**

World Bank

### **Specialist tariff adviser for water utilities in Greece**

Republic Asset Development Fund

### **Water tariffs, Sierra Leone**

Subconsulted through Focal Consult International

### **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

### **Regulatory support to Consumer Council for Water, UK**

Consumer Council Water

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

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

### **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

### **Water tariff advice, Uganda**

National Water and Sewerage Corporation, Uganda

### **Support the Development of Indonesia Water and Sanitation Financing Program (IWSFP)**

World Bank

### **Zambia water resource tariff structure and fee collection mechanism**

European Development Fund and the Water Resources Action Programme,

### **Multi-utility regulator, Armenia**

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

## Our senior experts



Ray Tomkins

### 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 gas sector work and due diligence work

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Paul Lewington

### Paul Lewington Director

Paul has over 25 years' experience as an energy economist. He is an expert on pricing and cost analysis, recently leading projects on the development of long-run marginal cost estimates for the Cypriot regulatory agency, time-of-use prices for electricity in Egypt and gas pricing strategy in Iraq.

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Peter Robinson

### Peter Robinson Director for Africa

Peter has over 30 years' experience as a consultant in energy, water and telecoms. Based in Zimbabwe for many years, Peter relocated to London in 2007 and maintains a strong focus on Africa. He has worked with senior officials in many countries and has advised several regional institutions on the delivery of urban and water services.

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William Derbyshire

### William Derbyshire Director for Asia

William has 15 years' experience in consulting on utility regulation and energy markets. He has been a long-term advisor to the electricity regulatory agencies in Kosovo and Vietnam as they introduce new power markets. William is based in our Bangkok office.

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Frederik Beelitz

### Frederik Beelitz Director

Frederik is experienced in energy policy issues and energy infrastructure economics. His advice primarily covers financial and commercial analyses, pricing, energy masterplan studies and regulatory economics. Frederik's core area of expertise is in natural gas markets but he is also experienced in the electricity sector, involving projects covering renewable energy support mechanisms, infrastructure programme reviews and social cost benefit analyses.

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## Contact us

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