



CENTRAL WATER AUTHORITY
CORPORATE PLAN ► 2004/2008

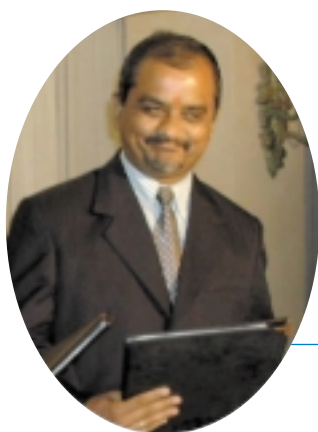
OUR MISSION

“To secure and provide an excellent sustainable water supply service of appropriate quality, at a reasonable price, which meets the growing needs of the people and to support the economic development of the country.”

OUR VALUES

Courtesy
Excellence
Integrity
Teamwork





Message from THE CHAIRMAN

The Board and Management of the Central Water Authority have pleasure in presenting our medium term corporate plan for the period 2004 to 2008.

Potable water is a basic human need. Reliable and adequate supplies of water are essential for the economy. The CWA is entrusted with the fundamental and vital mission; to secure and provide an excellent sustainable water supply service, of appropriate quality, at a reasonable price, which meets the growing needs of the people, and to support the economic development of the country.

WE TAKE OUR MISSION VERY SERIOUSLY

Since its establishment in 1973, CWA has grown to become an essential provider of water to the whole population of Mauritius and we are proud to say that 99.6% of the population now has access to a dependable water supply in their homes or premises.

We have now the daunting task of building a highly efficient authority and this can only be achieved through proper strategic planning. The conception of this corporate plan does address our aspirations. In near future, the Government of Mauritius would surely deliberate on the reform of the water sector.

The Board and Management have taken the bold decision to go ahead with the Corporate Plan 2004 - 2008, for we believe that we need to cultivate an ethos, that of: *"Dedication towards delivery of high value"*, and this is what the Board seeks to nurture in the mind of all its employees. The corporate plan conceptualises a vision, which will be translated into reality by the effort of one and all.

The Board and Management in making a conscious attempt to renew ourselves have identified some key goals which underpin our medium term strategy.

- An absolute commitment to providing water of good quality.
- The need to provide a quality service to our customers.
- A drive to improve efficiency and, in particular, reduce Non Revenue Water.
- A strong move towards efficient capacity building.
- A requirement for financial viability and sustainability.
- A firm line of action towards Good Corporate Governance.

GOOD QUALITY OF WATER

We shall leave no stone unturned to ensure that the quality of water provided by the authority meets all the required international standards. Our laboratory will soon be ISO certified and we will seek accreditation with an International Institute.

We do declare loud and clear that the water delivered to each and every household through our network is drinkable and as such we have this challenge to keep it that way forever.

CUSTOMER CARE

By the turn of this year, CWA will respond to the calls of our customers for an excellent beyond par service. The construction of all our sub-offices within the next three years would go a long way to achieve that goal.

Message from THE CHAIRMAN

NON REVENUE WATER

One of the major concerns of the Board is the high level of non-revenue water (50%). We have kept Management on their toes in order to make diligence on our strategic plan to reduce it to a reasonable level. The implementation of this plan will be closely monitored to ensure that we achieve our goal, a 25% reduction in non-revenue water by 2008. A permanent Non-Revenue Water Cell shall be effective soon.

HUMAN RESOURCES

CWA considers its people its most important assets. It is our employees that will ensure that value is delivered by CWA to all its stakeholders, customers, partners and suppliers.

For a knowledge driven Authority, capacity building is key to success. We have to ensure that our employees are able to realise their own career and personal development, ultimately ensuring that CWA justifies its ethos. The Corporate Plan does address this issue very well. Accordingly we are formulating a Human Resource Policy which would lead to the formulation of a Human Resource Plan and then eventually to a Human Resource Business Plan.

FINANCIAL SUSTAINABILITY

There is no doubt that CWA is an indispensable tool in the development of Mauritius. Without water, no development is possible. This puts a lot of pressure on our ability to generate enough finance to meet our capital expenditure. A move to run more as a commercial concern rather than a public parastatal is being envisaged.

Efficiency has to be improved at all levels and this would play a pivotal role for any reform in the water sector. The setting up of a "Utility Regulatory Authority" would require of us to show total effectiveness all along the line to justify our demand for an increase in tariff.

GOOD CORPORATE GOVERNANCE

We strongly believe that CWA should adhere to a strong code of ethics and for that we shall pave our way to create a proper structure to meet the code of Good Corporate Governance.

Progress towards our goals cannot be assessed without a basis and we will introduce performance measurement and benchmarking to ensure their achievement.

Our strategic plan is not intended to be a rigid document and we will constantly update and improve it. We anticipate important regulatory developments such as the Utilities Regulatory Authority. We will adapt to use improved methods of financing and managing our operations which would inter alia include the possibility of Public Public Partnerships and Corporatisation. In this respect the rigid organisation structure at the level of Planning and Development, Operations and Water Resources and Other Support Services would undergo a complete re-engineering with the introduction of **Strategic Business Units (SBUs)**.

None of these goals will be possible without active participation of our stakeholders; our employees, our customers; our suppliers, our providers of finance and the Government of Mauritius. This plan recognizes our responsibility to our stakeholders and the role they play in our strategic development and affirms our commitment to protect and enhance our environment. Whilst the Board is fully committed to the objectives of the Plan, the Management has taken the challenge to implement the same and all the employees of the CWA shall contribute as a team to achieve this ambitious goal.

We trust that you will find our plan informative and proof of our commitment to maintain and improve the standards of the water supply to Mauritius.

D. GANGARAM
CHAIRMAN

Message from THE GENERAL MANAGER



The CWA marked its 30th year of existence in 2003. Over this period different generations of policy makers, managers and the bulk of CWA employees have been active in enabling CWA perform the noble task of providing potable water to the population. CWA has also contributed to sustain the economic and social development of the country, by meeting the water needs of both household and business sectors as well. As regards its financial sustainability CWA has evolved from a subsidized organization to a self-financing one with an annual turnover of about one billion Rupees.

However the organization must catch up in certain critical areas and it must also gear itself to evolve in a more competitive environment. This requires full understanding, a different work culture and participation of all its employees and other stakeholders.

The previous approach of investing and focusing mainly on infrastructure development is no longer appropriate for CWA at this point in time. Whilst infrastructure would still have to be developed and modernized, in parallel human resources development needs to be given equal importance to enable CWA to attain its immediate and longer term goals. In this respect it has been decided to allocate 1% of annual turnover for human resources development. In addition the CWA has initiated actions which would ultimately lead to the setting up of a centre providing continuous training for CWA employees and other partners in water sector. It is also intended that within the next two years, all employees would have gone through a change management programme.

Moreover, to sustain CWA's growth a more participative approach has been adopted in formulating CWA's way ahead. In line with the same thinking several brainstorming sessions involving Board members and staff from different levels have enabled CWA to identify gaps and develop strategies and actions which are incorporated in the CWA 2004-2008 Corporate Plan.

With the Corporate Good Governance Practice, we deem necessary to share our vision, goals, constraints, strategies and actions with all employees in the organization and with all stakeholders outside CWA, through a concise document.

The CWA has the pleasure to partake with you its 2004-2008 Corporate Plan. I also thank all employees for their effort and look forward to their active involvement in the implementation of this Plan.

R. MUNGRA
GENERAL MANAGER

CONTENTS



Highlights of the Plan	▶ 8
Our Plan	▶ 11
CWA Today	▶ 13
Taking Action	▶ 19
A Commitment to Sound Financial Management	▶ 25
Good Governance	▶ 30



Highlights OF THE PLAN

- WE HAVE DEVELOPED FOCUSSED STRATEGIES IN EACH AREA VIEWED AS CRITICAL FOR SUCCESS.

We have identified priority areas and key objectives under each area of focus. The corporate objectives viewed as essential for the success of our mission are:

1. Quality of drinking water
2. Service excellence
3. Non-revenue water
4. Efficiency
5. Human resources
6. Good governance

CWA is faced with a number of challenges which include managing the ever increasing demand on water resources, increasing the network efficiency, improving the quality of water when pollution risk is rising, providing a high quality customer service and improving our organisational and management structure. CWA is gearing itself up to meet and face these challenges head on and has devised a number of strategies to respond to these challenges. The core drivers of its strategies will be for better operating efficiency and consumer service enhancement.

Highlights OF THE PLAN

LEGAL AND REGULATORY

CWA will liaise closely with the Ministry of Public Utilities to review its legal and regulatory framework for clear definition of its powers and functions, within the context of any reform of the water sector.

WATER SUPPLY

A master plan study of the Transmission and Distribution System island-wide and its capacity to meet demands up to year 2025 will be launched in 2004. CWA aims at providing an uninterrupted supply of potable water, under normal conditions, by implementing major water supply works and rehabilitating/renewing old and deficient storage reservoirs, trunk and distribution network.

WATER QUALITY

CWA will sustain improvement in the level of quality of potable water supply by improving treatment facilities and stepping up monitoring of quality of water supply in the various distribution zones.

CUSTOMER SERVICE

CWA aims at being a customer friendly service provider through higher quality of service delivery to consumers, with emphasis being on a single point of contact which will enable consumers to request initial connections or repairs, query billings, settle complaints and obtain general information, and on reduction of response time to each type of request or complaint. CWA operates a 24-hour, 7 days a week hotline service on telephone number 170. Infrastructure at customer centers will be enhanced.

ORGANISATION AND MANAGEMENT

We are currently carrying out a reengineering of the organisation structure as far as the top management is concerned. Strategic Business Units (SBUs) would replace a rigid structure of Planning and Development, Operations and Water Resources and

Other Support Services. These SBUs' would be able to deliver such services at agreed costs and to attain service level which would eventually be benchmarked against other utilities around the world.

CWA will operate with a leaner, flatter structure, rationalized according to the principle of functional groupings and with more flexibility in order to attend to local needs and priorities. It is proposed to establish Area Managers in each operational zone.

The different divisions and the areas will be managed as empowered and autonomous units with clear accountability. Financial budgets will be devolved to the Area Managers and Heads of Divisions, as well as the responsibility for meeting targets approved by the Board. Documented management accounting and information systems, which will provide useful and timely information for control, service costing and performance evaluation of divisions, will be implemented.

CWA will operate with simplified levels of management and a lean workforce, with emphasis being on multi-skills and use of external expertise and labour wherever this is more cost-effective.

CWA will adopt an approach of transparency, meritocracy and a clear performance appraisal system which will encourage all staff to accept more responsibility. This should develop a healthy organizational climate conducive to efficiency and job satisfaction.

CWA will ensure the quality of its human resources through a well-defined recruitment process, reinforced by structured training and development, job satisfaction and adequate and affordable remuneration systems.

Regular top management meetings will be held to ensure that the management team works in a cohesive manner towards the achievement of corporate objectives.

CORPORATE IMAGE

CWA will manage its external relations, more particularly its relations with the media, by the setting up of a Public Relations Unit.

The services of a Communication professional or firm will be enlisted to manage CWA's external relations with the media.

Highlights OF THE PLAN

FINANCIAL VIABILITY AND SUSTAINABILITY

CWA will optimize its revenue from services provided to consumers so that it can sustain its own development. This will be through:

- An appropriate charging policy;
- Installation of new supply, laboratory analyses and supply of other services at cost recovery levels;
- Renewal of 160,000 domestic meters aged above 10 years to address issues of under-recording;
- Setting up of a Fraud Unit to deter pilferage and tampering with metres;
- Weekly monitoring of big consumers' consumption;
- An application of cost control/reduction programmes.

The expenditure plans are targeted to achieve significant savings and efficiencies throughout the Authority consistent with the high standards of service we have set for ourselves.

ASSET MAINTENANCE

Water treatment and distribution is by its nature very capital intensive. The Authority manages assets of Rs6.6 billion based on its latest financial statements. CWA is committed to proper maintenance of its assets so as to maximize their economic life and as an ongoing initiative to improve efficiency within the Authority. The possibility of setting up an Asset Management Unit is under consideration.

CAPITAL INVESTMENT PROGRAMME

The present total installed capacity for treatment, storage, ground water extraction and distribution allows a non-interrupted supply to about 86% of our consumers during the normal (wet) season, the rest benefiting from an average of 18-23 hours of supply per day.

There is a need to reinforce and expand the existing distribution system to cater for future demand in the medium and long term.

Increases in the demand for water are driven by the continued economic growth of Mauritius and the need to provide water to upcoming mega-projects including the CyberCity at Ebène and the resultant development in the adjoining areas of Highlands, the

Integrated Resort Schemes and the new hotel developments on the South West coast. New supplies will also be required for the NHDC Housing complexes, the Sugar Employees VERS Scheme and supplies to squatters on selected State Land sites.

This reinforcement of the distribution system, in conjunction with improved network efficiency and the reduction of losses through non-revenue water, will result in improved availability of supply at adequate pressure.

The CWA is working toward the goal of providing a 24 hour supply to all of its customers during normal seasons.

To support this goal and ensure the quality of water, improvements are required to our infrastructure. Capacity at the La Marie treatment is being expanded and additional ground water resources are being developed in the East.

Facilities will be also developed to allow for the transfer of bulk water from La Nicolière treatment plant to Port Louis during the dry season.

The implementation of the above projects and strategies will span the planning period 2004-2008.

The cost of these infrastructure works will be significant and is estimated at Rs2.4 Billion.

Financing for the capital investment programme will be generated from the CWA's own resources, loans, contributions from promoters of large projects and from the Government of Mauritius.

GOOD GOVERNANCE

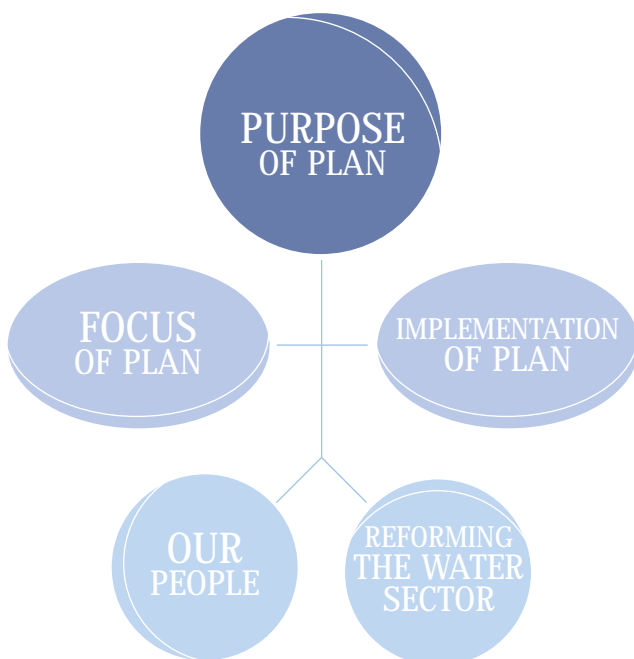
The CWA recognises the significance of good corporate governance to address the converging interests of competitiveness, corporate citizenship, and social and environmental responsibility. The four pillars of fairness, accountability, responsibility and transparency are fundamental guidelines for the future CWA corporate governance framework.

The CWA is considering the recommendations made by the Report on Corporate Governance for Mauritius and will implement such appropriate recommendations after discussions with its key stakeholders.



Our PLAN

- THE CORPORATE PLAN 2004 - 2008 SETS THE SCENE FOR A CORPORATE RESTRUCTURING IN THE CWA. THE CORE DRIVERS OF CWA STRATEGIES WILL BE FOR BETTER OPERATING EFFICIENCY AND CONSUMER SERVICE ENHANCEMENT WITHIN A FRAMEWORK OF FINANCIAL SUSTAINABILITY.



PURPOSE OF PLAN

The purpose of this Corporate Plan is to provide, in one document, a statement of the objectives of the CWA towards the furtherance of its Corporate Mission.

FOCUS OF PLAN

The document focuses on what our organisation is seeking to achieve. It communicates the vision of the way ahead to all of our people. It provides the framework for decision making as it determines priorities and supplies information upon which heads of divisions can execute their plans; it also sets performance targets which are consistent with CWA's overall objectives, and hence enables the measurement of performance achieved. Now that action plans and budgets have been determined, responsibility for implementing the actions rests upon the heads of divisions who will communicate

Our PLAN

to their respective staff what is expected from them. Individual performance as well as divisional performance will be regularly assessed, and corrective action taken as necessary.

IMPLEMENTATION OF THE PLAN

We recognise that the implementation of the Corporate Plan will make heavy demands on the management and staff of the organisation. CWA will seek external expertise where appropriate to assist in the implementation of the plan. Also, recognising the importance of corporate planning for effective management, CWA is strengthening the planning function of the organisation and setting up a new Corporate Strategy & Management Information Unit which will be responsible for taking a more active view of the organisation, for making more input into its strategic management, and for monitoring and evaluating the progress of the Corporate Plan.

OUR PEOPLE

We believe in the potential of our people, in their ability to further their personal development and the development of the Authority and in their sense of responsibility to make the Authority more successful in the years to come.

To achieve the objective of becoming one of the best utilities in the region the Authority recognizes the importance of investment in its human capital. It has been decided to allocate 1% of its annual turnover for training and human resources development.

A skills gap audit and training needs analysis has been carried out. This is leading to the elaboration of a human resources development policy, an appropriate HRD strategy and related Human Resources Business Plan.

In parallel CWA has initiated steps which would ultimately lead to the setting up of a Centre for continuous training in the Water Sector which would also offer training facilities for other stakeholders with the Water Sector.

REFORMING THE WATER SECTOR

It is understood that government has plans for a thorough reform of the water sector. This will involve the setting up of the appropriate legal, regulatory and institutional frameworks for the modernisation and development of the water sector in Mauritius. Government has commissioned the International Finance Corporation of the World Bank to conduct a study and submit proposals for the best options for management of the potable water supply sector.

The study started in May 2003. The CWA is gearing itself to adopt government recommendations on the issue.

CWA will establish a comprehensive communication programme to keep its employees informed about any changes.

The Corporate Plan of the CWA for the period 2004 - 2008 therefore will be viewed by CWA as valid until such time as it is modified or updated, if necessary, should there be any major change in circumstances.



Capacity Building ◀



CWA Today

- THIS CHAPTER DESCRIBES THE HISTORY OF THE CWA AND THE CWA AS IT IS TODAY. IN FORMULATING A PLAN FOR THE FUTURE IT IS IMPORTANT TO DRAW LESSONS FROM THE PAST. IN A MATTER OF 30 YEARS THE CWA HAS SUCCEEDED IN REPLACING THE PUBLIC WATER FOUNTAIN WHICH WAS A FEATURE IN MANY TOWNS AND VILLAGES WITH PIPED POTABLE WATER TO WORLD HEALTH ORGANISATION STANDARDS IN 99.6% OF PREMISES. BUT WE CANNOT REST IN THE PAST AND MUST WORK FROM OUR PRESENT POSITION TO BRING ABOUT CHANGES EVERY BIT AS SIGNIFICANT AS THE ACHIEVEMENTS OF THE LAST 30 YEARS.

CONSTITUTION OF THE CWA

The Central Water Authority is a parastatal body operating under the aegis of the Ministry of Public Utilities.

The current framework for the operation of the CWA is contained entirely in the Central Water Authority Act 1971 as subsequently amended in 1975, 1982, 1985, 1989, 1991, 2000 and 2002.

The principal Act defines the duties of the CWA as being responsible for the control, development and conservation of water resources, and for the treatment and distribution of water to domestic, industrial and commercial consumers. The principal legislation also placed the duty for the operation of sewerage and irrigation services upon CWA, but these functions have since been transferred to the Waste Water Management Authority (WMA) and the Irrigation Authority respectively. Control,

development and conservation of water resources are being looked into by the Water Resources Unit, a department within the Ministry of Public Utilities.



► Drinking Quality Water

CWA Today

ADMINISTRATIVE AND OPERATIONAL STRUCTURE

ADMINISTRATIVE STRUCTURE

The CWA is administered and controlled by a seven member Central Water Board which meets at least once every month. The General Manager is responsible for the execution of water policy and the effective management of the day-to-day business and activities of the Authority.



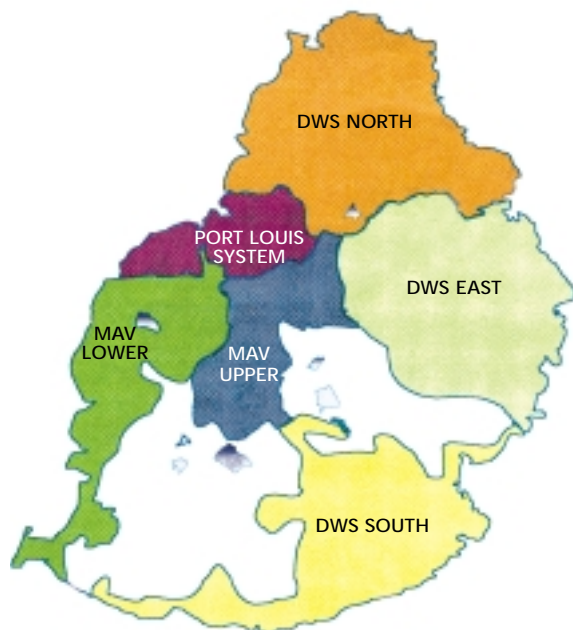
BOARD MEMBERS:

- Chairman (appointed by the Minister of the Public Utilities)
- Representative of the Ministry of Public Utilities
- Representative of the Ministry of Finance
- Representative of the Ministry of Economic Development, Financial Services and Corporate Affairs
- Representative of the Ministry of Labour and Industrial Relations
- Two members (appointed by the Minister of Public Utilities)

OPERATIONAL STRUCTURE

The CWA is administratively structured to deliver water to six main operational districts

- the Mare aux Vacoas Upper system Water Supply System;
- the Port Louis Water Supply System;
- the North Water Supply System;
- the South Water Supply System; and
- the East Water Supply System.



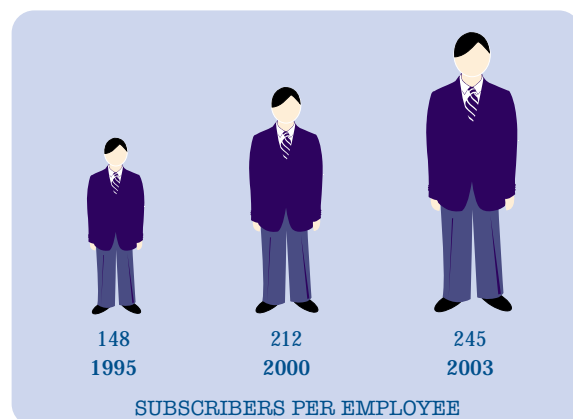
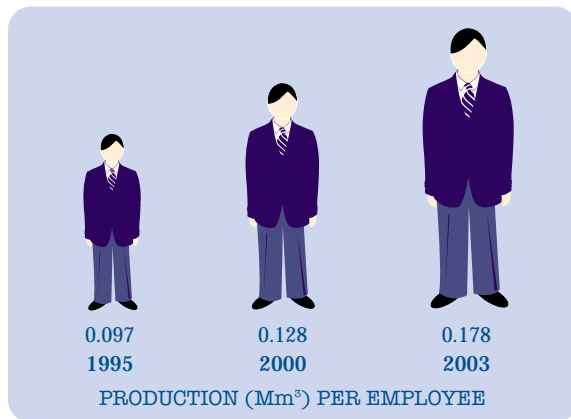
CWA Today

WATER DEMAND

The CWA supplies around 500,000 cubic metres of potable water on average daily. Of this volume, 78% are sold to domestic subscribers and the balance of 22% to industry, governmental institutions and commercial enterprises. Demand for water rose by 32.8% between 1995 and 2003.

OUR EMPLOYEES

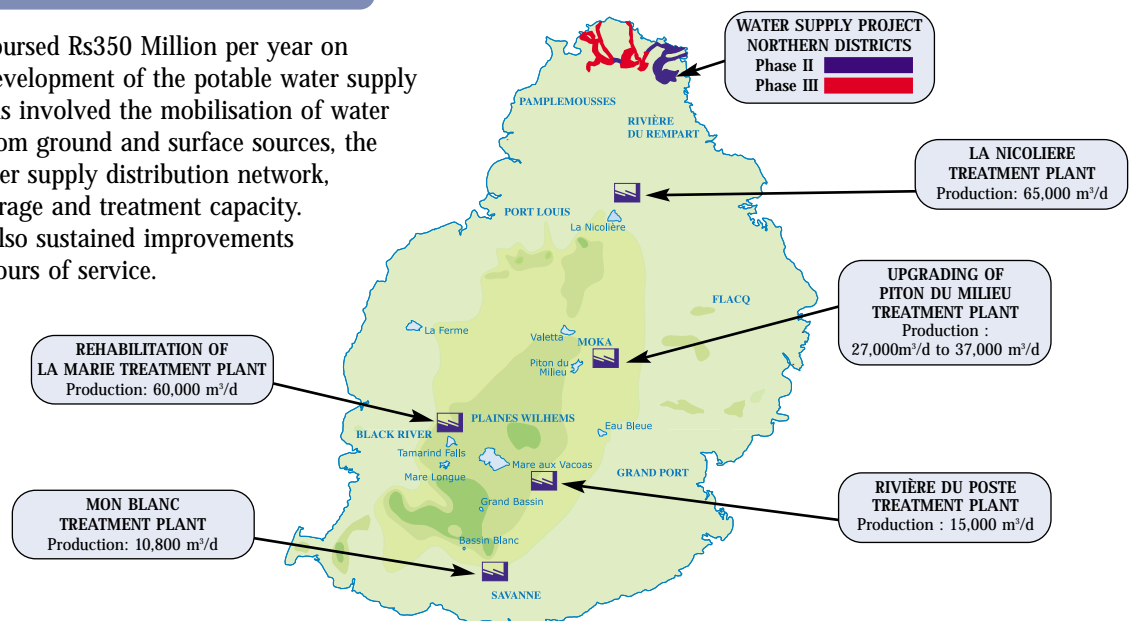
The role of our employees to the distribution and treatment of water is vital. At the end of May 2004, the CWA had 1,084 employees working together to provide potable water to 266,000 subscribers. The CWA has progressively reduced its workforce by the merging of functions, normal retirement and the outsourcing of non-strategic functions. Manual employees are now multi-skilled. Measures of the improved productivity are shown in the diagrams below:



A SUSTAINED CAPITAL DEVELOPMENT PROGRAMME

The CWA has disbursed Rs350 Million per year on average for the development of the potable water supply infrastructure. This involved the mobilisation of water resources, both from ground and surface sources, the extension the water supply distribution network, increasing the storage and treatment capacity. This investment also sustained improvements in pressure and hours of service.

MAJOR PROJECTS IMPLEMENTED

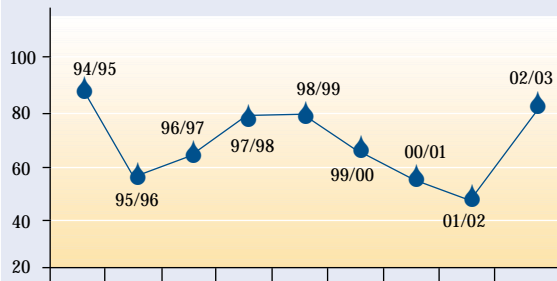


CWA Today

PIPELINES CONSTRUCTED

During the period 1995-2003, an average of 60 Km of pipeline has been constructed annually. Some 140 projects were undertaken island - wide to extend and upgrade the distribution network to improve hours of supply to blackspot areas.

PIPELINES LAID : 1995-2003



GROUND WATER EXPLORATION PROGRAMME

At end 2003, there were 112 boreholes in operation with a safe yield of 13,330 m³/hr as compared to 1995 when 76 boreholes were in operation with a safe yield of 8,818 m³/hr. The table below shows the increase in ground water production since the last corporate plan:

Operational district	Year 1995		Year 2003	
	BH	SY m ³ /hr	BH	SY m ³ /hr
Port Louis	3	234	9	992
DWS North	23	2,061	38	3,806
DWS East	9	1,869	11	2,014
DWS South	8	1,260	12	1,942
MaV	33	3,394	42	4,576
TOTAL	76	8,818	112	13,330
BH	Boreholes			
SY	Safe Yields			

CUSTOMER SERVICE

EXTENDING THE DISTRIBUTION NETWORK

Piped potable water is universal. The distribution network has been extended to cover the whole island. Piped potable water can now be accessed from anywhere in Mauritius. According to the 2000 Housing and Population Census Survey (CSO), 99.6% of the population had water within their premises, with 85% having water inside their houses. The balance of the households relied on public fountains, CWA water tanker service or other sources for their potable water needs.

Potable water supply to these households (who cannot afford to subscribe to individual house connections) can only be found within the framework of government programme of support for the vulnerable groups.

MANAGING SUPPLY IN PERIODS OF DROUGHT

CWA has charted a strategy through its dry season action plan to ensure rational management of supply during dry and severe drought. This strategy was very effective during the severe drought of 1999-2000, ensuring a reasonable supply to households and businesses.

The hours of supply during a normal season, a dry season and the severe drought of 1999-2000 are shown in the table.

Hours of supply per day (hrs/day)	Normal Period	%	Normal Dry Period	Severe Drought 1999
24	825,638	73.6	415,743	284,296
18-23	191,000	17	375,600	20,705
10-17	89,514	8	173,214	379,859
6-9	11,529	1	95,715	77,988
< 6	4,932	0.4	62,341	359,765
TOTAL	1,122,613	100	1,122,613	1,122,613

CWA Today

ACTIONS TO IMPROVE CUSTOMER SERVICE

Our aim is to constantly improve the quality of service given to our customers.

The following actions have already been implemented:

- Dedicated staff have been posted at all CWA Regional Offices to attend to and follow-up on customer complaints and queries.
- Additional facilities for settlement of water bills now include direct debits through the banking system and payment at Post Offices and certain CEB Cash Offices.
- Operation of a 24 hours day 7 days per week hotline service to attend to customer queries and emergencies on hotline service 170.
- Our Meter Reading and Operations staff consider it their duty to draw the attention of customers having abnormal consumption and on the ways and means to control usage.
- Disconnection of the supply for nonpayment of water dues is used only as a measure of last resort. Meter Reading and Operations staff always ensure that ample notice is given prior to disconnection.

ATTENDING TO OUR CUSTOMERS

Improved customer relations and the mobilisation and throughput of additional resources in the distribution system has reduced the level of customer complaints. Complaints for poor and erratic supply are generally more numerous during the drier months when production is below normal.



▶ Attending to consumer queries through HOTLINE SERVICE 170



▶ Regional Office Quartier Militaire

The severe drought in 1999 caused an abnormally high level of complaints.

Year	Subscribers	Complaints	% complaints to subscribers
94/95	203,578	6,515	3.00
95/96	211,400	5,785	2.00
96/97	218,594	4,702	2.15
97/98	226,593	4,689	2.06
98/99	234,974	11,211	4.77
99/00	242,915	11,230	4.62
00/01	250,191	8,433	3.37
01/02	255,797	17,189	6.71
02/03	265,077	13,519	5.10
June 04	271,072	7,590	2.8

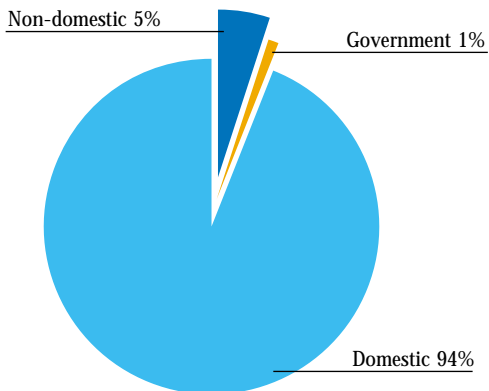
The increase in complaints in 2001/02 is associated with increase in tariffs and low pressures. These complaints were promptly attended to and followed-up.

CWA Today

SUBSCRIBERS

Our total number of subscribers at the end of June 2004 reached 271, 072 compared to 203,818 in 1995.

SUBSCRIBERS BY CATEGORY



WATER QUALITY

Our commitment to water quality is absolute. Domestic water must satisfy both local and World Health Organisation (WHO) Standards for drinking water. The CWA has two laboratories fully equipped for the monitoring of both raw water resources and quality of water distributed.



► Water sampling for Water Quality Test

PROTECTION OF WATER RESOURCES

Government has made appropriate legislation for the protection of the environment and water resources. The Authority collaborates with the Ministry of Environment towards enforcement of this legislation.

The CWA has, accordingly prepared a map of the sensitive zones in Mauritius. Potential zones of pollution and polluters have been identified. An average of 683 samples are collected and analysed monthly.

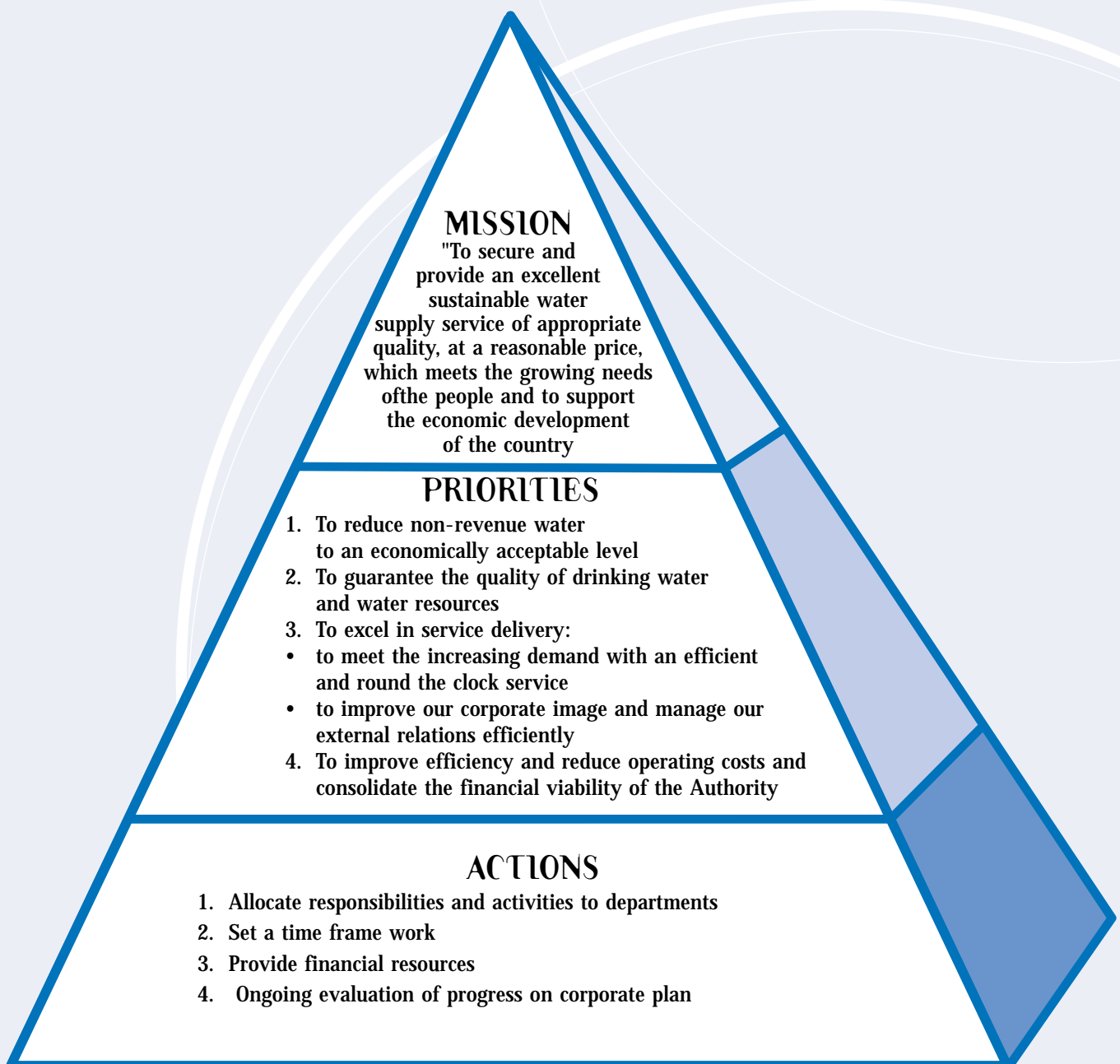
The number of sampling points and frequency of sampling has been increased. An average of 500 samples of treated water are collected monthly. Analysis for some 28 parameters is performed. Protocols have been established to follow up on water sources failing drinkable water quality parameters.

La Nicolière Reservoir ◀



Taking ACTION

- THIS CHAPTER SHOWS HOW THE MISSION OF THE CWA TRANSLATES INTO PRIORITY AREAS AND STRATEGIES AND HOW THE CWA PLANS TO ASSIGN RESPONSIBILITIES AND DEPLOY RESOURCES TO ACHIEVE THOSE STRATEGIC OBJECTIVES.



PRIORITY NO 1
To reduce non-revenue water to an economically acceptable level

STRATEGY
1. Reduce non-revenue water
2. Increase revenue
3. Reduce costs
4. Meet unsatisfied demand

DETAILS OF ACTION	DEPARTMENT	PERIOD	COST (RS)
Reinforcement of legislation	Commercial	04-05	Imputed
Setting up of a Project Management Team (PMT) [RUFW] and consultancy services	Management	04-05	77 M
Rerouting of pipes that are prone to pilferage by vegetable growers and industries	P&D	04-07	25 M
Renewal of trunk/service distribution pipelines aged over 30 years	P&D	06-08	619 M
Replacement of AC pipes and detection/repairs of invisible leaks	P&D	06-08	105 M
Establishment of DMA's	OPS	04-05	104 M
Replacement of 160,000 >10 years old meters	RUFW PMT	04-08	
Meter repair workshop	WR/OSS	04-05	20 M
Telemetry project	WR/OSS	04-07	85 M
Purchase of tools and equipment	Operations	04-05	10 M
Capacity building	HR	04-08	1 M
TOTAL			1,046 M

DEPARTMENTS/ DIVISIONS

- OPS Operations
- P&D Planning and Development
- WR/OSS Water Resources and other Support Services
- HRD Human Resources Department
- IT Information Technology
- RUFW/PMT Reduction of unaccounted for Water Project Management Team
- MIU Management Information Unit

Imputed = Normal Recurrent Expenditure



Leak Detection Works ◀

PRIORITY NO 2
To guarantee the quality of drinking water and water resources

- STRATEGY**
1. Asset maintenance
 2. Monitoring programme for quality of raw water resources tapped for treatment purposes and quality control for potable water distributed
 3. Cleaning and disinfection of service reservoirs
 4. Safety and security of sites
 5. Mobilisation of water for dry seasons

DETAILS OF ACTION	DEPARTMENT	PERIOD	COST (RS)
Programme for asset maintenance	WR/OSS and OPS	04-08	Imputed
Monitoring programme for quality of raw water resources tapped for treatment purposes and quality control for potable water distributed	WR/OSS	04-08	Imputed
Cleaning and disinfection of service reservoirs	OPS	04-08	Imputed
Mobilisation of water for dry seasons	P&D OPS WR/OSS	04-08	49M
Equipment for water quality monitoring	WR/OSS	04-08	2.5M
Chlorine storage depot	WR/OSS	04-06	10M
Electro mechanical	WR/OSS	04-08	50M
Safety and security of sites	OPS	04-08	10M
La Marie New Treatment Plant	P&D	04-05	172M
TOTAL			293.5 M



La Marie Treatment Plant ◀

PRIORITY NO 3

To excel in service delivery

- To meet the increasing demand with an efficient and round the clock service
- To improve our corporate image and manage our external relations efficiently

STRATEGY

Implementing major supply works to improve levels of service
Improving customer service
Enhancing corporate image

DETAILS OF ACTION	DEPARTMENT	PERIOD	COST (RS)
Recruitment of Consultants for the preparation of a master plan for the distribution networks	P&D	04-05	77M
Rationalisation, upgrading and extension of distribution system in the East	P&D	04-07	260M
Water supply project to Ebène Cybercity and Highlands	P&D	04-06	95M
Extension, upgrading and renewal of distribution pipelines through micro projects island wide to improve level of service	P&D	04-08	191M
Rehabilitation and improvement of pumping stations	WR/OSS	04-08	181M
Construction of new regional office blocks and upgrading of existing ones	P&D	04-08	40.5M
Connection of new supplies	OPS	04-08	74M
Develop customer service system to enable cashiers and front desk officers at sub-offices to provide an efficient service to the public, upgrade consumer service information system	IT	04-06	1M
Enlist the services of a communication professional firm to project the image of CWA as a reliable water supplier	Management	04	Imputed
Recruit and train desk officers to deal efficiently and effectively with members of the public	HRD	04	Imputed
Design and manage CWA website	IT	04	Imputed
TOTAL			919.5 M

To improve Customer Service ◀



PRIORITY NO 4

To improve efficiency and reduce operating costs and to consolidate the financial viability of the Authority

STRATEGY

Reviewing the organisation structure
Building capacity
Setting up of a performance appraisal system
Appropriate charging policy

DETAILS OF ACTION	DEPARTMENT	PERIOD	COST (RS)
Preparation of a schedule and costing of an action plan for the area management system	HR	4-05	Imputed
Set up corporate strategy and management information unit for monitoring, evaluating and reporting on all activities of the CWA and the corporate plan 2004-2008	CSMIU	04-05	Imputed
Development of an information system applicable to all activities of the CWA	IT	04-08	Imputed
Recruit a consultant to carry out an in-depth organisational review and development exercise	HR	04-05	Imputed
Development of new job specifications and setting up a performance appraisal system	HR	04-05	Imputed
Conduct training needs analysis for the preparation of the CWA training plan	HR	04-05	Imputed
Rejuvenating the workforce through Voluntary Early Retirement Scheme	HR	05-06	90M
Setting up of an anti-fraud squad to deter pilferage	Internal Audit	04-05	Imputed
Formulating an appropriate charging policy based on the concept of adjustment of water rate to inflation or charging at cost + mark up	Finance	04-05	Imputed
Reducing the debt collection period	Commercial	04-05	Imputed
Establishment of a building maintenance programme to optimise useful life	WR/OSS	04-06	Imputed
Setting up of a central mechanical and electrical workshop for repairs/overhauling of all electromechanical equipment	WR/OSS	05-07	Imputed
Creation of a dedicated team in each section for maintenance of valves and other appurtenances	OPS	04-05	Imputed
Renewal of vehicles and plants	WR/OSS	04-08	5M
Enlisting a technical specialist firm to conduct independent inspection and technical evaluation of treatment plant, pumping stations and all electromechanical equipment	WR/OSS	04-06	Imputed
Implementation of a telemetry and telesurveillance system for remote monitoring of pumping stations, treatment plants and distribution network performance	WR/OSS	05-07	85M
Metering of all production sources	OPS	05-07	20M
Setting up of a fully equipped meter repairs and calibration workshop	Finance	04-05	5M
Recruitment of a consultancy firm for re-evaluation of CWA assets	Finance	04-05	5M
TOTAL			210 M





A commitment to SOUND FINANCIAL MANAGEMENT

- FINANCIAL VIABILITY AND SUSTAINABILITY IS A KEY GOAL OF THE CWA. WE RECOGNISE THAT OUR PRIMARY PURPOSE IS TO PROVIDE AN EFFICIENT AND QUALITY WATER SUPPLY SERVICE AT A REASONABLE COST. THIS PURPOSE WILL BEST BE SERVED WITHIN A FRAMEWORK OF SOUND FINANCIAL MANAGEMENT.

AIMS

We are committed to sound financial management. The financial framework supporting our Corporate Plan has been set with the following aims:-

- To sustain the development programme required to achieving the goals/objectives set out in the Plan, in particular the Non Revenue Water projects;
- To generate sufficient revenue to cover operational requirements, debt service and to finance the development programme;
- To strengthen our financial base and to meet the financial targets required by the lending agencies;
- To reduce our operating costs by 1% below the rate of inflation.

REVENUE

We expect an annual revenue growth of 4.5% over the planning period. To sustain our development programme in order to bring improvements in service levels and to generate positive cash flows, an increase in water tariffs is proposed in January 2006. However, it is understood that our tariff policy will be reviewed eventually with the setting up of a Utility Regulatory Body.

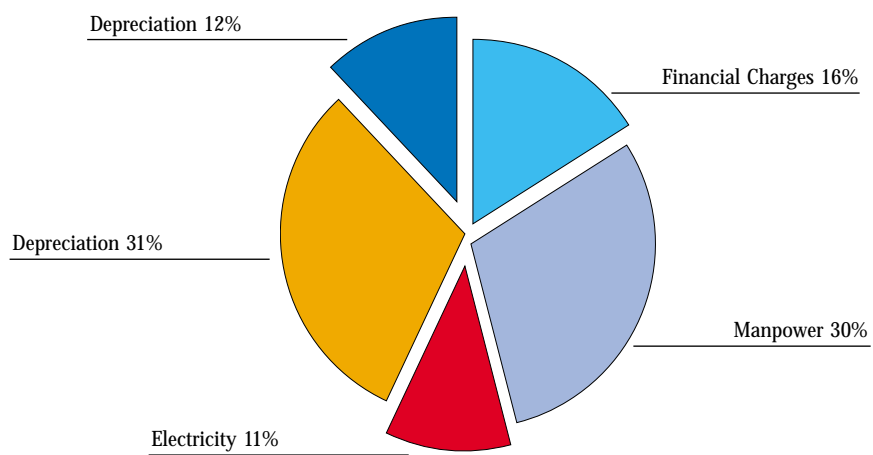
COSTS

Efficiencies and new investment will help us to reduce our operational costs. We expect to generate a relative saving of 5% in operating costs by the end of the planning period.

The major components of our operational costs are: -

- Manpower;
- Electricity used to operate our pumping stations and treatment plant;
- Materials & consumables;
- Depreciation of our plant and equipment;
- Financial charges including interest and currency variation.

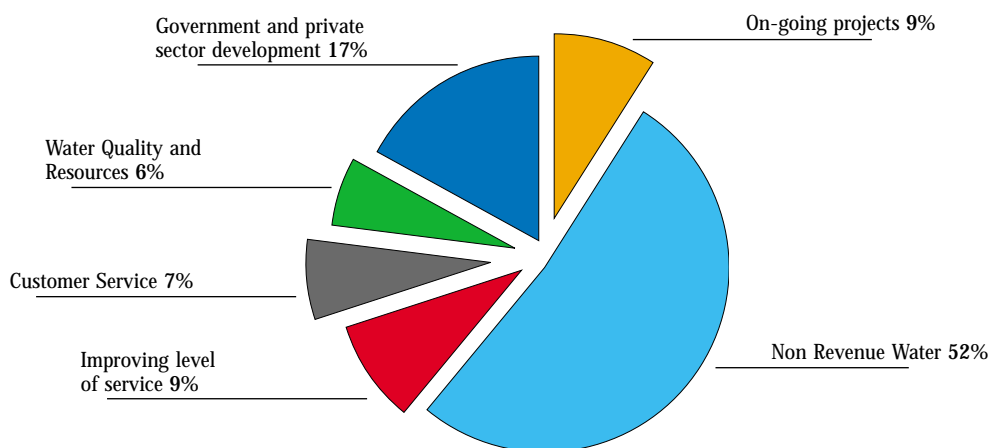
ACTUAL OPERATING EXPENDITURE FOR FINANCIAL YEAR 2003/2004



CAPITAL INVESTMENT

We plan to invest some Rs 2.4 Billion during the five-year planning period with an average annual investment of Rs 480 Million.

CAPITAL INVESTMENT



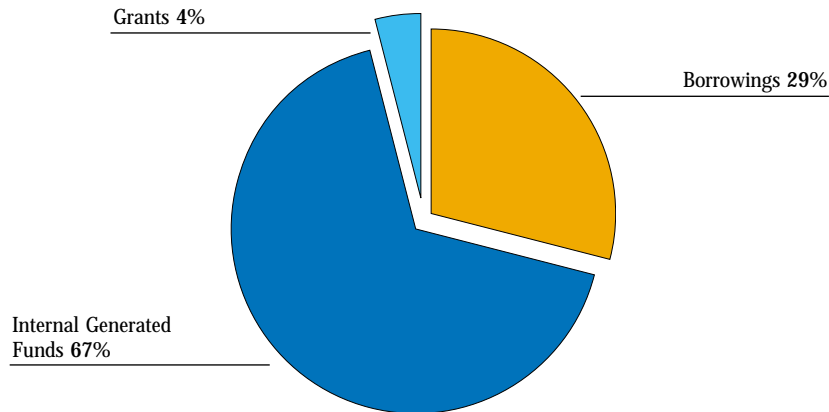
OUR FUNDING PLAN

We expect to finance the whole debt service from our internally-generated funds and the balance thereof to fund our development programme. In fact, 67% of our funding requirements will be generated internally, 29% from borrowings and 4% from grants/contributions from Government & promoters.

SOURCES OF FUNDS FOR THE PERIOD JULY 2004 TO JUNE 2009

Sources of Funds	Rs Billion
Internally Generated Funds	2.935
Grants	0.156
Borrowings	1.265
Total Funds available	4.356

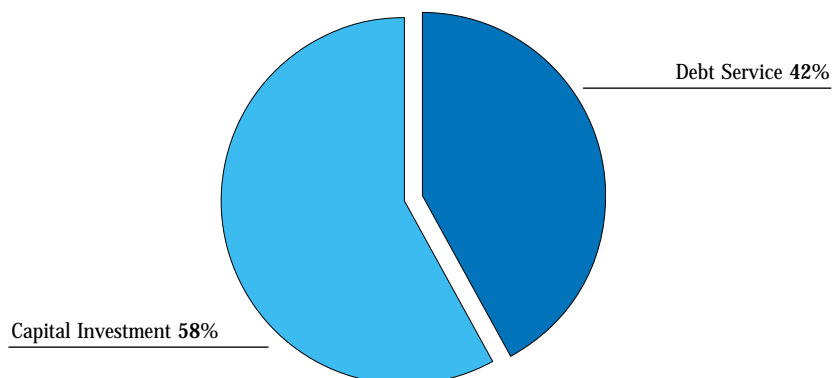
SOURCES OF FUNDS



APPLICATIONS OF FUNDS FOR THE PERIOD JULY 2004 TO JUNE 2009

Applications of Funds	Rs Billion
Debt Service	1.744
Capital Investment	2.365
Total disbursements	4.109

APPLICATIONS OF FUNDS



OUR FINANCIAL PLAN

Our Financial Plan is a key component in our strategy for Sound Financial Management, as it will be used to set performance targets. Our financial plan is based on a number of assumptions which need to be reviewed periodically to take into account unforeseen or unpredictable events.

With a water tariff increase in January 2006, we expect to generate positive cash flows and surpluses throughout the planning period in order to meet the financial targets set by the lending agencies, namely to have an annual operating cash flow of 1.5 times our debt service.

The summarised Pro-Forma Financial Statements for the period 1st July 2004 to 30th June 2009 are tabulated below: -

SUMMARISED INCOME STATEMENTS AND BALANCE SHEETS FOR THE PERIOD 1ST JULY 2004 TO 30TH JUNE 2009

INCOME STATEMENT	2004/2005 Rs Million	2005/2006 Rs Million	2006/2007 Rs Million	2007/2008 Rs Million	2008/2009 Rs Million
Income	1,077	1,184	1,267	1,282	1,295
Operating Expenses	(583)	(610)	(637)	(665)	(693)
Depreciation	(263)	(307)	(319)	(327)	(332)
Interest on Borrowings	(94)	(88)	(86)	(82)	(82)
Operating Surplus	137	179	225	208	188

BALANCE SHEET	2004/2005 Rs Million	2005/2006 Rs Million	2006/2007 Rs Million	2007/2008 Rs Million	2008/2009 Rs Million
Non-Current Assets	7,672	7,983	8,177	8,312	8,389
Current Assets	340	330	385	556	620
Total Assets	8,012	8,313	8,562	8,868	9,009
Equity & Reserves	4,594	4,773	4,998	5,206	5,394
Grants & Current/ Non-Current Liabilities	1,264	1,345	1,391	1,427	1,463
Short & Long Term Borrowings	2,154	2,195	2,173	2,235	2,152
Total Liabilities	8,012	8,313	8,562	8,868	9,009



Students visiting a Treatment Plant ◀



Good GOVERNANCE

- A COMMITMENT TO ACHIEVING GOOD CORPORATE GOVERNANCE IS SEEN AS FUNDAMENTAL TO OUR FUTURE SUCCESS. WE WILL OPERATE IN A MANNER THAT IS TRANSPARENT, FAIR AND ACKNOWLEDGES OUR RESPONSIBILITY TO OUR STAKEHOLDERS AND TO THE ENVIRONMENT

The CWA is administered and controlled by its Board. The General Manager is responsible to the Board for the day to day management of the Authority. The detailed application of the Mauritius Code of Corporate Governance to para-statal bodies is currently under consideration by Government. However, the Board of the CWA considers it important to implement key elements of the Code as relevant to the CWA.

TRANSPARENCY

Transparency in management and in our operations is paramount to our future success. We have targeted the following areas for specific action:

- Installation of new water supplies
- Procurement
- Recruitment and promotions

The policies being developed to improve transparency and our governance framework include

mechanisms to monitor and ensure compliance within each of these target areas.

FAIRNESS

It is important that we operate in a manner that is both fair and seen to be fair.

Our governance framework ensures that we act fairly towards:

- Our customers
- Our employees
- Our suppliers and contractors
- Our providers of finance

RISK MANAGEMENT

Good risk management is essential for the achievement of our strategic goals.

We will create specific risk management teams to oversee important areas of risk. These include:

Good GOVERNANCE

1. OPERATIONAL RISKS

- Water quality
- Conserving water in periods of drought
- Availability and pressure of supply
- Non-revenue water
- Failure to meet customer service standards
- Criminal and malicious acts by third parties
- Industrial pollution hazards

2. FINANCIAL RISKS

- Exchange risk on loans in overseas currencies
- Failure to obtain expected tariff increases
- Loss of income due to non-revenue water
- Failure to obtain planned cost efficiencies
- Cash flow deficits preventing planned capital investment programme
- Credit risk on amounts due from subscribers

3. DAMAGE TO OUR REPUTATION

- Failure by management or staff to act with integrity
- Failure to supply water of adequate quantity or quality
- Lack of transparency
- Pollution of the environment.

ENVIRONMENTAL & SOCIAL RESPONSIBILITY

A measure of the success of our governance is the way we interact with the environment and the public at large.

We are keenly aware of our duty to act as a good corporate citizen and to protect and improve the environment of our country.



AUDIT AND CONTROL

We adopt a holistic approach to ensuring that our strategic objectives are met. The Audit Committee will report regularly to the Board on the achievement of operational and financial objectives, on the proper functioning of our controls and on compliance with our business policies and procedures designed to deliver on these objectives.

The Audit Committee will evaluate and monitor financial losses from non-revenue water. Control functions will be extended to monitor the efficiency of customer service and use of resources.

Internal audit and control functions will operate within the overall framework of our Risk Management and resources will be targeted at areas which are most important in terms of risk profile.

ETHICAL VALUES

Good governance is not effective unless supported at all levels of our organisation. We plan to introduce a Code of Ethics based on the model issued by the Joint Economic Council.

The shared values seen as critical for our success are:

1. EXCELLENCE

We must achieve excellence in everything we do; in our customer relations, in the quality of water, in the availability of supply, in the efficient use of resources and in our ability to innovate.

2. INTEGRITY

We must act with integrity in all our dealings; with our customers, with our employees, with our suppliers and contractors and with our environment.

3. COURTESY

We must show courtesy and respect, to our customers, to our suppliers and contractors, to our fellow employees and to the general public.

4. TEAMWORK

We work together as a single team to ensure that our customers enjoy a quality water supply with high availability and reliability at a cost which is fair and reasonable. We are proud to represent the CWA.

