

# Regulation of Water Supply and Sanitation in Mozambique

INTERNATIONAL WORKSHOP ON MONITORING AND REGULATION OF PUBLIC SERVICE OF POTABLE WATER

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## Content

- 1. Introduction**
- 2. AURA Responsibilities**
- 3. Systems Covered by Regulation**
- 4. Characterization of Rural Water Service**
- 5. Perspectives of Regulation of Rural Service**
- 6. AURA Challenges**

## 1. INTRODUCTION

### **Legal and Institutional Framework**

Until 1975, when Mozambique became independent, water infrastructure was managed by the Municipal Water and Electricity Services. After independence, water supply and sanitation services began to be provided by state-owned companies.

The reform of the water and sanitation sector in Mozambique began with the approval, in 1991, of the Water Law, Law No. 16/91 of 3 August.

In 1995, the National Water Policy was approved, through Resolution No. 7/95 of 8 August.

## 1. INTRODUCTION

### Legal and Institutional Framework

In 1998, the Delegated Management Framework (QGD) was created, based on the following principles:

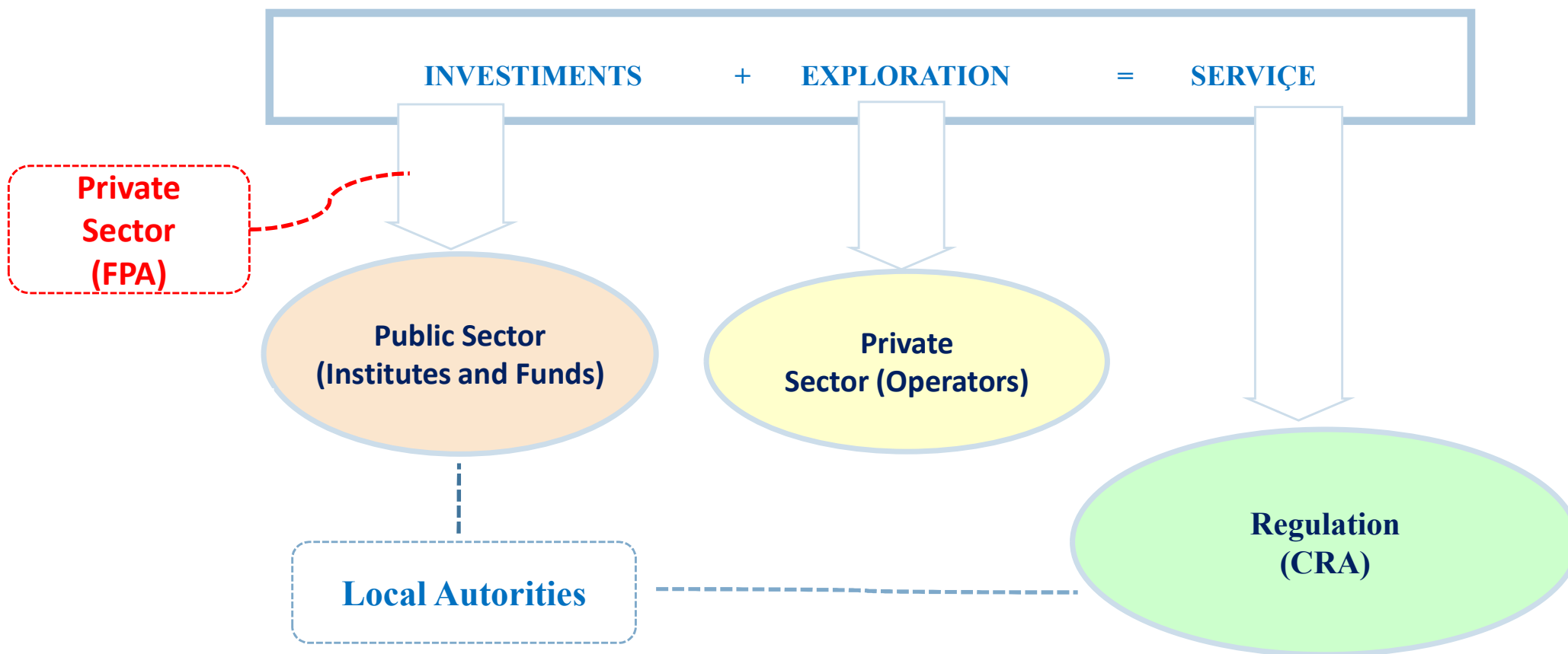
- Ensure efficient management of the public service;
- Promote the differentiation of the functions of asset manager, operator and regulator;
- Ensure regulation of the water supply service by an independent entity; and
- Involve private entities in the management of water systems.

In order to achieve these principles, the Water Regulation Council (CRA) was created, through decree 74/98, with the main objectives of:

- ensuring a balance of interests in the provision of public services; and
- tariff reform to recover the costs of operating and maintaining the service and future investments.

## 1. Introduction

### Legal and Institutional Framework



## 1. INTRODUCTION

### Legal and Institutional Framework

In 2009:

- QGD was extended to wastewater drainage systems;
- CRA's mandate was extended to regulate all public water supply and wastewater sanitation systems.

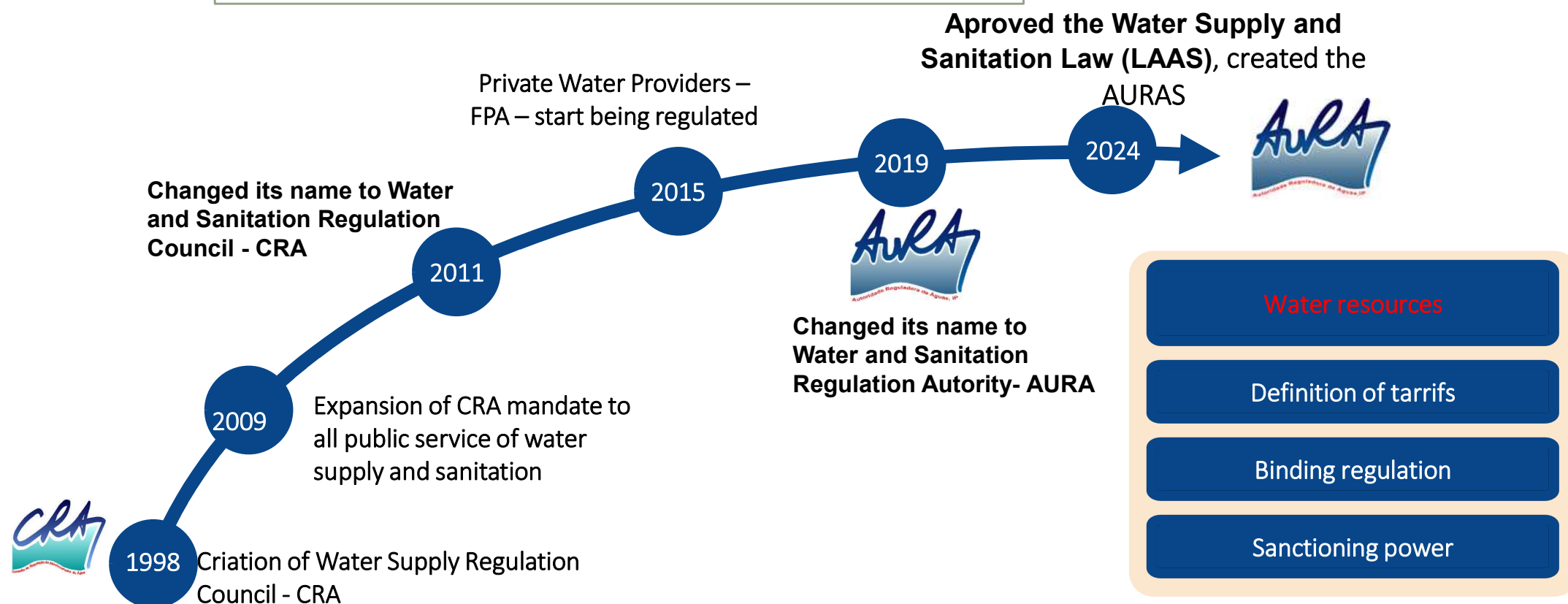
In 2015, the Government approved the licensing decree of Private Water Suppliers (FPA);

In 2019, the scope of CRA's mandate was expanded and it was renamed the Water Regulatory Authority, Public Institute (AURA, IP);

In 2024, the Water Supply and Sanitation Law (LAAS) was approved, Law No. 9/2024 of 7 June. This law creates the regulator, renamed Water and Sanitation Regulatory Authority (AURAS).

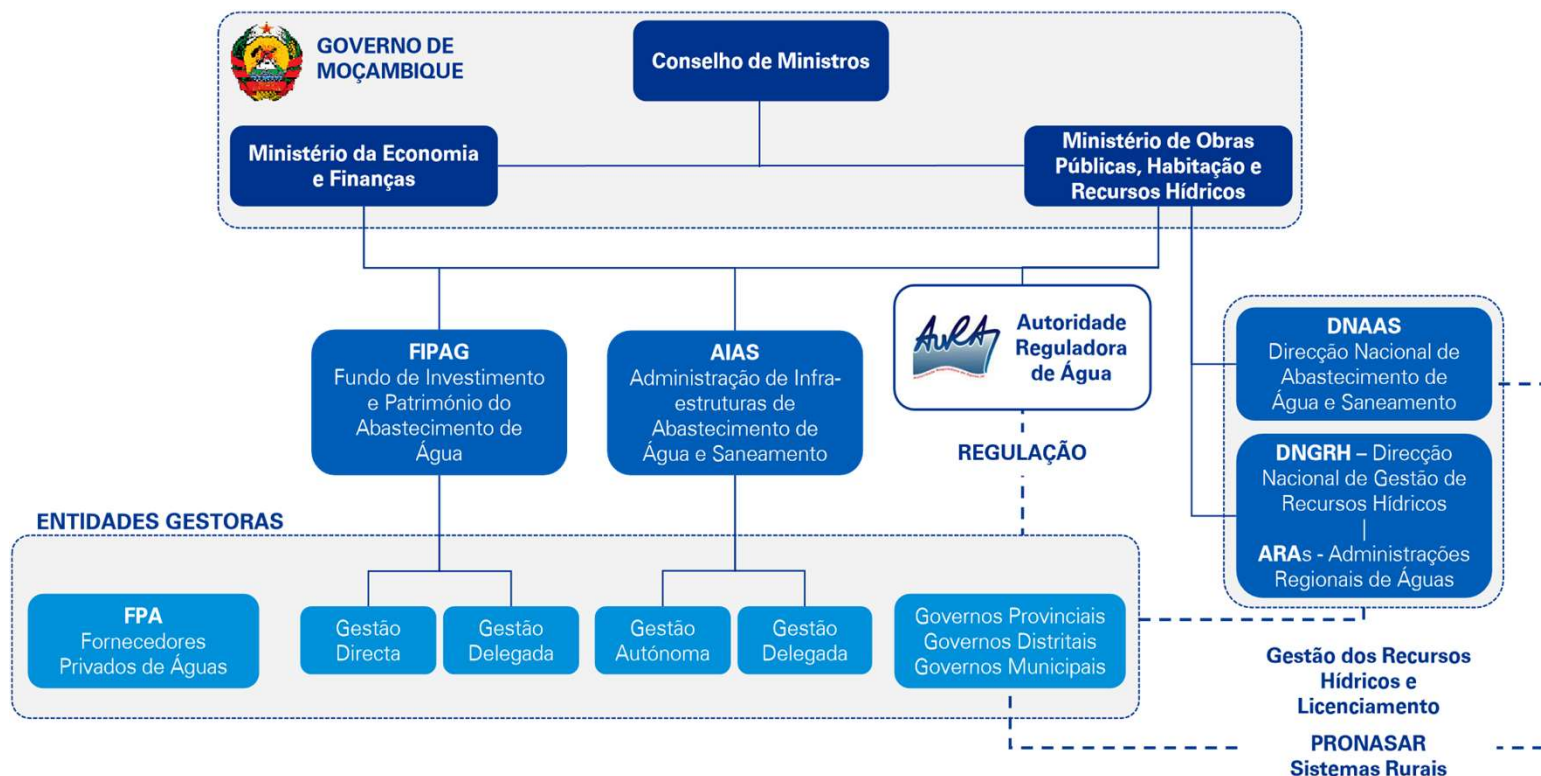
## 1. INTRODUCTION

### Historical Framework for the Regulation of the Sector



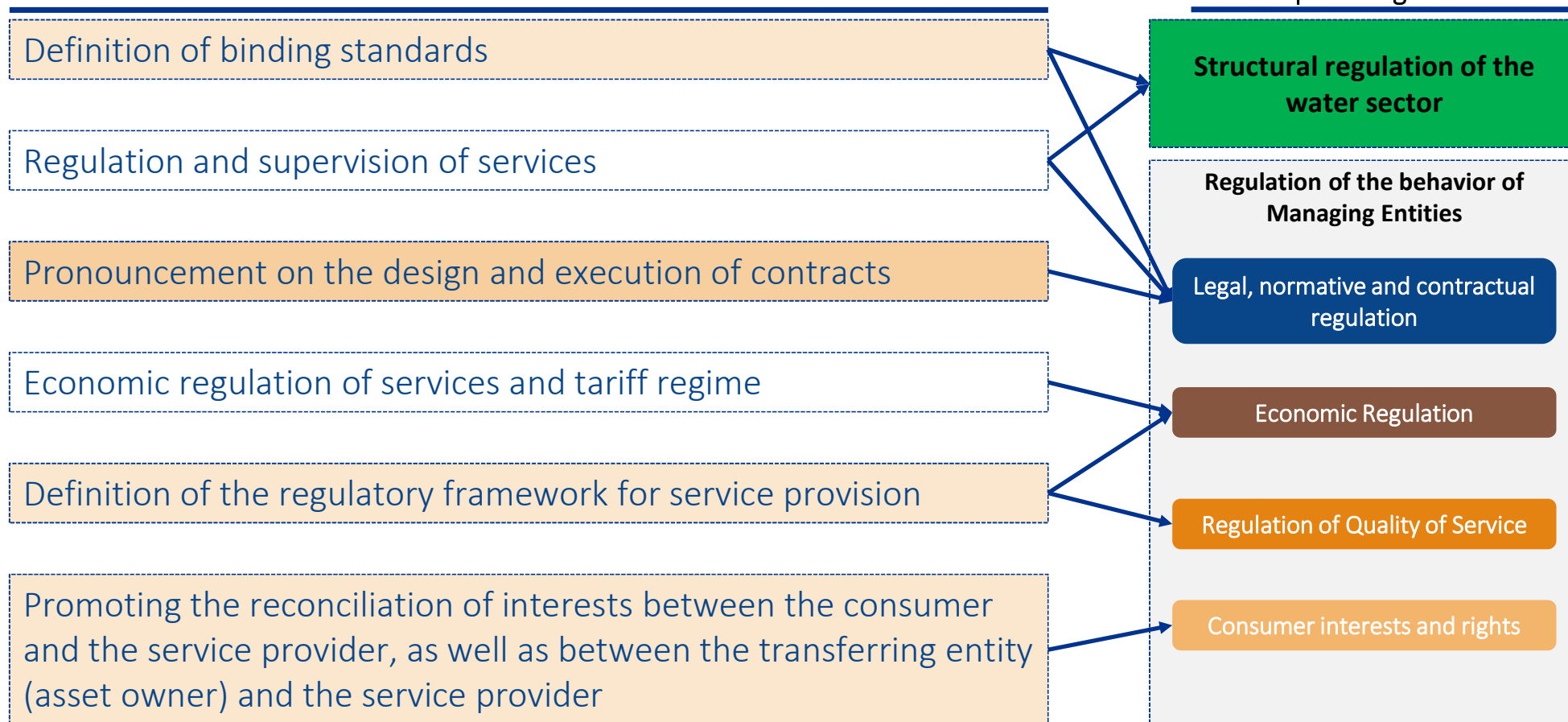
## 1. INTRODUCTION

In the current legal and institutional context, the organizational framework for the water and sanitation sector can be outlined as follows:





## 2. AURA'S RESPONSIBILITIES




### 3. SYSTEMS COVERED BY REGULATION

**FIPAG**  
Water systems from main cities



**AIAS**  
Water systems from secondary cities and sanitation systems from many and secondary cities








**Rural Systems**



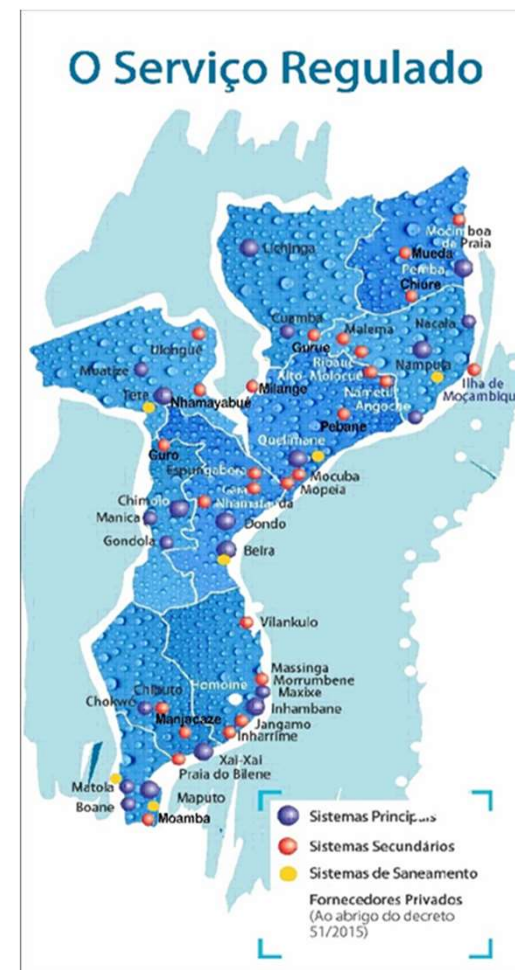
**FPA**  
Private water providers



EXISTING SYSTEMS				Nº TOTAL DE SISTEMAS A REGULAR
Water		Water systems from main cities	➔	17
		Water systems from secondary systems	➔	130
		Rural systems	➔	(+) 1,425
		Private water providers	➔	(+) 1 830
SANITATION SYSTEMS		Sanitation systems	➔	(+) 2 441
TOTAL	# systems			(+) 5 843

## 3.1 REGULATED SERVICE

EXISTING SYSTEMS				Current Situation
Água	Systems from main cities	➔		17
	Systems from secondary cities	➔		54
	Rural systems	➔		2
	Private water providers	➔		-
SANEAMENTO	Urban sanitation systems	➔		6
TOTAL	# Systems			79



## 4. CHARACTERIZATION OF RURAL WATER SERVICE

### **Water systems**

- Large numbers
- Large range of scale
- Dispersion

### **Service providers**

- Large number
- low levels of formalisation
- insufficient technical, human and financial resources
- lack of reliable data and information

### **Regulator**

- lack of regulatory model to 'reach' the large number of service providers,
- lack the resources and financing

## 5. PERSPECTIVES OF REGULATION OF RURAL SERVICE

### Sistemas Rurais PRONASAR



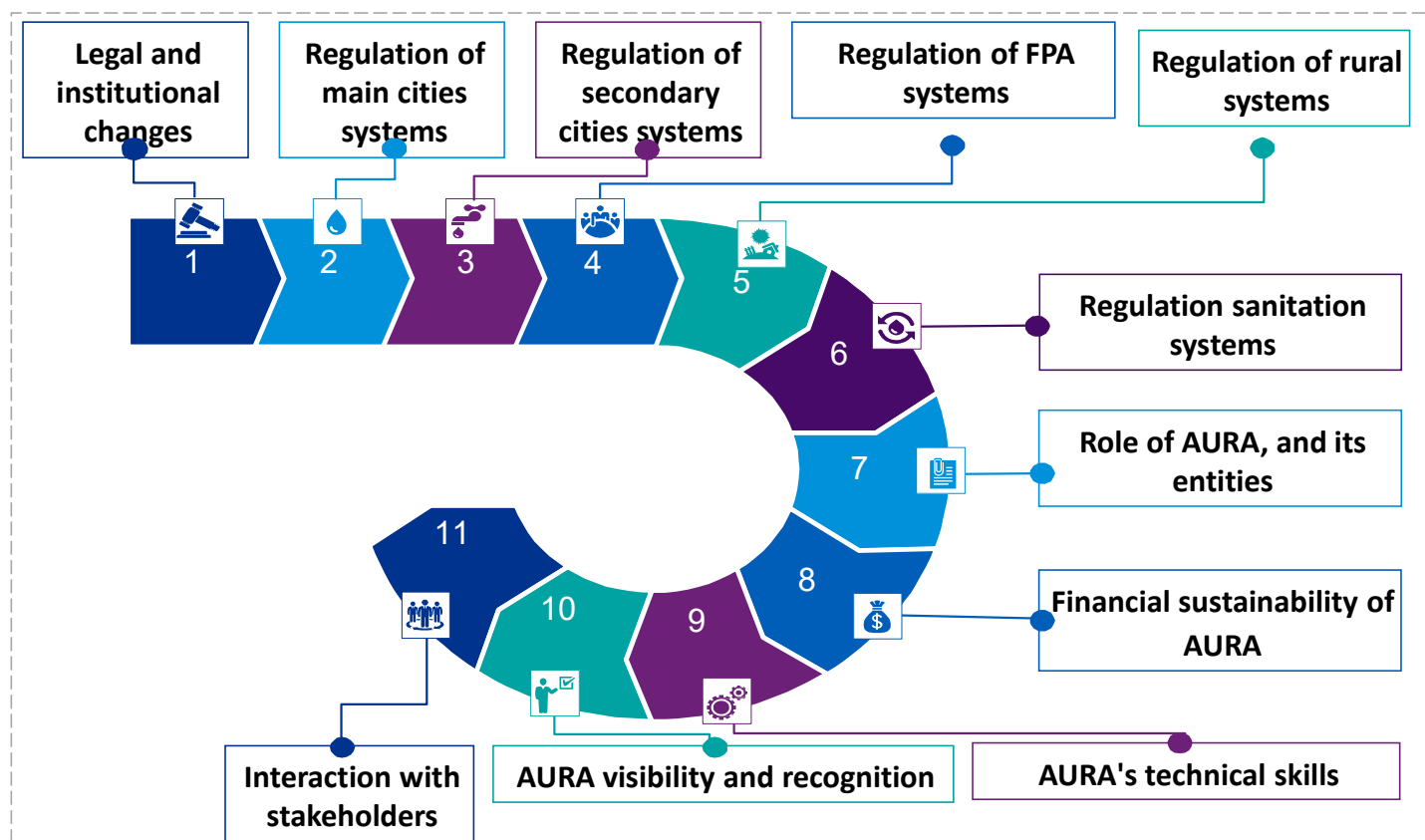
Support and collaborate with ESAWAS in the current assignment for Development of Framework and Implementation Strategy for Regulation of Rural Water Supply and Sanitation Services and Small Water Supplies;

Start the study for Adjustment of the Regulatory Framework for Rural Areas covering water supply and sanitation actions including decentralization aspects  
Define regulatory regimes to be applied to rural areas systems (water and sanitation);

Deepen reflection on the sustainability of systems (tariffs vs. production and operating costs, performance indicators, etc.);

Expand the regulation to rural water and sanitation service.

## 6. AURA CHALLENGES



# 11 Challenges of AURA

## 6. AURA CHALLENGES

### The 11 challenges that AURA face

- 1) **Legal and institutional changes:** AURA needs to adapt quickly to the structural changes that have been taking place and to align its internal regulations with other instruments approved by the Ministry and the Government of Mozambique;
- 2) **Regulation of main systems:** The introduction of private partners in regional companies and new operating concession contracts should also be accompanied by new regulatory processes and standards capable of responding to the requirements and clauses of these new contracts;
- 3) **Regulation of secondary systems:** The greater number of systems in operation will require AURA to increase its response capacity;
- 4) **Regulation of Private Water Providers (FPA):** The monitoring of more than 1,830 entities, many of which are not very sophisticated and do not have rigorous methods of document control, should be accompanied by automated and standardized forms of regulation;
- 5) **Regulation of rural systems:** In the coming years, AURA should expand the number of rural systems regulated, creating mechanisms and partnerships that generate the provision of good quality services, at a fair tariff and seeking to ensure the sustainability of services in the medium and long term;
- 6) **Regulation of sanitation services:** The short-term challenges concern the consolidation of the process of implementing tariffs and reporting established in the current Regulatory Frameworks for Urban Areas, promoting the improvement of future Regulatory Frameworks, and start regulating the rural systems;

## 6. AURA CHALLENGES

### The 11 challenges that AURA face

7) **Role of AURA entities:** the Regional Technical Units currently face constraints in terms of skills and, consequently, have a very small staff structure. In the future, the number of Regulated Entities and the range of contracts will require the decentralisation of services from Headquarters;

8) **Financial sustainability of AURA:** Regulation fee (by consumers) is not sufficient and currently depends on International Financial Institutions (IFIs) and other donors to finance AURA's investment activities and/or technical assistance;

9) **Technical skills of AURA:** Improving technical skills results in a virtuous circle, and is therefore key, which will contribute decisively to improving public water supply and sanitation services;

10) **Visibility and recognition of AURA:** There is a need for AURA to be able to assert its authority in an assertive, independent and discreet manner, in order to ensure its legitimacy and recognition in the market and to become recognised (by national and international stakeholders);

11) **Interaction with stakeholders:** Take advantage of political support at the highest level to make all necessary institutional and legal changes, including the application of sanctioning power with complete independence and legitimacy, and supported by clear and efficient rules and regulatory instruments.



Muito Obrigado pela atenção!

