AquaRating
A Rating System for Water and Sanitation Utilities

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What is it?
Why?
How is it put into practice?
How does the rating work?
Rating products
Road map
What is it?
Something new

Rating system that evaluates WS utilities in an encompassing manner

One global rating; sub-ratings for each of the 8 rating areas

Guidance for good utility management practice

Recommendations to improve
What is it?

- Based on audited, reliable information
- Financially self-sufficient system with a business model similar to the ISO certification
- Designed in a way to enable general application

First implementation in Latin America and the Caribbean
Why AquaRating?
Challenges for cities

Growth and increasing demand for WS
Discontinuity and deficient service quality
Degradation of water bodies
Climate change
Scarce financial resources
Challenges for cities

High quality, efficient, sustainable WS utilities are key for

- Quality of life of citizens
- Attracting business, commerce and tourism
- Protecting the environment
Tool to assess and improve

AquaRating will

- Collect reliable information
- Assess quality, efficiency, sustainability and transparency
- Identify areas of improvement
- Stimulate learning and development
Benefits for government & policy makers

- Assessment of WS service in comparison with an excellence standard/ with regional average ratings
- Design specific investment programs and capacity building for utilities
- Be part of community of cities that strives for high quality utility services
- Improve quality of life and business environment
Benefits for utilities

- Reputation; Demonstration of quality improvement culture
- Easier access to staff, finance, markets
- Receive recommendations and improve practice
- Be part of a knowledge framework that stimulates learning
Benefits for consumers

Better services
- Quality
- Efficiency
- Sustainability
- Transparency
Benefits for MFIs & Development Agencies

- Target finance and technical assistance according to areas of improvement
- Monitor performance over time
- Help building a community of good practice & learning
How is it put into practice?
Participative process of system development
- Focus groups with utilities
- Seminars with MFIs and experts
- *Planned: peer review, consultations…*

- Feedback
- Legitimacy
- Technical soundness
AquaRating Entity

**Attributes:**
Technical competence, no direct interest in rating results, non-for-profit organization

- Assures impartiality, broad acceptance by clients & stakeholders
- Oversight Committee: MFI’s, Provider Associations, Customer Associations, Academia

Determines and awards ratings
Defines and updates the rating system
Provides the auditing guide
Training and accreditation of auditors
Operates web based system
Produces blind reports
Business Model

HOW IS IT PUT INTO PRACTICE?

Pays Fees

Requests rating

Accredited Auditing Companies  

AquaRating Entity

W & WW Utilities
 HOW IS IT PUT INTO PRACTICE?

Business Model

AquaRating Entity

Accredited Auditing Companies

Audits data

Data

Audited data

W & WW Utilities

Data

HOW IS IT PUT INTO PRACTICE?
HOW IS IT PUT INTO PRACTICE?

Business Model

AquaRating Entity

Grants Rating products (renewable every 2 years)

Accredited Auditing Companies

W & WW Utilities
How does the rating work?
HOW DOES THE RATING WORK?

Three key elements

- Performance measures
- Best practices
- Quality of the information
Performance indicators

- Traditional performance indicators (IWA, ISO 24500, etc.)
- They reflect service performance (output)
- Key: Availability of good data in most utilities
- Metrics compared to ideal performance
Performance indicators

HOW DOES THE RATING WORK?

Daily volume of physically lost water

pipe length or number of service connections
**Best practices checklists**

- Comprehensive list of good practices expected from an ideal supplier
- Much easier to assess / collect than indicator data
- They reflect current management
- Proxy to future performance
- Provide improvement recommendations
- More context independent
## HOW DOES THE RATING WORK?

### Best practices checklists

<table>
<thead>
<tr>
<th>Implemented practice or process</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a procedure or utility unit specifically dedicated to the management of real losses.</td>
<td>1</td>
</tr>
<tr>
<td>An estimating procedure for real loss volumes is in place, with standard criteria (IWA or similar) for estimating uncontrolled water components; and real loss volumes are calculated at least monthly.</td>
<td>3</td>
</tr>
<tr>
<td>Performance levels and reference parameters are established in order to guide practice and scope of real loss detection and reduction; appraisal and follow-up at least annually.</td>
<td>2</td>
</tr>
<tr>
<td>Efficiency of different detection, localization and repairing techniques of real losses are analyzed and compared for each one of the sectors or zones in which uncontrolled water balances are determined.</td>
<td>1</td>
</tr>
<tr>
<td>Preventive or corrective policies of renovation, substitution, pressure management are guided by the real loss reduction analysis.</td>
<td>2</td>
</tr>
<tr>
<td>Availability of references and records of water loss incidents in geographical data bases.</td>
<td>2</td>
</tr>
<tr>
<td>Appraisal of real losses based at least on balance contrasting and minimal night flows.</td>
<td>1</td>
</tr>
<tr>
<td>Availability of reliability indicators for measurements of flows supplied to sectors in night minimums.</td>
<td>1</td>
</tr>
<tr>
<td>Availability of surveillance procedures at least on a daily basis of average and minimal flow fluctuations. This is only valuable if it is done at sector level as support for loss reduction efforts.</td>
<td>1</td>
</tr>
</tbody>
</table>
Quality of the information

- New element in the assessment
- Can only manage what is known
- Audited information!
- Improves fairness of the system
**Quality of the information**

<table>
<thead>
<tr>
<th>Process and practice documentation</th>
<th>Correction factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Practice is not documented.</td>
<td>0</td>
</tr>
<tr>
<td>2. Availability of a documented procedure</td>
<td>0.5</td>
</tr>
<tr>
<td>3. Procedure in addition is used and applied.</td>
<td>0.9</td>
</tr>
<tr>
<td>4. Procedure in addition is audited at least by own department</td>
<td>0.95</td>
</tr>
<tr>
<td>5. Procedure besides being audited is in the public domain</td>
<td>1</td>
</tr>
</tbody>
</table>
Rating products
The AquaRating

- Single figure 1 to 100

- Single standard worldwide. Potential maximum rating may change depending on size, context, etc.

- Strong message. Strong target
The AquaRating

CERTIFIED
Aqua Rating
GOLD | 95
The AquaRating. Partial ratings

- One additional rating per area (8 partial ratings)
- Quick overview of potential improvement areas
- Avoid a simplistic message (more comprehensive assessment)
RATING PRODUCTS

The AquaRating. Partial ratings

<table>
<thead>
<tr>
<th>Service Quality</th>
<th>Access to service</th>
<th>Business management efficiency</th>
<th>Operating efficiency</th>
<th>Investment Planning and Execution</th>
<th>Financial sustainability</th>
<th>Environmental sustainability</th>
<th>Corporate government and accountability</th>
</tr>
</thead>
<tbody>
<tr>
<td>85</td>
<td>70</td>
<td>75</td>
<td>80</td>
<td>82</td>
<td>68</td>
<td>65</td>
<td>85</td>
</tr>
</tbody>
</table>
Comprehensive report

- Provides detailed information about how all ratings were obtained

- Useful document for utilities but also other stakeholders (regulators, local government)
Improvement recommendations
Road map
Roadmap

- **Concept design**
  - 2010

- **Detailed design**
  - 2011

- **Field Test**
  - 2012

- **Deployment**
  - 2013
Roadmap

First full version of the system near completion
- Over 100 assessment elements, 300 pages
- Online web service ready
- First version to be ready this spring
Roadmap

Field test (Spring – Autumn 2012)
- System trial involving Latin American utilities (probably also some cases from other regions)
- Fine tuning of the system (weights, system definitions, software)
- Establishment of the AquaRating Entity (Beginning of 2013)
Roadmap

Launching of AquaRating

- Technical: IWA Specialist Conference on Benchmarking and Performance Assessment (Medellín, Colombia – Spring 2013)
- Institutional: To be determined
thank you