

WEBINAR

COVID-19 FINANCIAL IMPACT ASSESSMENT TOOL FOR WATER SERVICE PROVIDERS

On 10 June 2020, IAWD and the World Bank held their fourth Corona-themed webinar in two months, inviting an international audience of water utility managers, water sector professionals, representatives from municipalities and interested stakeholders to take a first look at a brand new and very promising analytic tool for water service providers.

Moderator Patricia Lopez, Senior Infrastructure Finance Specialist at the World Bank, introduced as panelists Joel Kolker, Program Manager of the Global Water Security and Sanitation Partnership, the Water Supply and Sanitation Specialist Midori Makino, and freelance financial expert Aldo Baietti. The panelists are working on the frontline of the World Bank's efforts to ensure the continuity of water service provision in the face of the COVID-19 pandemic.

While earlier webinars on this theme had shown that most utilities had healthy resilience during the acute crisis and the related lockdowns, most had mentioned significant financial crisis impacts, and today's event addressed those in particular.

Joel Kolker introduced the water-related COVID-19 response activities of the Bank, building on experiences in over 60 countries in order to make the tools under development very practical. While this very webinar introduces the new financial impact assessment tool for water service providers, helping to quantify the scope of the problem, further work is ongoing for the development of a liquidity facility for utilities supporting decisions on response activities which subsequently require implementation. Following, the webinar focused on the financial impact assessment tool.

“We are aware of the triple pressure of increasing demand, increased costs and reduced revenues that many water service providers feel during the crisis”

said Midori Makino during a short presentation of the objectives and underlying principles of the new tool. Its main objective is to analyze the gap between available revenues and operational costs and project its development in the course of the crisis, and to demonstrate subsequently the need for support during, e.g. negotiations with governments or municipalities.

The tool helps utilities to compare revenues from water sales, sewerage sales, connections and other sources with operating costs like salaries, water extraction, electricity, chemicals, maintenance etc., working capital requirements and debt service obligations. After filling in the actual numbers and creating a baseline projection assuming normal circumstances in a step one, users can quite easily vary impact factors and timelines to create financial crisis impact assessments for varying crisis scenarios in a second step, and use the results to develop an emergency response plan in step three.

Mrs. Makino remarked:

“We wanted this to be as low-threshold as possible. It is MS Excel-based, it comes in a full and a simplified version, both with a comprehensive user guide, and we are developing French, Portuguese and Spanish versions in addition to the existing English version.”

In part two of the webinar, Aldo Baietti took the webinar participants on a guided tour through the features of the tool he helped to develop as a freelancer for the World Bank. Although the tool itself and its operation are quite straightforward, the demonstration pushed the envelope of scheduled 75 minutes, cutting the allotted time for answering questions quite short, and those asked were mostly about first practical experiences, and the availability of support. “The user guide is quite comprehensive,” answered Mr. Baietti. “Nevertheless, training for users is planned to be available.”

Patricia Lopez closed the event, informing the participants that the tool will soon be made available and with an invitation to another two webinar editions scheduled on 17 June, covering the possible contributions of IAWD’s and the World Bank’s Utility Benchmarking Program to mitigating the impacts of the current crisis, as well as on 24 June on ‘Detecting and managing Covid-19 in sanitary wastewater’.

24 June 2020, 15:00 – 16:15: Detecting and managing Covid-19 in sanitary wastewater
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