

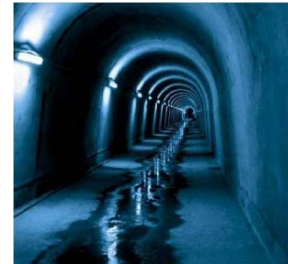


CASE STUDY: MOROCCO

LYDEC: PROVIDING ELECTRICITY, WATER & SANITATION TO CASABLANCA'S SHANTYTOWNS

Summary

In 1997, the Moroccan authorities picked LYDEC, a private-sector consortium managed as a subsidiary of SUEZ Environment, to manage Casablanca's electricity, water and sewage networks under the National Initiative for Human Development. The goal of the 30-year management contract was to provide access to essential services—electricity, water and sanitation—to the residents of Casablanca, including the poor living in shantytowns or illegal settlements. LYDEC has significantly increased the number of people with access to electricity and water services by partnering with the government and working closely with local users through a network of street representatives.



Positive Outcomes for the Poor

- LYDEC offers socially responsible development programmes that provide better customer utilities and services (electricity, water and wastewater collection), improves living conditions and reduces social exclusion of Casablanca's poorest populations.
- LYDEC's electricity, water, and wastewater collection services for poor areas of Casablanca provided several direct job opportunities to carry out tasks of installation and maintenance of these projects. Around 600 job opportunities have been created through LYDEC for the purpose of providing street network setup, and approximately 1,250 street representative positions have been created to provide for standardization and effective management of networks.
- LYDEC's projects in Morocco contributed to the creation of many commercial and production activities and micro-enterprises opportunities.
- LYDEC was able to provide services to the poorest social classes and to involve this population in the development of the projects.
- LYDEC's "Blue Connections" project allowed 12,000 households in Casablanca access to clean drinking water and reduced water losses through its water connections.
- LYDEC provision of access to clean drinking water ensures environmental sustainability, empowers women, improves hygiene and prevents diseases.
- In providing access to essential services, LYDEC improved conditions for children's education. Better education for mothers improved maternal health and increased child survival rates.
- LYDEC's electricity connections have reduced major risks attributed to illegal connections and reduced household's energy budgets from 200 to 300 DH (US\$17) per month to 70 DH (US\$6) per month.



- Improving and modernizing customer services to the evolving needs of Casablanca's inhabitants increased customer satisfaction from 50 percent in 1997 to 70 percent in 2006.

Positive Outcomes for the Business

- Within 10 years, Lydec had increased its number of customers for electricity and water services by 20 percent.
- Within 9 years, Lydec had improved its customer satisfaction rating from 50 percent to 70 percent.
- Because of its impressive performance, Lydec had its contract with the government extended to also cover street lighting.

Key Constraints

- *Knowledge and skills:*
 - Suppliers and subcontractors faced computer illiteracy issues.
 - Municipalities lacked electricity management knowledge.

Key Strategies

- *Invest in removing constraints:* LYDEC set up a center to provide computer literacy.
- *Leverage the strengths of the poor:* LYDEC implemented an electricity distribution management system in each district and relied on local street representatives to manage and coordinate daily operations.



Strategy Matrix

		Strategies					
		Lydec	Adapt Products and Processes	Invest in removing market constraints	Leverage the strengths of the poor	Combine resources and capabilities with others	Engage in policy dialogue with government
Constraints	Market information						
	Regulatory environment						
	Physical Infrastructure						
	Knowledge and skills						
	Access to financial services						

Opportunities for Replication & Scaling Up

- LYDEC's successful approach to supply electricity to shanty towns in 1998 was replicated in other services, such as water, sanitation and street lighting.
- LYDEC's primary conceptual management model in Casablanca and Mohammedia has been further adopted in other Moroccan cities, namely Tangier-Tetouan and Rabat, and this model could be replicated in other countries.