

# Water and Sanitation Lease and Affermage Contracts

Full Description

## **Hybrid affermage/ Concession contracts**

In the water sector in recent years in West Africa, a hybrid affermage/ concession arrangement has been adopted - a description of such an arrangement in Cote d'Ivoire can be found at [PPIAF Gridlines - Partnering for Water in the Cote d'Ivoire\(lessons from 50 years of successful operation\)](#). Examples of the hybrid model that has been adopted are set out below. A summary of the institutional and contractual structure adopted in a project in Senegal is set out [here](#). A more detailed discussion of the Senegal affermage arrangement can be found at [Innovative Contracts, Sound Relationships - Urban Water Sector Reform in Senegal Water \(pdf\)](#).

Below are a number of samples of these hybrid affermagings/ concession structures:

- Cameroon - details of the [affermage contract \(contrat d'affermage\) for urban and peri-urban water supply](#). The affermage is for a term of 10 years commencing in May 2008 and covers 106 urban and peri-urban centres. The affermage is between CAMWATER (Cameroon Water Utilities Corporation) which is a state owned asset holding company and CDE. CAMWATER in turn holds a concession with the State of Cameroon for the provision of water services in Cameroon. Attached to the contract at annex 6 is the contrat de performance (performance contract) between the State of Cameroon, CAMWATER and CDE. For further details in English and French go to the CDE web site.
- Niger - A summary of the legal and institutional framework in the water sector, and the challenges facing the sector, in Niger can be found in a Report of the International Secretariat for Water ([Pour la mise en place de Mecanisme de Cooperation Decentralises Au Niger](#))

## **Examples of Lease/ Affermage-type Contracts**

- [Water and Sanitation Lease - Example 1](#) - lease for operator to run water and wastewater services previously run by a municipality. Long-term lease. Prepared for Middle East country. Suitable for common law or civil law jurisdictions, subject to modification and local legal advice. English language.
- [Water and Sanitation Lease - Example 2](#) - lease for operator to run water and wastewater services previously run by a municipality. Long-term lease. Prepared for African country by international law firm. Suitable for common law or civil law jurisdictions, subject to modification and local legal advice. English language.
- [Water and Sanitation Affermage Type Agreement - Example 3](#) (Spanish) - this is an operation and maintenance agreement where the operator takes some end user risk as its revenue is from charges to customers rather than from an operating fee. However, public concessionaire is responsible for subsidizing service. Tariff is set by the regulator. Prepared for South American country by World Bank staff. Suitable for civil law jurisdiction. Summaries in English and Spanish, documents in Spanish language.
- [Water and Sanitation Affermage Type Agreement - Example 4](#) (French) - The affermage is focused on rural water supply and covers 55 rural (village) centers. The framework is in the form of Operator's Contracts for 51 Mini-Water Supply Systems (Contrats d'Exploitation de 51 Mini-AEP). The project is for 5 years from 2008. Each contract is between the local government (as asset owner), the local consumer association and the private operator. Summaries in English, Documents in French Language.

## **French Affermage Model**

French Guide to Lease/ Affermage Agreement for distribution of Drinking Water (with sample agreement), prepared for Association des Maires de France, designed to update 1980 model affermage agreement.

- [Guidelines in English](#)
- [Agreement in English](#)
- [Agreement and Guidelines in French - Guide de l'Affermage de service du distribution d'eau potable](#)
- Summary - P.44 of [World Bank Toolkits/ Concessions for Infrastructure \(pdf\)](#)