



International Network of Water Training Centres Réseau International des Centres de formations aux métiers de l'Eau

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Introduction to plenary session 2 Financing of the professional training sector

This time for presentation and discussions aims at having exchanges on the existing or experimented mechanisms used for financing professional training in water supply and sanitation utilities.

The participants are invited to present their experiments and the specific cases encountered in their countries.

A market of professional training conditioned by the existence of incentive and functional financial mechanisms?

To ensure the service life of infrastructures and the effectiveness of services, the necessary skills regarding management, operation and maintenance, should always be reinforced; the needs for vocational training are thus extremely important and training centres were created to meet them. But these centres do not always succeed in maintaining a lasting activity and the lack of financial resources is often mentioned as being the limiting factor for developing professional training.

Having sustainable budgets, **incentive and functional financial mechanisms** for training appears to be a prerequisite to the development of WTCs.

Five potential financing mechanisms can be mentioned:

A / Financing of training is taken care of by investments made for the building and improvement of infrastructures of the sector in the form of a percentage of new or rehabilitation work, which is frequently the case in the countries where the financial donors are very active.

This financing opportunity is obviously interesting and should be more systematised, by including a training budget in all the investment plans.

But it is necessary to make sure that the actions carried out within various projects are consistent, and to promote the development of training master plans in the whole sector.

This kind of financing, because of its specific character linked to the project lifespan, does not allow sustaining training activities.

B / Financing of training is taken care of by the administration in charge of the water sector in the country concerned and according to development programmes.

It is a rather frequent case, and the following is often noted:

- high variability of training activities according to the evolution of multiple human, economic and political factors, because the expression of the training needs is often far away from centralised decision-making.
- possible reduction in action efficiency caused by the recipients' low involvement in the decision-making process.

C / Financing of training is taken care of by a “non-specific Fund” created at the national level for developing professional training.

Dedicated taxes, usually levied on the wage bill of the companies, are among the most used alternatives to assist in direct public budgetary allocations. This levying usually accounts for 1% to 2% of the total wage bill.

This taxation system raises some questions: are there sufficient companies? Is the taxation acceptable for the parties concerned? Can the final end use of the taxation product be guaranteed? But, above all, **do the potential recipients know the methods used for mobilising these funds?**

If affirmative, there will be the benefit of a perennial mechanism and this taxation system can be a stable and protected source of financing for the national training offer. If negative, there will probably be a real “distortion” between legal framework, intents and realities.

D / Financing of training is taken care of by the budgets of the (public and/or private) water companies in charge of water supply and sanitation utilities.

This is a solution which is relatively easy to implement and which develops all the more so as a country has a high requirement regarding service performance.

This option is obviously strongly dependent on the strategic choices of the management team and there are differences noted in dealing with training according to the (public or private) status and size of the company, as well as a fluctuation in the training methods according to the economic situation, because the training budget is not often regarded as the priority budget by the companies.

E / Financing of training is taken care of by a “specific Fund” which could be created at the national level for developing training of the water sector: for example, a percentage of the water price would be intended for feeding this Fund.

Such a mechanism could have the advantage of setting up an equalisation system between urban and rural areas, rich water utilities and water utilities having few resources, etc.