NWASCO Case Study
Assignment 2
1.6 COMMENTS ON PERFORMANCE FOR EACH CU

The conditions under which utilities operate which may impact on their performance and should be taken into consideration when analysing their performance are highlighted below:

Lusaka WSC

Operating Environment
• Services the capital city, Lusaka and three other towns in Lusaka Province
• High economic activity
• Largest customer base with potential for further growth
• The majority of infrastructure needs major rehabilitation and expansion
• Good complement of highly qualified staff

Comments
• Improved hours of supply
• Increased number of water connections
• Improved metering ratio
• Improved collection efficiency
• Still needs concerted efforts to increase metering
• Needs to improve customer care

Kafubu WSC

Operating Environment
• Operates in three towns on the Copperbelt Province with medium to low economic activity
• Poor quality of the raw water in the Southern part of Ndola
• The majority of infrastructure has exceeded its useful lifespan and is inadequate to meet current demands

Comments
• Improved water quality compliance
• Need to reduce high number of temporal staff
• Need to improve in most indicators
• Need to improve collection efficiency

Nkana WSC

Operating Environment
• Operates in three predominantly mining towns on the Copperbelt Province
• Major raw water sources susceptible to industrial pollution

Mulonga WSC

Operating Environment
• Operates in three predominantly mining towns on the Copperbelt Province
• Major raw water sources susceptible to industrial pollution

• High economic activity
• The majority of infrastructure needs major rehabilitation and expansion
• Good complement of highly qualified staff

Comments
• Good staff per 1000 connections
• Maintained high water quality compliance
• Need to seriously improve customer care
• Need to improve collection efficiency
Lukanga WSC

**Operating Environment**
- Operates in six towns in the Central Province
- Low economic activity
- New infrastructure at the water in-take, treatment facilities, reservoirs and main water lines in all towns
- Dilapidated sewer infrastructure

**Comments**
- Little improvement in most indicators
- Need to increase metering ratio
- Need to improve collection efficiency

Southern WSC

**Operating Environment**
- Has the highest number of service centres (17)
- Has medium to low economic activity
- Fairly good state of infrastructure – needs minimal intervention

**Comments**
- Most indicators dropped dismally
- Need to improve information management

Chambeshi WSC

**Operating Environment**
- Operates in twelve towns in the Northern and Muchinga Provinces that are spread over a wide geographical area
- Extremely low economic activity
- Dilapidated and inadequate infrastructure – requires complete overhaul
- High complement of unskilled staff and unable to attract and retain qualified staff
- Unreliable and poor power supply

**Comments**
- Improved in most indicators although still below sector benchmark
- Need to improve general management of the utility

North Western WSC

**Operating Environment**
- Operates in seven towns in North-Western Province with the largest town being a predominantly mining area
- Medium to low economic activity with potential for boom
- Fairly good state of infrastructure – needs minimal intervention
- High complement of skilled staff but faces challenges in retaining them
- Small customer base but with the highest tariff
Comments:
- Most of the indicators were either static or improved slightly
- O&M increased to above the benchmark of 100%
- Still needs to significantly grow its customer base

Western WSC

Operating Environment:
- Operates in six towns in the Western province
- Low economic activity
- Dilapidated and inadequate infrastructure – requires complete overhaul but being addressed for two towns with the support of the Royal Danish Government
- Small customer base
- Unreliable and poor power supply

Comments:
- Made very little improvement in most indicators
- Need to urgently improve collection efficiency
- Need to concert efforts towards metering and increasing customer base
- Need to improve information management
- Need to improve general service delivery

Eastern WSC

Operating Environment:
- Operates in eight towns in the Eastern Province
- New infrastructure in four of the eight towns with support of the German Government
- Seasonal, medium to low economic activity dependent on farming periods
- Unreliable and poor power supply

Comments:
- Notable improvements in most indicators
- Need to seriously address the high numbers of stuck meters particularly in Chipata town
- Need to improve information management especially technical
- Need to improve general management of the utility
- Need to improve the raw water source in Nyimba

Luapula WSC

Operating Environment:
- Operates in five towns in Luapula Province
- Extremely low economic activity
- Dilapidated and inadequate infrastructure – requires complete overhaul
- Very low customer base
- Unreliable and poor power supply

Comments:
- General improvement in most indicators
- Good systems and procedures in place
- Very dilapidated and inadequate infrastructure
- Need to urgently increase customer base
- Need to meter customers
- Need to improve service delivery especially in Kawambwa
1.4 COMMENTS AND RECOMMENDATIONS FOR EACH CU

Lusaka WSC

• Concerted efforts towards continued metering
• Service delivery improved in the three new towns taken over and Matero township
• Resolution of customer complaints improved though more can be done
• Improved customer care through a toll-free sms line
• Extension of service to new development areas was on going though at a slow pace
• Inadequate cost containment
• UfW worsened despite a program in place to reduce it
• Staff efficiency was poor
• Enhance strategies to improve collection efficiency

Nkana WSC

• Improved sanitation especially in Wusakile (Kitwe)
• Instituted deliberate strategies to improve collections in Mukuba-Natwange (Kitwe), a low-cost area where collections were extremely poor
• Management stabilised from the effects of institutional re-organisation
• Partnered with the LA to extend services to new development areas in Kitwe and Kalulushi
• Decentralised operations improved effectiveness
• There was an overall drop in collection efficiency
• Billing went down due to reduced consumption from the mines
• Water quality in Chambishi was still poor
• Service delivery to low cost areas must be improved
Summary of CU performance for the year 2008/9

Mulonga WSC
- Cost coverage was very good as a result of cost containment strategies
- Continued to maintain good staff efficiency
- Management continued to be well focussed on service delivery
- Decentralised billing thus increasing effectiveness
- Terminated service to a low-cost area (Chabanyama) due to dilapidated infrastructure
- Poor sanitation service in Mufulira
- Management must put emphasis on servicing and collecting from domestic customers for sustainability

Lukanga WSC
- General improvement of service levels in almost all areas due to the ADB project
- Dramatically increased metering and coverage
- Hours of supply improved but were still below the guaranteed level particularly in low-cost areas of Kabwe
- Staff efficiency remained poor
- Protracted billing inconsistencies and poor customer care resulted in low collection efficiency
- Poor sanitation particularly in low cost areas
- Management needs to focus on programs to improve service delivery

Kafubu WSC
- Increased hours of supply in high-cost areas and Ndeke (medium-cost) in Ndola
- Metering improved
- Kanini old sewage plant in Ndola was rehabilitated and commissioned hence improving the effluent
- Service delivery to low cost areas continued to be very poor thus affecting the collection efficiency
- Staff turnover at senior management level was high
- Growing customer debt especially for domestic customers
- Reduced commitment towards settling statutory obligations
- Management needs to focus on programs to improve service delivery

Metering: If you can’t measure it, you can’t manage it
Southern WSC

- General increase in hours of supply with a number of areas now at 24
- Continued to increase collection efficiency through deliberate customer-oriented strategies
- Improved customer care through a toll-free line
- Undertook customer database clean-ups and captured more customers
- Need to focus on service delivery improvements in the small towns

Chambeshi WSC

- General improvement in all indicators though were still below the benchmark
- Metering increased especially in Kasama
- Increased hours of supply in most districts
- Instituted new collection strategies such as use of community structures
- Need to improve collection efficiency
- Need to improve staff competencies in the Districts
- Management needs to make larger strides within their means to improve service provision

Good customer care is essential for improved collections

CU's guarantee the hours of supply

Summary of CU performance for the year 2008/9
North Western WSC

- Continued to dedicate efforts towards reducing UFW through a water demand management team
- Staff turnover has been minimised
- The only CU meeting the benchmark for water quality
- Rehabilitated sewer ponds with the view of improving sanitation coverage which is the worst in the sector
- Need to take advantage of the mines to grow the business
- Management need to devise appropriate payment options for connection fees to encourage customers to access the service

Western WSC

- Improved water quality
- Increased sanitation coverage but still very poor
- A huge number of customers remained disconnected for very long periods
- Human resource management was a serious challenge
- Inadequate maintenance of infrastructure
- Serious need to strengthen management to focus on service improvement

Chipata WSC

- Extended service to three low cost areas
- Resuscitated dilapidated sewer lines
- Experienced a lot of pipe bursts hence increase in UfW
- Heavily destabilised by the transition process to an enlarged CU
- Management must orient themselves to operating as a larger CU and focus improvements in the new areas

ZAMBIA
1.2 Comments and Recommendations for each CU

AHC-MMS

- Slight improvement in service hours. Nevertheless, erratic supply remains in Lwalaba township.
- Improvement of Unaccounted for Water (UFW), moving to the second best position among the CUs. Nevertheless, must increase the metering ratio.
- Highest coverage of water supply service coverage.
- Unjustified increases in cost of personnel with high expenditure for outsourced labour.
- Information on costs insufficient.
- The water quality remains a concern in Chingola, Mufila, Kalulushi and part of Kitwe.
- Customer and public relations need to be improved.

Chipata WSC

- Only CU with 24 hours supply and sufficient pressure in the network.
- The indicator for UFW is still the best of all CUs although the trend is negative.
- The CU has declined on a number of their performance indicators.
- Unacceptable expenditure increase for personnel, will have to review the condition of service and move towards a salary package by eliminating fringe benefits.
- Over staffed, will have to review number of personnel.
- Noticeable decrease in collection efficiency, need for better management of collection and disconnections.

Kafubu WSC

- Highest UFW, need to introduce metering and billing according to consumption.
- Overall hours of supply insufficient.
- Poor water quality in certain areas, need to increase number of tests on water quality in the relevant areas and review dosing procedures.
- High average staff costs and steep increase in expenditure for staff. Need to review the number of staff and conditions of service.
- Lowest collection efficiency of all the CUs leading to lowest O+M cost coverage according to collection although tariffs would allow 149% O+M cost coverage. Need to urgently increase efforts on collection.
- Inconsistent data on financial and commercial parameters, most probably due to poor accounting procedures.
- Need to improve customer and public relations.

Lusaka WSC

- Second highest ratio of UFW, although, commercialised for over 12 years and has the highest potential of customer base in the country. Need to increase metering and billing according to consumption.
- Involvement in peri-urban WSS inadequate. Need to improve at least the supervision of NGO and community operated schemes within their service area.
- Information on peri-urban areas is insufficient and data on financial and commercial parameters are inconsistent. Need to improve accounting and management information system.
- In respect to the size of the company and conditions of operation (one town only) lowest staff efficiency of all CUs. Need to review number of staff urgently.
- Very large and unjustified increase of expenditure for personnel. Need to curb staff costs.
- Lowest hour of supply among the bigger providers. Need to implement an effective pumping programme.
Mulonga WSC

- Third highest UFW among the CUs. Need to increase metering and billing according to consumption.
- Second lowest collection efficiency among all the CUs. Need to improve disconnection efforts and collection efficiency.
- Low collection efficiency leads to a low O+M cost coverage according to collection although tariffs would allow 128% O+M cost coverage.
- Poor customer relations. Need to put in place an improved system to follow up customer complaints.
- Poor commercial information. Need to strengthen management information system.
- Second highest coverage for water supply of all the CUs although deteriorating systems in peri-urban, low cost areas. Need to introduce Kiosk systems.
- Have high staff turnover and key senior positions not filled. Need to elaborate and implement a personnel policy and strategy.
- Insufficient efforts to improve customer care, not responsive to consumer complaints.

Nkana WSC

- High coverage on water and sanitation.
- Overall positive trend on most of the indicators.
- High water losses. Need to increase metering ratio and billing according to consumption.
- Insufficient collection efficiency. Need to improve disconnection management and collection.
- Low staff efficiency. Need to review number of employees.
- Unacceptable increase in expenditures for personnel.
- Good customer and public relations.

Southern WSC

- Further improvement on reducing water losses needed.
- Could improve staff efficiency, negative trend during the reporting period. Need to control number of staff.
- Very low collection efficiency with negative trend, particularly in Livingstone. Need to improve disconnection and collection management.
- Low average of service hours. Need to implement effective pumping programmes.
- Low coverage on water supply.
- Increase in metering, although need to resolve problems associated with customer sensitisation during introduction of metering programme.

Northwestern WSC

- Highest collection rate of all CUs.
- Low coverage of O+M cost.
- Low coverage of water and sanitation.
- Good potential to improve water losses with the planned programme of metering.
- Large increase in expenditure for personnel. Need to review salary scheme.

Western WSC

- Poor coverage of water supply and sanitation.
- Acceptable hours of supply.
- Positive trend in collection and O+M cost coverage.
- Very low collection per staff member. Need to improve staff efficiency.
- High number of personnel compared to CUs with same size and operation conditions. Need to review number of staff.
- Very poor information system particularly for financial data. Need to improve accounting and introduce annual financial audits.
- Poor information on customer complaints. Need to establish and analyse relevant statistics.