

NWASCO Case Study

Assignment 4



Urban and Peri-Urban Water Supply and Sanitation Sector Report 2011/2012





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**THE NATIONAL
WATER SUPPLY AND SANITATION
COUNCIL (NWASCO)**

Over
10
Years
of Regulating WSS
service provision

NWASCO was established by the Water Supply and Sanitation Act No. 28 of 1997 to regulate the provision of WSS services for efficiency and sustainability. The year under review saw NWASCO move into implementing the second year activities of its 2010-12 Strategic Plan, whose objectives are:-

- 1 Strengthen sector performance through advice and participation
- 2 Strengthen and innovate instruments for regulating service providers
- 3 Promote engagement and education of the key stakeholders on water and sanitation issues
- 4 Promote excellence, innovation and financial sustainability within NWASCO

4.1 MAJOR ACHIEVEMENTS

4.1.1 Annual Water Forum

NWASCO in pursuit of the objective 'to create a forum for discussion of sector issues' initiated the holding of an annual water and sanitation forum in collaboration with various stakeholders. The first forum dubbed "The Zambia Water Forum & Exhibition (ZAWAFE)" was held in November 2011 at Cresta Golf view Hotel in Lusaka. It was jointly hosted jointly by, Water and Sanitation Association of Zambia (WASAZA), Ministry of Local Government and Housing, the then Ministry of Energy and Water Development, Zambia Environmental and Management Agency (ZEMA), Japanese international Co-operation (JICA), German International Co-operation (GIZ), DANIDA , Zambia Water Partnership and the University of Zambia Integrated Water Resource Management Centre.

The forum whose theme was "Harnessing Water for Social and Economic Development" was attended by over 180 people from various local and international organisations. Among the issues discussed included progress of implementation of the Water Resource Management Act, National Urban Water Supply and Sanitation Programme, general policy issues and the inadequate attention on sanitation.



First annual water forum

4.1.2 Provincial Consumer Forum

To strengthen consumer participation in WSS issues, NWASCO instituted a roving consumer forum to be held in each province. The purpose of the forum is to sensitise the public on their rights and obligations with regards to water supply and sanitation provision and service level guarantees. Further, the forum provides a platform for consumers to enable them give feedback on the quality of services, as well as, present complaints.

The first ever roving Provincial Consumer Forum was held in Kabwe for Central Province and attracted over five hundred (500) residents. The forum was officiated by the then Provincial Minister Hon. Ackimson Banda and the Town Clerk of Kabwe Ms. Dras Nerves. The main issues raised by the consumers included the problem of sewer blockages, billing errors and poor customer care. Lukanga WSC had set up a complaints desk at the forum and recorded complaints to be attended to.

4.1.3 NWASCO Resource Centre

In order to meet its objective of broadening NWASCO's scope of operations and increasing financial sustainability, a Resource Centre was setup within the NWASCO premises. The Centre houses sector materials covering urban WSS, rural WSS and Integrated Water Resource Management. Thirteen subject areas were developed covering aspects such as sector reforms, financing, commercialisation and regulation.

The resource centre was officially launched by the then Minister of Lands, Energy and Water development, Honourable Chris Yaluma, and is now open to the public. It is envisaged that the Centre will also be a hub for capacity building and research and development for the Sector.



Launch of NWASCO Resource Center

4.2 MONITORING SERVICE PROVIDERS

NWASCO is mandated to monitor service provision of all service providers through regular inspections and spot checks, to ensure that service delivery is in accordance with the Service Level Guarantees, licence conditions and provisions of the Water Supply and Sanitation Act.

Several inspections were conducted on all service providers in the country to monitor service delivery. The inspections revealed that most Commercial Utilities were gradually improving their performance amidst major challenges ranging from dilapidated infrastructure, frequent power outages, and low investments.

Chambeshi WSC was placed under Special Regulatory Supervision (SRS) following consistent poor service delivery over a long period. Consequently, the CU was not allowed to implement the 2012 approved tariff.

Eastern WSC was given special focus following challenges identified by NWASCO in commercial and technical operations which were adversely affecting the performance of the company. After implementation of NWASCO directives, the CU showed significant improvement.

LPWSC showed steady improvements in service delivery amidst major infrastructural and financial challenges, rendering service delivery levels to remain modest. The CU was not given the go-ahead to implement the 2012 approved tariffs.

There were some areas that were identified as having major water and sanitation problems as follows:

- The southern parts of Chingola under Mulonga WSC which had rationed water supply to the area for a period of five months due to reduced raw water supplies from KCM.
- Kantanshi, Kankoyo and Mupambe areas in Mufulira under Mulonga WSC were characterised by sewage flooding.
- Woodlands, Chelston, Avondale, Chalala, Upper Ibex Hill and Chudleigh under Lusaka WSC had erratic water supply.
- Mulambwa area of Mongu under Western WSC had challenges of sewage flooding.
- Wusakile area of Kitwe under Nkana WSC had poor sanitation facilities hence sewage flooding.
- Kabwe under Lukanga WSC experienced numerous incidents of sewage flooding.
- Nakonde district under Chambeshi WSC had persistent poor water quality.

- Most towns under Eastern, Western and Luapula WSC had reduced hours of water supply because of frequent power outages.
- Nyimba town under Eastern WSC had severely rationed supply for two months due to the drying up of the main source of raw water (Chikuyu Dam).



4.3 TARIFF ADJUSTMENTS

In line with the National Water Policy, Water and Sewerage tariffs are gradually increased in order to enable commercial utilities move towards full cost recovery in the long run. CUs are also expected to be more efficient in their operations so as not to pass on the cost of inefficiencies to the customers.

NWASCO takes into account several considerations prior to the approval of tariffs. These include utility performance, the impact of the tariff on the consumers, public opinion and affordability. In approving tariffs, NWASCO may impose such conditions as it may deem fit.

The details of tariff adjustments in the period are shown in Table 11. KWSC did not apply for a tariff increment. NWWSC was granted a 'No Objection' but will implement the tariff adjustment in June 2012.

Table 11: Approved Tariff Adjustments for the period January to December 2012

CU	Average % Applied	Average % Approved	Major Tariff Conditions up to end of 2012	Comments
Comprehensive				
Eastern WSC	70	40	<ul style="list-style-type: none"> Increase customer base by 300 Reduce NRW to 40% Attain and maintain 100% metering for both bulk and domestic customers 	The CU is expected to ensure increased billing through efficiency gains from business growth and other cost cutting ventures
Luapula WSC	100	50	<ul style="list-style-type: none"> Improve average supply hours from 6 hours to 10 hours Install at least 400 customer meters Maintain an average O&M cost coverage of at least 70% 	The CU was implored to meter customers therefore implementation of the 2012 approved tariffs was deferred dependant on progress in metering.
Western WSC	46	28	<ul style="list-style-type: none"> Improve hours of supply in Kaoma district from an average of 4 to 10 hours Attain water quality compliance of above 95% 	The CU did not implement the approved tariffs for 2012 due to the deteriorated service provision. Implementation of the 2012 approved tariffs was deferred to January 2013..
Southern WSC	44	30	<ul style="list-style-type: none"> Install 4,500 meters to get to 83% metering ratio Reduce NRW from 35% to 33% 	CU was urged to make efforts to improve by growing the customer base and employing cost cutting strategies.
No Objection				
Mulonga WSC	15	13	<ul style="list-style-type: none"> Ensure sanitation levy and fixed meter charge are ring-fenced Reduce NRW to 38% 	Increment applied for was slightly reduced. 'No Objection' granted.
Lukanga WSC	3	3	<ul style="list-style-type: none"> Reduce NRW to 45% Manage costs to ensure not less than 100% O &M cost coverage is achieved throughout the tariff period 	'No Objection' granted.
Nkana WSC	16	16	<ul style="list-style-type: none"> Increase metering ratio from 53% to 70% Reduce NRW to 42% Reactivate at least 5,000 customer accounts 	'No Objection' granted.
Chambeshi WSC	16	16	<ul style="list-style-type: none"> Increase customer connections by 300 Increase bulk metering ratio to 100% 	CU failed to meet the tariff conditions and therefore implementation was deferred subject to meeting the conditions. CU still applying the 2011 tariffs.
Lusaka WSC	12	12	<ul style="list-style-type: none"> Reduce water losses to 42% Increase metering ratio from 53% to 70% 	The tariff increments were evenly spread over the three multi-year tariff from 2010 -2012. The fixed tariff was not increased to urge the CU to focus on metering.

4.4 REGULATORY ENHANCEMENT

One of NWASCO's objectives is to enhance knowledge and capacity of its personnel by sharing and adopting good regulatory practices through visits and undertaking knowledge exchange programmes.

4.4.1 *The Eastern and Southern Africa Water and Sanitation Regulators Association*

NWASCO hosted the fifth Annual General Meeting (AGM) of the Eastern and Southern Africa Water and Sanitation (ESAWAS) Regulators Association which is an association of water and sanitation regulators in the Southern and Eastern African regions. The Association comprises five members namely, NWASCO of Zambia, Rwanda Utilities Regulatory Agency (RURA) of Rwanda, Water Services Regulatory Board (WASREB) of Kenya, Energy & Water Utilities Regulatory Authority (EWURA) of Tanzania and Water Regulatory Council (CRA) of Mozambique. It is registered in Zambia with NWASCO as its secretariat and the chair being the NWASCO Director.

The fifth AGM was structured around the theme 'Beyond Conventional Regulation' and brought together about 39 participants including the new water regulator, Lesotho Energy and Water Authority (LEWA) of Lesotho. Among the issues deliberated on were, how to better regulate sanitation, the impact of human right to water and sanitation for regulation, as well as prepaid metering. The meeting also adopted the first Strategic Plan for the period 2011-2013 as a roadmap to enhancing regulatory cooperation for efficiency and effectiveness of members in the region.



Regional regulatory cooperation to improve regulatory performance

4.4.2 *Sharing Experiences*

NWASCO having been regulating WSS for over eleven years, is among the oldest water and sanitation regulators in Africa and has earned a reputation of being one of the most fertile learning grounds for other regulators.

Several persons from various regulatory organisations visited NWASCO on learning tours to share best practices and experiences in water supply and sanitation regulation. Among them were a delegation from the Zimbabwe National Action Committee on water, sanitation and hygiene, the Lesotho Electricity and Water Authority and a delegation from the water sector in the Democratic Republic of Congo.

The NWASCO Public Relations & Communications Officer undertook a learning visit to Water Services Regulatory Board (WASREB) of Kenya on aspects of communication and public relations with a view to adopt good practices.

4.4.3 Major Meetings attended by NWASCO Staff

- The 3rd Annual PROBE meeting at University of Sao Paul-USP in Brazil, a research programme on benchmarking for pro-poor water service provision being undertaken by UNESCO-IHE in partnership with utilities, universities and regulators.
- The Africa Forum for Utility Regulators Workshop on Innovative Financial Mechanisms in the Water Sector focusing on Tariffs, Taxes and Transfers, held in Johannesburg, South Africa.
- The International Water Association Development Congress and Exhibition held in Malaysia.
- The Africa Water Operators Partnership Workshop organised by the World Bank held at the Intercontinental Hotel in Lusaka.
- The Arab Commercial Utilities Water Association (ACUWA) meeting held in Egypt to present a paper on water reforms and regulation in Zambia.



Reaching consumers through provincial consumer forum

4.5 PUBLICITY AND AWARENESS

One of NWASCO's functions under the Water Supply and Sanitation Act of 1997 is the dissemination of information to consumers on matters relating to water supply and sanitation. To this end a number of publicity programmes were conducted via meetings, print and electronic media.

4.5.1 Interaction with Media

NWASCO hosted a media forum with the overall aim of equipping journalists with knowledge and skills on activities of NWASCO in general and how to use the sector report in a more accurate and informative manner. This was done in collaboration with media consultants from the University of Zambia, Department of Mass Communication.

NWASCO also circulated media updates, at intervals to all media houses on major events and topical issues on water and sanitation.



Sharing experiences with visiting delegations



4.5.2 Reaching the Consumer

NWASCO undertook a media campaign on knowledge sharing on water and sanitation through the publication of weekly newspaper articles in the Post Newspaper of Zambia, which highlighted various issues relating to water supply and sanitation among others, consumer rights and obligations, complaints procedures and service level guarantees.

Quarterly bulletins dubbed 'the Water Voice', were also published and distributed to the public on various issues pertaining to water supply and sanitation.

NWASCO also featured on a number of radio programmes discussing various sectoral issues such as the water quality, water trusts and regulation of water and sanitation, NWASCO enforcement tools, service level guarantees and complaints procedures.

4.6 INVOLVEMENT OF CONSUMERS IN REGULATION

Water Watch Groups (WWGs) are NWASCO sub-structures comprising volunteers from the community that monitor service provision, promote awareness and facilitate the resolution of unresolved consumer complaints in their respective areas. There are currently eleven WWGs in the towns of Kabwe, Kapiiri-Mposhi, Kalulushi, Kitwe, Kasama, Livingstone, Lusaka, Mongu, Mpika, Ndola and Solwezi.

The WWGs continued with their role of safeguarding consumer interests by improving resolution of consumer complaints and promoting awareness of consumer rights and obligations thereby ensuring NWASCO's presence on the ground. All the Water Watch Groups carried out various publicity programmes which included radio talk shows on the various community radio stations, school sensitisation campaigns, handling of consumer complaints, door-to-door campaigns and sensitisation in their respective service areas.

Table 12: Complaints handled by WWGs

Number of complaints Handled	Type of complaints
213	Leakages, no supply of water, sewer blockages, contaminated water, water leakages, poor sanitation, disputed billing, unjustified disconnections, erratic supply, unannounced interruptions, poor water quality