

Managing communal water kiosks in Malawi:

Experiences in water supply management in
poor urban settlements in Lilongwe



A WaterAid report

Front cover image: WaterAid/Jon Spaul

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Introduction

This document is the second in a series being published by WaterAid in Malawi. The purpose of the whole series is to share WaterAid's experiences and lessons with professional colleagues working in the water sector both within Malawi and in other developing countries. Each paper describes one particular topical issue based on WaterAid's experience in the sector.

Background

WaterAid Malawi has been working in partnership with Lilongwe Water Board and the Centre for Community Organization and Development (CCODE) since August 2003 to improve management of water services in unplanned low-income neighbourhoods of Lilongwe.

The partnership was formed following a meeting between WaterAid, Lilongwe Water Board, Lilongwe City Assembly and a pressure group from Mtandire, one of the low-income areas to resolve the problem of disconnected community kiosk water supplies as a result of unpaid water bills. In the meeting, a question was raised: "Who are WaterAid and what authority do they have to work in this area?" This question from community representatives rightly challenged the legitimacy of WaterAid's involvement in a disagreement between the water utility and its customers.

In essence, WaterAid was responding to a request for assistance from the community. A team of nuns from a local Catholic church had asked WaterAid to drill boreholes in the area after they had noted a drop in church attendance particularly among female members of the community. The reason given by the women was lack of water to launder their Sunday clothes and to bathe. Although WaterAid's initial intention was to support the area by partnering with the church, the complexity of the issues – which included lack of effective community management structures, lack of coherence within the community and political interference – needed a more strategic approach beyond traditional community-led arrangements.

WaterAid was under no illusion that progress could be achieved without engaging the utility in a strategic partnership. Lilongwe Water Board is mandated by an Act of Parliament as the sole water supply authority in the city and a partnership agreement with it would be vital, inevitably. This approach was later supported by findings of a quick study commissioned by WaterAid which also challenged not so much the level of investment in community water supplies, but rather the way the utility carried out its business. This was characterised by the lack of response to system and community problems, lack of transparency in water billing and the lack of community coherence around managing their own systems.

Getting a better understanding of the situation

On the surface the problem was the outstanding debt of MK12 million that the low-income communities owed Lilongwe Water Board. (Area 50 had MK3 million in arrears.) The situation prompted WaterAid to conduct a quick study to understand the situation better. From the study WaterAid identified key challenges and learnt a number of lessons as follows:

- **Poor people were double-charged for their water** Water prices at communal kiosks in low-income areas, despite being subsidised, were twice as much or more as in the high-income areas. Private operators, with the capacity to settle their bills with Lilongwe Water Board, resold the water to the people at extremely high tariffs that were never regulated by the Board
- **Poor charging systems** In some cases, there were different charging systems for the water consumed in these communities. Some systems allowed households to pay equal monthly fees for different levels of consumption while others were charging per bucket consumed
- **Abuse of power and communities' disillusionment** The kiosk management systems were open to abuse by political and traditional leaders who never remitted the funds they collected for bills from communities to Lilongwe Water Board. This led to power games being played among the leaders themselves. People were disillusioned by the status quo. The people's representatives did not place the needs of their constituents above theirs and expecting them to improve the situation and promote transparency and accountability in transactions was clearly never to be
- **Vandalism of facilities** The kiosk facilities were not maintained, as long as water was flowing. Meters were exposed to vandalism and they broke down no sooner than they had been repaired. A vandalised meter gave Lilongwe Water Board no option to but to charge whatever it considered could be the average monthly consumption per kiosk
- **Lack of transparency in billing** The utility, without consultation with the communities, factored arrears into water bills for prepaid consumption to cover money misused by community leaders
- **Inefficient billing system** The utility's computerised billing system was inefficient and could not reconcile current consumption with arrears. Transparency of the billing process itself was difficult to discern as no routine checks were made on the database to identify and correct anomalies. In some cases, kiosk meters had not been read for over a year and the community was billed on estimated readings
- **No network monitoring system** The utility did not carry out routine inspections for network leaks in low-income areas. Faults reported to the utility went unattended for over a month. Illegal connections were rife but never suspected, let alone monitored by the utility. The utility had no boundary meters to monitor inflows and outflows of water in the areas and therefore could not know the true extent of the problem
- **Illegal water sources** Although it is illegal to install boreholes within cities in Malawi, there were several of them in these densely populated communities whose water quality was never checked during construction, neither monitored thereafter. Enforcing compliance too was difficult as the area MPs who sponsored their construction for votes were a major obstacle

When the kiosks were disconnected, community members resorted to unsafe water sources like rivers. With the kiosks reconnected, communities' still draw water from these sources, in most cases for non-drinkable use. For the hardcore poor, however, these remain their source of water, as they cannot afford to buy water from the kiosks.

Partnership building

To overcome the identified challenges required an innovative tripartite partnership between WaterAid, Lilongwe Water Board and Centre for Community Organization and Development (CCODE). It took over 18 months before agreement could be reached on the structure and mode of operation of the tripartite partnership, and before the Memorandum of Understanding was signed between all the partners. The following were the partnership objectives to which all the parties signed up:

- Support Lilongwe Water Board to improve efficiency and provide safe, affordable and reliable water supply to informal settlements
- Establish a focal point within Lilongwe Water Board as an effective interface with community kiosk users to deal with their grievances and to ensure the accountability and transparency of the Board's actions when providing and billing for water services
- Develop an understanding of the context of Lilongwe Water Board as a public water utility and whether private sector principles could in some way be applied to improve the efficiency of billing, debt collection and reduction of water losses

Roles and responsibilities in the partnership

WaterAid Its role in this partnership was and is to provide technical and financial support to Lilongwe Water Board and CCODE, helping them to undertake processes that aim at improving access to safe and affordable water supply, sanitation and hygiene education in the peri-urban areas of Lilongwe. Initial target areas of work are Mtandire (Area 56), Mgoni, Area 50, Ngwenya (Area 24); Chinsapo and Kauma.

- Support to Lilongwe Water Board included funding and technical support to the Board to establish the Kiosk Management Unit that would initially be housed in Lilongwe Water Board but later move out to become independent and self-sustaining. It also included funding to rehabilitate all communal water kiosks, replacement of meters and construction meter boxes and improvement of drainage facilities at the kiosks in the target areas
- Support to CCODE included strengthening institutional capacity to mobilise communities to identify kiosk management options and build their capacity to improve their sanitation facilities, and ensure that the management system adopted is performing satisfactorily

Lilongwe Water Board Its role was to undertake all rehabilitation works of the kiosks, extend the network to unserved communities, set up the Kiosk Management Unit and co-finance its operations. The management unit would regulate the price of water in all the kiosks, build the financial management capacity of the community trusts and improve information flow between the communities and the board. The Board also committed to develop a business plan of the Kiosk Management Unit and support the work of CCODE in its efforts to mobilise communities whenever the need arises.

CCODE Its role was initially to focus primarily on mobilising communities around water and sanitation issues in the target communities and helping them to develop sustainable management systems. It was later to undertake sanitation and hygiene education in these

areas while building the community capacity to engage with service providers, not just in water but also in housing and land matters.

Long queues are common due to the limited number of kiosks and the growing urban population. In Mgoni, there are only 12 kiosks for a population of over 30,000. The kiosks also close in the morning and evening. The kiosks open early in the morning and close at 9am to allow kiosk attendants to attend to their household chores. They reopen at 3pm and close before dusk.

Establishment of the Kiosk Management Unit

As part of its commitment in the partnership, WaterAid supported the establishment of a Kiosk Management Unit. It was agreed that this would initially be placed within Lilongwe Water Board but later become independent and self-sustaining. The unit is charged with the responsibility to:

- Facilitate the establishment of effective and efficient kiosk management options in close partnership with CCODE
- Liaise with the Projects Unit of Lilongwe Water Board to rehabilitate existing facilities and oversee the extension of the pipe network to new connections
- Regulate water pricing
- Facilitate the establishment of mechanisms that ensure timely reporting and response to faults in the kiosk-served communities
- Ensure that kiosks are operated by legally recognised entities
- Liaise with Revenue Accounts Unit to ensure efficiency in the production and delivery of bills
- Facilitate dialogue between the communities and Lilongwe Water Board and other stakeholders on the provision of water in the low-income areas

The success story around improving the provision of water to the low-income areas is attributed to the tripartite partnership between Lilongwe Water Board, WaterAid in Malawi and CCODE. Each of the organisations brought unique strengths to the partnership.

Management options

CCODE and Lilongwe Water Board engaged with communities in a participatory process of identifying suitable management options to be adopted in order to deal with the problem of misuse of water facilities in their respective areas. Several options were presented and although some had previously failed miserably, citizens were asked to choose those they considered suitable. The following are the options:

- **Management by Lilongwe Water Board** Under this option, the Board places its own kiosk attendants to sell water and collect funds. The attendant is paid by the communities through a levy in the water bill per kiosk. A revenue collector from the Board comes to collect the money. All shortages are charged against a kiosk attendant and not to the water bill so that all bills are paid to ensure continuity of water supply services in these areas. This management system meant that the

Board would withdraw all the kiosks from all other operators in these settlements. However, this was rejected because experience had shown that in Area 24, for some reason, the worst maintained kiosk facilities were those that were managed by Lilongwe Water Board compared to those managed by private operators. Revenue collectors would come to collect money from communities periodically, tempting water sellers to use the money for their personal needs

- **Management by private operators** Under this management option, the kiosks were to be withdrawn from all other groups managing them and given to private operators to resell water. This would ensure a clean kiosk environment and faithful payment of bills to Lilongwe Water Board. It however would require a good regulation mechanism to ensure that the operators did not overcharge for water. It also meant that the business to run the kiosks would be offered to any interested bidder and professional management of the facilities would be assured. However, communities rejected this because it was considered that it would enrich the already rich people, who would make money on the heads of poor people and use the money elsewhere rather than in the communities. It was also feared that this would lead into increased vandalism of the facilities as was the case before
- **Management by water point committees** Under this management system, the communities would appoint water point committees to sell water from kiosks and pay Lilongwe Water Board through an appointed steering committee. This was rejected because it was this arrangement that had led to the mismanagement of funds meant for water bills
- **Management by water user associations** This is a management system that is based on a business principle of cost recovery and profit-making. It is an improved version of all the above options. It is a cooperative water society where the communities establish a legal business entity and register it with the Government to operate all water facilities in a designated area. They sell water at a tariff agreed with the Board and sign a business contract with the Board. All the mark up is ploughed back into the community for development projects. The associations have a constitution, a board of trustees, executive committee and a secretariat headed by an administrator who manages a pool of water attendants and kiosk inspectors. In short, the water user associations are a form of private sector. Communities in all the six target communities in Lilongwe opted for this management system

Progress to date

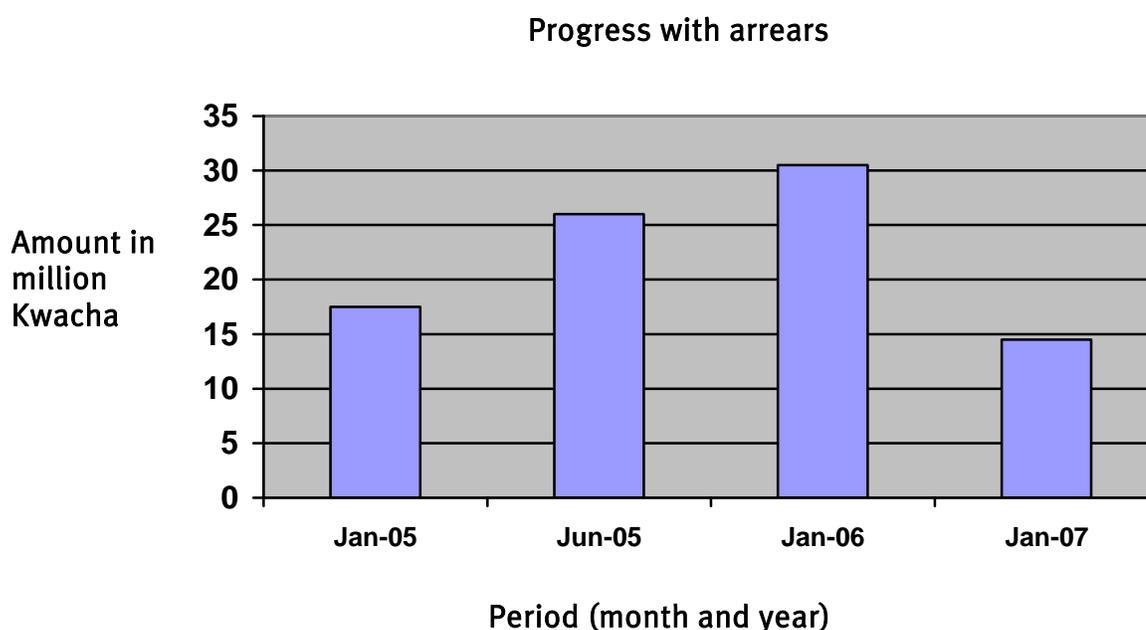
The following progress has been achieved in the efforts to improve water service delivery in the low-income areas in Lilongwe:

- The Kiosk Management Unit is operational and has since established itself as an important arm of the utility, attracting the admiration of many organizations. (Blantyre Water Board approached WaterAid to help establish one in Blantyre). The unit is headed by a Kiosk Unit Manager and supported by three Technical Assistants. The Board has lately recruited and assigned a cashier for the unit
- Participatory selection of suitable management options for the kiosks was carried out through sensitisation and mobilisation meetings with communities in six low-income areas of Mgone, Area 50 and Area 56 (Mtsiriza, Mtandire and Piyasoni). The system most preferred in all the areas was Management-by-Associations (MBA)

- Six chapters of water user associations are established and have signed contracts with Lilongwe Water Board as acceptable entities to manage communal water kiosks in their respective areas. These are a form of trusts that, after developing their constitutions, and their Executive Board members, were registered with the Malawi Government through the Ministry of Gender, Child Welfare and Community Services. The water user associations are clearing their arrears to Lilongwe Water Board
- Under this arrangement, Lilongwe Water Board has handed over all the facilities and operations including system maintenance and revenue collection to the associations. The Board is selling water to the water user associations at a subsidized tariff. The two parties have also agreed a markup to support the overheads of the associations. The official handover ceremony was graced by the Deputy Minister of Irrigation and Water
- Water meters that were previously exposed to vandalism before the project have been secured with meter boxes
- Identification and a correction system of faults to reduce water losses is in progress and a fault reporting and response mechanism has been developed

Progress with arrears

There is a commendable improvement in billing and repayment of arrears. So far, the Kiosk Management Unit has identified loopholes in the kiosk billing systems and has taken corrective action. Communities are settling their arrears through their water user associations. These had risen to MK30.8 million (about £115,390) in January 2006—almost double the level in January 2005. These have now gone down to MK14.5 million (about £55,000) as of January 2007.



It is hoped that the arrears in all areas will be cleared earlier than was planned.

Learning from the work in peri-urban areas

Several lessons have been drawn from working to improve access to safe and affordable water in the peri-urban areas.

- Working in the urban areas to improve access to safe and affordable water is much more complex, with many factors, players and policy issues to deal with than in rural programming. Providing sustainable, affordable and safe water to the poor while embracing a full service cost recovery calls for greater consideration of the livelihood aspect of the poor in the urban areas who have to survive under a strict and often harsh cash economy. Issues of land tenure, tenancy, and governance equally impede on provision of water to low income areas
- The tripartite partnership between the Lilongwe Water Board, WaterAid and Centre for Community Organization and Development (CCODE) demonstrates that it is possible and is important for public/private and civil society to partner to enhance efficiency in the delivery of water services to the poor. The legal mandate and capacity of the LWB as a utility, clearly does not go beyond a meter point and yet what happens thereafter, at the public consumer level, has serious bearing on its operations and reputation. NGOs and civil society organisations are better positioned to handle complexities of social issues than the utilities
- The poor, if properly organised, can manage and afford to pay for services they appreciate, even if it means paying more for the services. In all the six areas of this project, the establishment of water user associations and the progress made towards fully paying their arrears bears testimony to this. The Lilongwe Water Board has had problems with the payment of arrears by public and private institutions, while within a year, poor communities have paid about half their arrears
- If a public/private water utility is going to be efficient and effective in providing water to the urban poor, it must have a dedicated unit to address issues that often go unattended by the utility company, especially the revenue collection and projects departments. Since the establishment of the Kiosk Management Unit, Lilongwe Water Board has been able to improve its revenue collection and more importantly its understanding of challenges in providing water to low income areas. The need to have a dedicated unit within the structures of the Board has also been noted by the European Investment Bank and the World Bank who are supporting the establishment of a similar unit in the Blantyre Water Board

A recently completed World Bank funded Poverty and Social Impact Analysis (PSIA) recommends water user associations as a form of private sector participation in the provision of water services in low-income areas that needs to be encouraged and scaled-up in the country. Despite such endorsement, the Kiosk Management Unit and WaterAid are still working to develop the associations to their fullest potential.



WaterAid's mission is to overcome poverty by enabling the world's poorest people to gain access to safe water, sanitation and hygiene education.

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