

# Water Regulatory Framework A case in Zambia

**Presentation to the Municipal Indaba  
- Birchwood conference centre**

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# Institutional set-up of Regulation

Power and  
Responsibility



- Water + Sanitation ACT
- Statutory Instruments

Appeal Process



- Minister of Water
- High Court -Appeal

Large  
Autonomy



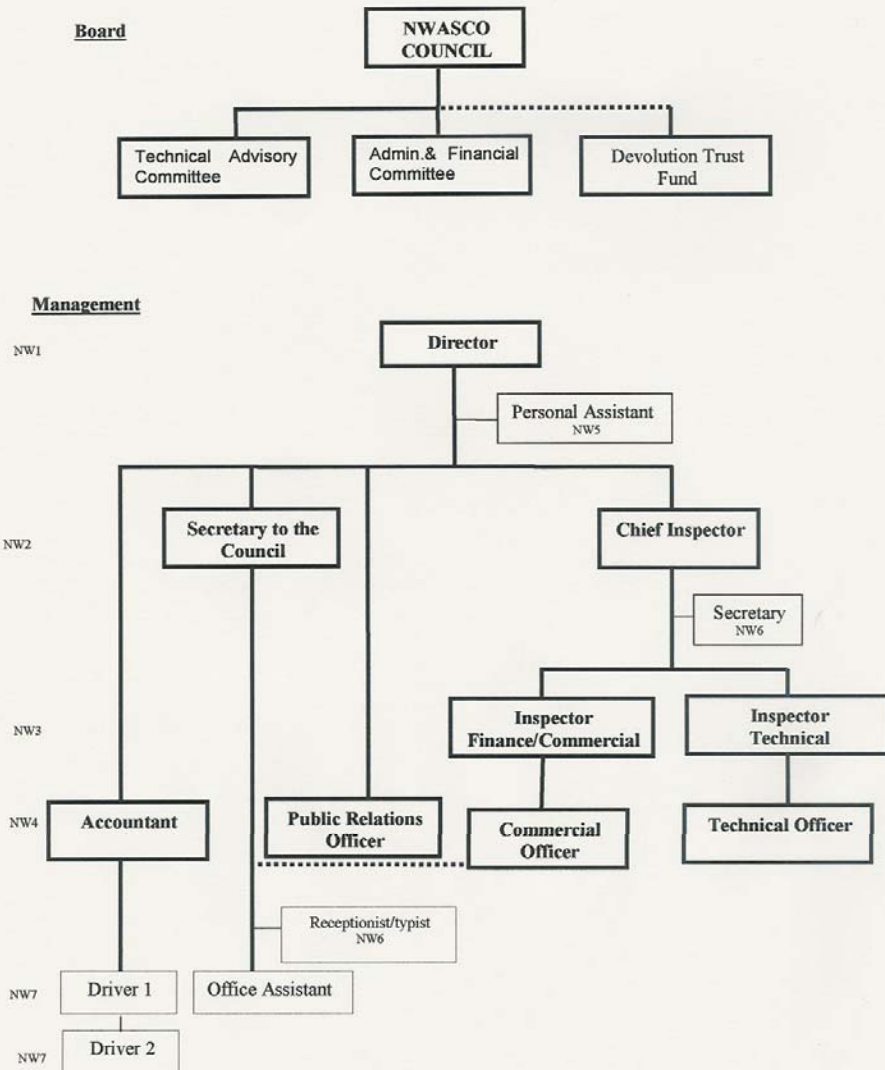
- Statutory not ministerial body
- Own budget from fees
- Transparent selection of staff
- Private sector salaries
- Reports to Parliament / MEWD

Small size  
Lean Structure



- Personnel 16
- Fees 2% of provider's Turnover
- Part-time Inspectors

Organisation Structure of NWASCO



*Vision*  
**Sound and Sustainable  
 Water and Sanitation  
 For All**

*Mission*  
**Regulate WSS Providers for:  
 oefficiency and sustainability  
 oextension of services and  
 oProtection of consumers**



Staff lean &  
well qualified,  
Core knowledge

Promote  
multitasking &  
multi-skill  
enhancement

Performance mgt  
& separation  
An option

# Critical

Part-time  
Inspectors  
for presence  
on the ground

# aspects

Involving  
water consumers  
In regulating

Meeting  
budget through  
license fees

Own premises  
Negotiated in  
formation stage

## Main focus of regulator



**Consumer protection**

**Access for all / poor  
Minimum service level  
No discrimination and excessive tariffs  
Correct information  
Promote awareness**



**Providers efficiency**

**Can finance functions  
Avoid unjustified costs  
Promote efficiency gains  
Respect standards  
Optimised investments - no ill-considered etc.**

**Sector Development**

**Avoid capital drain  
Fight corruption  
Avoid cartel building  
Curb unjustified price-transfer  
Promote investment  
Promote competition**

## New rules after Decentralisation/Commercialisation/Privatisation

**Central and local Government: No interference in management of provider (public or private)**

**Consumers: Private and Public have to pay for services to recover justified costs**

**Providers: No subsidies from outside in the long run**

- ★ Licensing of providers

- ★ Guidelines on Provision of services

- ★ Tariff negotiation

Enforcement  
tools for  
regulation



- ★ Comparative publication

- ★ Enforcement notices

- ★ Incentives - Penalties

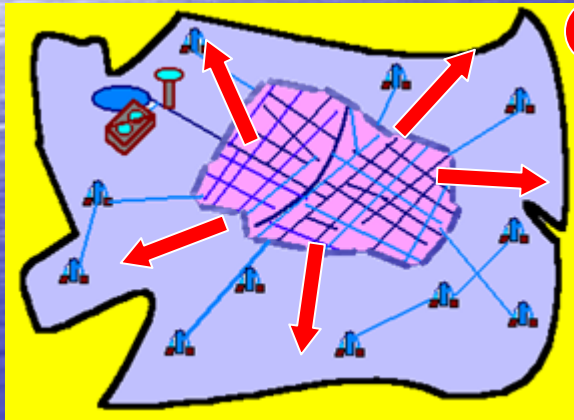
- ★ Extension to peri-urban / DTF

- ★ Special regulation supervision

- ★ Regulation by Incentives

# Pro-poor Regulation

- Defining service area in the license/ jurisdiction of local authority
- Provider remains responsible for quality and tariffs of other players (NGO, communities) within licensed area



- Providers have to offer sufficient adequate outlets Kiosk – commercialized public stand posts
- Extending service delivery into low income areas is integral part of investment plan from providers

**Need for professional management of low-cost systems**

# Customer Involvement in Regulation

## Water Watch Groups

Trained Volunteer Watch Dogs on the ground

- ★ Monitor quality of Service Standards
- ★ Deal with unresolved Consumer complaints
- ★ Integral Part of Tariff Review
- ★ Feedback on Policy Implementation

Improved: -Customer Complaints Handling



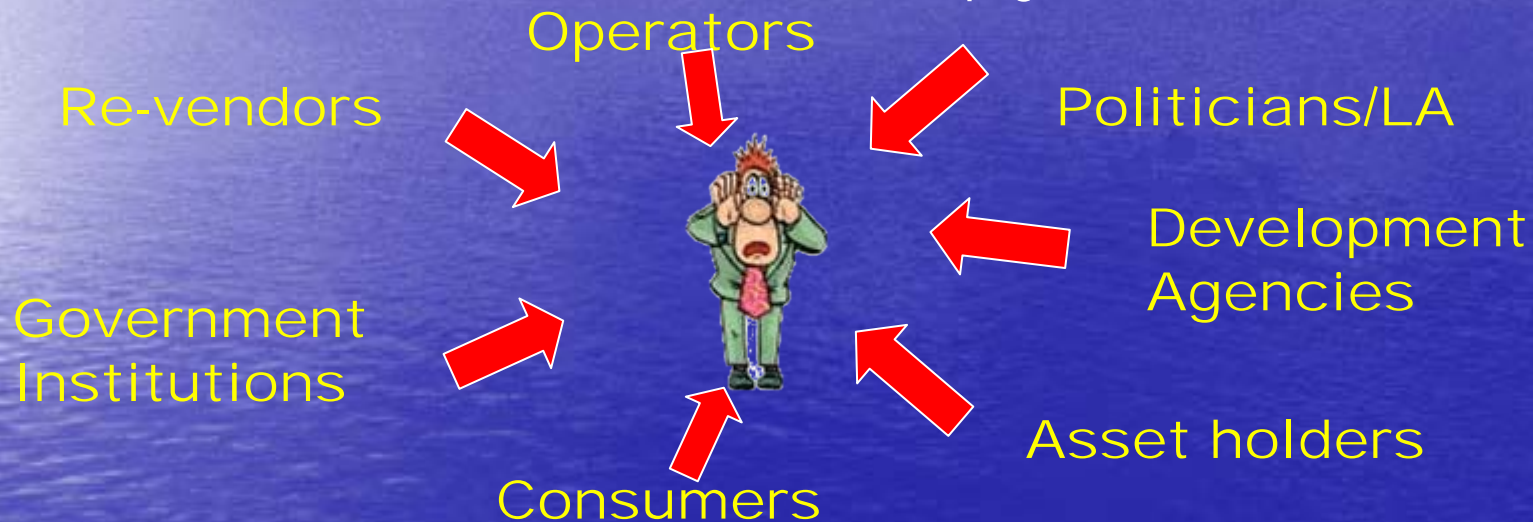
-Quality of Service delivery

-Improved Responsiveness of Providers



# The Regulator - no ones child

- ★ Control a Monopoly – suspicion and tactics
- ★ Right balance for social and economical interests
- ★ All stakeholders need to comply



- ★ Ensure equal treatment of providers
- ★ Rules understandable by all stakeholders / public
- ★ Regulator present on the ground but limit costs



# In Conclusion

**Privatisation  
Not Panacea  
for better WSS  
service delivery**

**Need for good  
information  
system on  
performance**

**Autonomous  
operation  
units (CU's)**

**Coherent policy  
and legislation  
from the start**

**Independent  
regulator -  
interest for  
the poor**

**Set Targets for  
Performance  
Reward or  
Penalise  
Provider**



**Thank you for your Attention!**

**Lets Discuss!!**