Zambia began implementing water services reforms during the 1990s through to the early 2000s. These reforms have been part of a broader political and economic restructuring, not just in Zambia, but globally, and have been characterised by shifting public service management style from the total divestiture of public assets (privatisation, dominant during the 1980s) to softer forms of privatisation (commercialisation) through private-public partnerships (PPPs) and private sector participation (PSP).

The main water services reform programme implemented in Zambia over the last 12 years has been the commercialisation of water services. This research assesses the outcomes of these reforms in Zambia.

**Water services reforms**

The reforms in Zambia have been an integrated process with three main components:

1. Policy and legal reforms;
2. Institutional reforms;
3. Management reforms.

Policy and legal reforms focused on formulating a national water framework, not just for water services, but the entire water sector including water resource management. The main outcomes are the National Water Policy (NWP) formulated in 1994, the National Water and Sanitation Act of 1997, as well as the decentralisation of water resource management to the catchment level.
The institutional reform component focused on reorganising the institutions involved in the water sector. The main outcomes of this process include: the establishment of the national regulator, the National Water and Sanitation Council (NWASCO); the establishment of 11 commercial water utilities (CUs); the separation of water services from water resource management; and a clear allocation of responsibilities among the various departments involved in the water sector.

Prior to the institutional reforms, there was no clear allocation of responsibilities and coordination among the departments, a situation that often resulted in the duplication of roles, tension, and conflict. Under the current institutional set-up, the Ministry of Energy and Water Development is responsible for the national water policy and water resource management tasks, while the Ministry of Local Government and Housing is responsible for water supply and sanitation, including the mobilisation of resources for water services infrastructure. NWASCO is responsible for regulating and monitoring the operations of CUs who are directly responsible for the provision of water services.

The management component of the reforms focused on the mechanism for delivering water services. Prior to the reforms, water services were provided by local municipalities (LMs). Following the reforms, the water departments of the LMs were converted into CUs, registered as private companies, with separate management teams and executive boards. Although the LMs are still the sole owners of the CUs (there has been no private finance participating or investing in water services in Zambia since commercialisation started, in all 11 CUs, the constituting local municipalities are the sole shareholders), the creation of CUs has essentially transformed what used to be public assets into corporate assets managed by a limited company.

**Objectives**

There were several objectives outlined in the NWP, but, as NWASCO observes, the main objective was to, ‘create new institutions, which would be able to provide cost-effective, equitable and sustainable water supply and sanitation services throughout Zambia’\(^2\). In the reforms, commercialisation of water services has been the core management strategy with an aim to ‘improve service delivery by way of creating viable limited liability utility companies (CUs) managed by professionals’\(^3\).

**Outcomes**

A review of the water services sector in Zambia over the last decade suggests there have been positive developments as well as challenges resulting from implementing these reforms. Positive outcomes include:

- **Reorganisation of the water sector** resulting in the *clarification of roles* among the different actors. This has improved coordination, reduced tension, conflict and duplication of roles among the major player.

- **Improved capacity and management skills.** Compared to the time when water services were provided by the councils, the evidence suggests that most CUs have improved their ability to deliver services in their service areas. In particular, the number of service hours has stabilised around 15 hours per day over the last decade.

- **Predictability of services.** Most customers interviewed confirmed that there is predictability in the provision of services, such that clients now know when not to expect the services.

- **Reduction in the level of political interference**, particularly in the setting of water tariffs and in the geographical distribution of water services.
As well as the positive outcomes, some enduring challenges remain:

- Inadequate capital investment in water infrastructure where demand for water services is increasing due to population growth in urban areas (see Figure 1). Most CUs have been unable to expand their network and coverage, especially to low-income areas.

- Creation of CUs has resulted in the subtle disappearance of the state from the water services sector. The state’s role has been reduced to an occasional benefactor to the CUs and other NGOs involved in the delivery of services, especially in urban areas. Although the state is expected to mobilise resources for infrastructure development, state allocation to the water services sector has remained painfully low.

- Disappearance of programmes which used to support access to water services for the vulnerable and poor. No CU has an indigent programme that assists the poor.

- Reluctance to extend services to poorer areas. Most CUs have focused on improving water services for high-income areas, neglecting water services to peri-urban and other low-income communities. Interviews with most peri-urban and low cost community members suggest that improvements in services have only applied to high-income areas.

- These water reforms also have resulted in most poor households becoming more vulnerable to unscrupulous water vendors who sell water at 5-10 times the official water tariff.
Conclusion

Water services reforms in Zambia have had positive outcomes, but also reveal enduring challenges. While the reforms have contributed to the reorganisation of the water services sector, improving service delivery, improving management capacity, improved number of service hours and better quality of services in general, these improvements mostly apply to people in high-income urban areas. People in low-income and peri-urban communities have not seen much of these improvements.

Key challenges which need to be addressed include the problem of inadequate capital investment, reluctance among CUs to extend services to poorer areas, the growing affordability burden, and the inability among CUs to cope with the growing demand for water services.

The main lesson from this reform process has been that reforms without resources lead to superficial improvements, the benefits of which accrue to a small section of society.

References:


Dr. Horman Chitonge works on the NRF Chair in Land Reform and Democracy at the University of Cape Town, South Africa. Prior to this Dr. Chitonge taught at the University of Durban Westville and the University of KwaZulu-Natal. He has published a number of articles in peer reviewed journals and co-authored books and has contributed several chapters to edited volumes. His research interests include: access to and use of land and water, strategies for poverty reduction in the southern Africa region, and alternatives for Africa’s growth. The article is based on an original piece of research published in Water Resources Research titled, ‘A decade of implementing water services reform in Zambia: Review of outcomes, challenges and opportunities’. Dr. Chitonge can be contacted at: horman.chitonge@uct.ac.za

The views expressed in this article belong to the individual authors and do not represent the views of the Global Water Forum, the UNESCO Chair in Water Economics and Transboundary Water Governance, UNESCO, the Australian National University, or any of the institutions to which the authors are associated. Please see the Global Water Forum terms and conditions here.