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REPUBLIC OF ZAMBIA



National Action Committee For The International
Drinking Water Supply And Sanitation Decade

NATIONAL WORKSHOP ON INSTITUTIONAL
DEVELOPMENT OF THE WATER SUPPLY
AND SANITATION SECTOR IN ZAMBIA

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**NATIONAL WORKSHOP ON INSTITUTIONAL DEVELOPMENT OF THE WATER
SUPPLY AND SANITATION SECTOR IN ZAMBIA**

SIAVONGA, ZAMBIA, 26 - 28 AUGUST, 1991

EXECUTIVE SUMMARY OF THE OFFICIAL WORKSHOP REPORT

Introduction

1. In a National Workshop on the Institutional Development of the Water Supply and Sanitation Sector in Zambia, held in Siavonga from 26 to 28 August 1991, senior representatives from the Ministry of Water, Lands and Natural Resources; the Ministry of Decentralisation and a number of District Councils; the Ministry of Finance and the National Commission for Development Planning; the Ministry of Labour, Social Services and Culture, in a joint effort undertaken together with representatives of the international donor community (Germany through GTZ and KfW; NORAL; Japan; and UNDP-World Bank) and other interested parties have thoroughly examined the situation of the Water Sector in Zambia on the basis of a Position Paper presented to the Workshop by the National Action Committee for Water and Sanitation.
2. The objective of the Workshop was to review the major institutional, technical, financial and management constraints, and to propose effective future institutional reforms.
3. The Workshop participants examined thoroughly the problems besetting the water and sanitation sector. The examination covered organisational weaknesses, financial problems, manpower problems, and operation and maintenance problems.
4. Special attention was given to the impact of these problems on the different types of settlements, i.e. large urban areas, rural areas, and small urban townships.

Major Findings

5. It was recognised as being particularly important that the major constraints are non technical; they are mainly of a management nature. They have more to do with the way the sector is organised and how it is run. Consequently shortcomings in the organisational and legislative framework have had significant bearing on the financial performance, the effectiveness of operation and maintenance, the quality of performance of manpower resource, and the technical capacity to provide a sustainable water supply and sanitation service.
6. The Workshop observed that sector planning and coordination is weak. There is no effective mechanism for sector development and coordination because of the multiplicity of organisations responsible for sector activities, manpower problems of the respective organisations, and unclear definitions of authority.
7. While the Ministry of Decentralisation has overall responsibility over the councils, so far it has not had an adequately staffed department at ministerial level to oversee planning in the councils. There is so far no capacity either for project appraisal or evaluation and monitoring. The Department of Water Affairs has responsibility for only half of the water schemes throughout the country while the Buildings Department is responsible for water-borne sanitation in a few of the district councils.
8. The Workshop welcomed the institutional development process already underway in Lusaka Urban and Chipata District Councils.

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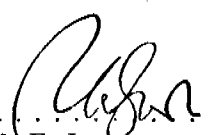
Principles and Criteria for Future Institutional Structures

9. The detailed analysis of the problems led to the identification of a series of important principles and criteria that need to be respected if the performance of sector organisations is to be improved. The most important principles are:
 - a) a reliable supply of adequate clean water cannot be provided free to the consumers, rather, it is commodity like food and must be obtained at a reasonable price on a non-profit basis;
 - b) the price charged for water must at least cover the cost of producing and distributing it; ultimately it will have also to cover the cost of capital expenditure and depreciation;
 - c) water and sanitation sector institutions must have financial and administrative autonomy;
 - d) organisational structures should be chosen to suit the set of tasks at hand;
 - e) tasks involving policy setting, regulation and control of natural resources are best administered by state authority while tasks involving the provision of commercial services such as drinking and municipal water and sewerage are best carried out by commercial undertakings.
10. Principles applicable especially for large urban areas emphasized that commercial tasks like the provision of water and sanitation services need a commercial environment for effective and efficient operations. Financial, administrative and personnel autonomy are essential.
11. Principles largely applicable to rural areas stress the involvement of communities, and especially of women, in the building and maintaining of local water supply and sanitation systems.
12. On the basis of its reviews and analyses the Workshop agreed that future action programmes will have to be oriented towards:

- f) The Programme Coordination Unit (PCU), reporting to the Permanent Secretary of the ministry responsible for local government, should have the important task of assisting central and local government units in adopting structures, and operating procedures that are in line with Principles and Criteria for Improved Sector Performance, and to undertake preparatory studies,
- g) The PCU should also assist the Department of Water Affairs in developing its capability to plan and organise activities in support of environmental programmes in respect of the national water resources;
- h) Thought should be given to the need to coordinate the reform programmes supported by the PCU through a steering committee.
- i) The ministry in charge of local government should encourage and assist the District Council of Chipata to complete its reforms of the local water and sewerage activities; it should also support initiatives of other larger cities aiming at improvements in effectiveness and efficiency in line with the model offered by LWSC.

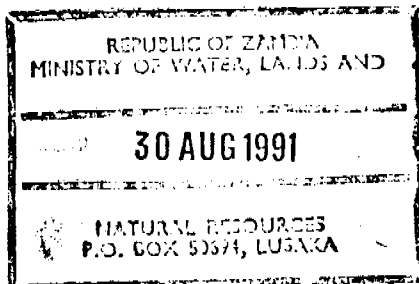
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N Mukutu
CHAIRMAN


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M E Longwe
RAPPOREUR

National Workshop on Institutional Development of the
Water Supply and Sanitation Sector in Zambia

Siavonga, Zambia
30 August 1991



- a) the strengthening of the state authority responsible for quantity and quality control in the water sector inter alia by clarifying and enhancing its legal and manpower basis so as to cover also control of ground water, and due regard for environmental concerns;
- b) improving the supply of safe drinking water and of sanitation services both in large and smaller cities by providing a suitable organisational framework for these activities in accordance with commercial principles;
- c) developing a comprehensive rural water supply and sanitation programme geared to the special needs of rural populations.

Recommendations

13. The Workshop adopted 14 recommendations which are summarised below:

- a) In order to improve the effectiveness and efficiency of water supply and sewerage operations in Zambia, overall responsibility for these activities should be concentrated, to the maximum extent possible, in a single line ministry of GRZ;
- b) The central state authority for water resources management should be enhanced by adding to its mandate responsibility for the regulation and monitoring of ground water, of effluent waters, and for appropriate contributions to national environmental programmes;
- c) In order to increase the scope and effectiveness of national water resources management in the country, the line ministry which performs this task should be freed from all responsibility for any local drinking water schemes;
- d) Responsibility for these institutional reforms should be assigned to a single line ministry: the ministry responsible for local government;
- e) This ministry should be provided with a task force staffed with highly qualified local personnel which would be supported by international experts with a view to implementation of the necessary reform programmes;

**NATIONAL WORKSHOP ON INSTITUTIONAL DEVELOPMENT OF THE WATER
SUPPLY AND SANITATION SECTOR IN ZAMBIA**

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I PREAMBLE

1. In a National Workshop on the Institutional Development of the Water Supply and Sanitation Sector in Zambia, held in Siavonga from 26 to 28 August 1991, senior representatives from the Ministry of Water, Lands, and Natural Resources; the Ministry of Decentralisation and a number of District Councils; the Ministry of Finance and the National Commission for Development Planning; the Ministry of Labour, Social Services and Culture, in a joint effort undertaken together with representatives of the international donor community (Germany through GTZ and KfW; NORAD; Japan; and UNDP-World Bank) and other interested parties have thoroughly examined the situation of the Water Sector in Zambia on the basis of a Position Paper presented to the Workshop by the National Action Committee for Water Supply and Sanitation.
2. The Workshop was opened by the Hon. Mavis Muyunda MCC, MP, Minister of Water, Lands and Natural Resources. In her opening address the Hon. Minister confirmed the committment of the GRZ to early institutional reforms in the water sector as a prerequisite to improvements in the effectiveness and efficiency of organisations now engaged in the sector. The text of her statement is annexed to this report.
3. The representative of the Ambassador of the Federal Republic of Germany, Mr F. Beimdiek, First Secretary, Economic Cooperation, then addressed the Workshop expressing the interest of his own government and that of other donors such as the European Community and NORAD, in the reforms, now to be decided on, as a basis for continued assistance to the GRZ in this most important sector.
4. The Workshop was chaired on the first day by the Chairman of NAC and Permanent Secretary of the Ministry of Water, Lands and Natural Resources (Mr N Mukutu). On day 2 and day 3 the Workshop was chaired by the Deputy Permanent Secretary of Ministry of Works and Supply (Mr S A Sumbukeni).
5. The Rapporteur for the Workshop was the Director of Decentralised Planning in the Ministry of Decentralisation (Mr M E Longwe).

The Rapporteur headed the Workshop Secretariat that included the Director of Water Affairs (Mr L L Mbumwae), the Workshop Moderator (Mr F v Mutius) and GTZ Consultant (Dr I L Nyumbu).

The working groups chose their own rapporteurs. Administration of the Workshop was entrusted to Management Services Board (represented by Mrs B. Forster) and the Secretary of the National Action Committee (Mr M M T Mulipukwa).

6. The Workshop had the following objectives:

- a) to review the major institutional, technical, financial and management issues which have affected the performance of the water and sanitation sector in Zambia;
- b) to agree on solution strategies and on a statement of the policies and long term aims on which they are based;
- c) to critically assess and agree on specific institutional options to be adopted in Zambia for the management of the water and sanitation sector;
- d) to agree on a proposal for the initiation of the agreed institutional development and the identification of the specific financial, technical staff development, and management improvements needed;
- e) to establish and agree on an Action Plan that clearly sets out the specific actions to be taken, when they should be undertaken, and the institutions and/or individuals responsible;
- f) to establish a mechanism for monitoring the implementation of the Action Plan; and
- g) to prepare formal recommendations on these matters for early decision and action by appropriate agencies of Government.

II BACKGROUND

7. In their deliberations the participants of the workshop have been guided, inter alia, by policy pronouncements previously formulated by the Government of the Republic of Zambia in respect of the Water Sector, as outlined below:

- a) the stated goal of the Government to extend access to safe drinking water supply and to provide basic sanitary excreta disposal to all the people of Zambia.
- b) the needs recognised and the goals elaborated as part of Zambia's Plan of Action for Water Supply and Sanitation within the framework of the UN International Drinking Water Supply and Sanitation Decade (IDWSSD, 1981-1990) aiming at the provision of safe drinking water and sanitation for all by the end of the decade;
- c) the targets included in the Fourth National Development Plan for Zambia (1989-1993) according to which all of the small urban townships with schemes supported by the Department of Water Affairs and half of the rural populations should have obtained safe water supplies by the end of the plan period.
- d) recommendations from two consultative meetings organised by NAC between 1984 and 1986 and attended by senior representatives of the Zambian Government and those of bilateral, multilateral agencies and non-governmental organisations. Both consultative meetings recommended, inter alia, a comprehensive approach to the development of the water and sanitation sector involving institutional reorganisation, financial self-sufficiency through user cost recovery, promotion of community management and meaningful participation of women, appropriate standards and levels of service and technology choices, and human resources development;
- e) the 1988 Reorganisation Study of the Water and Sanitation Sector in Zambia implemented by the Ministry of Decentralisation with funding from the German Agency for Technical Cooperation (GTZ) and UNDP-World Bank;
- f) Zambia's economic and financial policy framework within the Economic Recovery Programme for 1991 - 1993 which lays emphasis on structural reforms, macroeconomic policies and fiscal and monetary policies, and whose objectives with respect to parastatal and public sector institutions being to:
 - i) improve efficiency of public sector institutions;

- ii) strengthen management of public finances and improve budgetary performance;
 - iii) enhance competition and efficiency of parastatals through privatisation where appropriate;
 - iv) enhance financial viability of parastatals;
 - v) improve delivery of social services including health, education and, water supply and sanitation; and
 - vi) enhance conservation of natural resources, including water, and protection of the environment.
- g) the Social Action Programme (SAP), a major integral component of the Economic Recovery Programme, which is targetting improved access of services to the poorest and most vulnerable group in Zambian Society. For the water and sanitation sector, SAP has emphasized not only rehabilitation of existing systems, but also institutional reforms that lay the basis for sustainable development of water and sanitation facilities.

8. During their review of the situation and detailed exchanges of views and experiences the following general agreement emerged among the participants as regards the current situation of the Water Sector:

- a) remarkable progress has been made over the last few years even under extremely difficult economic conditions. Throughout the country the situation has improved compared to the mid-eighties. With the support of the international donor community important steps have been taken to lay the foundation for future effective progress in water supply and sanitation for the capital city, and a constantly growing proportion of the rural population now have access to safe drinking water. A number of larger and medium size cities are recognizing the advantages of the new structure of the recently established Lusaka Water and Sewerage Company and are launching various initiatives aiming in the same direction. (Ndola, Kitwe, Chipata).

- b) in spite of these positive achievements a huge programme of work remains to be accomplished if adequate drinking water and sanitation facilities are to be available to Zambia's urban and rural populations. For rural areas alone this would imply rehabilitation of about 3,500 existing wells and boreholes not counting the need for some 7000 additional new boreholes estimated to be required.

This compares with about 2,100 wells or boreholes rehabilitated or constructed up to the end of 1990 under six major programmes. Health risks continue to loom in the cities as well as in the country side. With the constant increase in the size of urban populations the problems in the larger cities tend to grow at exponential rates. To enable progress commensurate with the enormous size of the task, a number of serious constraints and impediments must be overcome as rapidly as possible.

III REVIEW OF SECTOR PROBLEMS

General

9. Following the presentation of the background paper, the Plenary Session broke up into four working groups. The groups reviewed in detail the major problems or constraints affecting the performance of the Water and Sanitation Sector. The group reports were discussed further in plenary. Consensus was reached on the key sector problems and their effect on the performance of the sector. The results of this analysis and review are summarised below:

Organisational Weaknesses

- there are problems with the definition of responsibility, authority, and accountability between and within the various sector organisations with a resulting weakness in the coordination and management of the activities concerned;
- there are both gaps and duplications in legislation;
- frequently authority to decide on capital investment on water and sanitation installations is not vested in the organisations that are held responsible for their operation and maintenance;

- coordination among central ministries, and between them and local authorities is weak;
- sector organisations concerned with water supply and sanitation often cannot be managed properly for lack of adequate control over personnel and financial matters;
- civil service type structures that are not suitable for the performance of commercial services, almost without exception, are used throughout the country in providing drinking water and sanitation; many problems besetting the sector can be traced back to the failure to create and apply organisational structures that are appropriate to each of the different types of functions that must be performed in the water sector;
- (of course, civil service type of structures may be suitable for the discharge of truly governmental responsibilities, such as the setting of water resources policy, overall water resources planning and monitoring, elaboration and control of appropriate standards, licensing, inspectorate, etc...)

Financial Problems

- Constraints on government spending due to economic problems during the past 10 to 15 years have seriously reduced the value in real terms of government funds made available for water and sanitation programmes, like for all other public services; shortages of funds are such that often employees do not get paid for several months, or that there is no money for electricity, water treatment chemicals, or spare parts;
- financial policy in respect of capital expenditures, recovery of costs, etc, need elaboration;
- the true financial position is often not known because accounting systems tend to be weak and not updated;
- under existing financial arrangements revenues collected often do not even cover the cost of operation and maintenance, not to mention the cost of depreciation and interest on loans;
- financial management is weak;

- commercial thinking is missing;
- there is customer resistance to paying for water because customers have not been billed in the past and there are misplaced political concepts of free or heavily subsidized water;
- losses due to wastage and leakages account for up to 75 percent of water produced in most schemes in the country;
- billing and revenue collection efficiency is low; consumers frequently are not forced to pay for the services they receive; the government de facto is spending large amounts of public funds to subsidize individual customers to the detriment of other high priority investments needed for the country as a whole;
- revenues actually collected frequently do not flow back to the entities responsible for the water services from which the revenue is derived; instead, this income is used to fill other financial gaps of the respective administration;
- tariff adjustment procedures do not produce the needed improvements quickly enough to prevent their immediate erosion in the current high inflation economy;
- tariffs normally do not cover the cost of depreciation and interest on loans;
- as a result, necessary expansions or rehabilitations of installations are deferred for lack of funds, existing installations are run down and their capacities severely reduced. There is a vicious circle: the more installations are run down, the more difficult does it become to collect money for these unsatisfactory services; the less money is collected, the more these installations are run down.

Manpower Problems

- the application of civil service salary scales and related conditions of service for commercial type activities leads to a number of difficulties including the ones set out in more detail below;

- sector organisations suffer badly from shortages of qualified managers, professional accountants and engineers; in some district councils vacancies in professional and technical positions reach 70 to 80 percent of the total complement; positions at lower levels tend to be overstaffed;
- there are weaknesses in recruitment and promotion practices;
- procedures for terminating contracts of staff with unsatisfactory performance are too long and too complicated; and moreover, often not understood;
- not enough use is made of new skills acquired by staff who have received training;
- filled posts are frequently occupied by staff not qualified for the tasks assigned to them;
- partly because of the financial constraints mentioned above staff discipline and employee morale and motivation tend to be low;
- training efforts frequently fail to produce the desired impact for lack of suitable candidates;
- the national educational system does not produce enough professionals with the qualifications needed in the water sector.

Operation and Maintenance Problems

- Inadequate technical capacity typically results in poor operations and maintenance of facilities: inadequate control of preventable water losses, high levels of inoperative equipment and vehicles, and faulty operation of equipment, thereby compromising the reliability of the services to be provided. Many operations suffer from a lack of transport.
 - Maintenance is made difficult by a lack of construction data for water and sewerage mains and lines. There is a lack of preventive maintenance with most serious and costly consequences. Equipment is not standardised. There are no reliable supplies of spare parts and chemicals.
10. The Workshop further made the following observations with respect to specific areas of the sector:

Large Urban Areas (LUAs)

- In the LUAs water supply and sanitation systems are generally old, overloaded, and unable to provide an acceptable service. The systems are in dire need of rehabilitation and expansion.
- Water supply service is worse off in the peri-urban areas where settlements have taken place in unplanned manner and without corresponding development of supply system (source, networks). Improving services to these areas would require innovative approaches in community-based management as well as appropriate technology and service levels.
- The coverage of basic sanitary facilities and levels of service are relatively lower than those for water supply. Improvements in the provision of adequate sanitation will require a judicious mix of technologies and institutional structures to serve the wide range of users in LUAs;

Rural Areas

- Improvement in coverage and levels of service of water supply in rural areas is expensive and generally unaffordable by the users because settlements are widely scattered and, in some areas (such as parts of Southern Province), scarcity of water resources.
- Provision of basic sanitation will for a long time remain the responsibility of an individual household. Therefore promotion campaigns must be well targeted. Furthermore, centralised programmes do not have much chance of succeeding.
- Rural communities have, to a large extent, failed to sustain the water supplies and sanitation facilities that have been provided by Government. At the same time budgetary pressures on Government is constraining support for operation and maintenance in rural areas. New strategies to address this problem are needed.
- The capacity of rural communities to manage their water and sanitation facilities is, to a large extent, constrained by inadequate support services (extension, training, spares) from Government.

Small Urban Townships (SUTs)

- SUTs display some of the problems common to LUAs and rural areas.
- Many SUTs collect very low revenues from consumers. The problems are mainly due to poor management, low tariffs, low billing and collection efficiency, and water wastage and leakage.
- Levels of service provided in SUTs are often not commensurate with the users' ability to maintain the facilities with manpower available, nor with the financial capacity of the users to pay for the services.

Sector Planning and Coordination

11. The Workshop observed that sector planning and coordination is weak. There is no effective mechanism for sector development and coordination because of the multiplicity of organisations responsible for sector activities, e.g. the Department of Water Affairs, the district councils (55 in number), the Buildings Department and, to some extent, the Ministry of Health, and the Ministry of Labour, Social Services and Culture.
12. While the Ministry of Decentralisation has overall responsibility over the councils, so far it has not, had an adequately staffed department at ministerial level to oversee planning in the councils. There is no capacity either for project appraisal or evaluation and monitoring. The Department of Water Affairs has responsibility for only half of the water schemes throughout the country; while the Buildings Department is responsible for water-borne sanitation in a few of the district councils.
13. Coordination of development of water and sanitation is limited because each ministry is, for all intents and purposes, independent. Development plans are submitted independently to the National Commission for Development Planning (NCDP). Coordination at that level is more financial than physical, and invariably it is an exercise in allocation of resources to various sectors. NCDP is responsible for coordinating development in all sectors, but it has no specialised in-house expertise for coordinating the development of the Water and Sanitation Sector.

14. A small measure of sector coordination has been built up by NAC over the years. However NAC remains since its establishment in 1980 merely an advisory body without sufficient authority.

Example of Institutional Options

15. The Workshop welcomed the institutional development process already underway in Lusaka Urban and Chipata District Councils.
16. It was observed that Lusaka Urban District Council (LUDC) has, with technical assistance of GTZ, established an autonomous company, the Lusaka Water and Sewerage Company (LWSC) to be responsible for provision and management of water supply and sanitation services throughout the council area. LWSC has set up an organisational framework, finance and management information systems, as well as manpower development programmes which are a strong foundation for a more effective provision of water supply and sanitation services. This has attracted donor confidence and LWSC has received financial and technical support for rehabilitation of the water system, expansion, and effective planning for future development. A range of institutional options (e.g. satellite water supply schemes) is being developed to meet the needs of various water user groups in the city.
17. The Workshop was pleased to hear of significant improvements in the financial performance of the water and sewerage section in Chipata District Council. This confirms that with improvements in management, operational autonomy, coupled with technical interventions, even smaller councils are capable of running their water supply and sanitation services on a self-sustaining basis.

IV KEY PRINCIPLES AND CRITERIA FOR IMPROVED SECTOR PERFORMANCE

18. During the examination of these various problems by the participants, consensus emerged on the importance of certain key principles that should guide the future development of the Water Sector in Zambia if the difficulties encountered in the past are to be overcome. They are set out below:

General Principles

- a reliable supply of adequate clean water cannot be free for all, rather, is a commodity like food and must be obtained at a reasonable price on a non-profit basis;
- the price charged for water must cover the cost of producing and distributing it; initially this involves the cost of operation and maintenance of the required facilities; ultimately, applying the principle of full cost recovery, it will also have to cover the cost of capital expenditure and depreciation;
- institutions responsible for providing water supply and sewerage services must have financial and administrative autonomy (over tariffs, personnel, expenditures, revenues);
- the choice of suitable organisation structures for each set of tasks is of the greatest importance;
- it is necessary to distinguish between tasks that involve acts of state authority, such as policy setting, regulatory, and control functions on the one hand, and other tasks involving the production of commercial services such as the supply, distribution of drinking water and the provision of sanitation services since each set of tasks calls for different organisational forms;
- inefficiency in water and sewerage operations and water wastages must be overcome first of all by operational improvements rather than by tariff increases;
- coordination of all participating institutions on the basis of agreed programmes is vital for the economic use of scarce resources and the spreading of experience;

Principles largely applicable to Urban Areas

- commercial tasks need a commercial environment for effective and efficient operations, including all of the following:
 - flexible organisation structures evolving under company law;

- personnel statutes with conditions of service permitting the recruitment and retaining of qualified professional and technical staff, providing the necessary positive and negative incentives;
- financial autonomy including pricing and tariff autonomy;
- capability to react quickly to challenges and problems;
- cost center accounting ensuring that all revenue collected is controlled and used exclusively by the entity responsible for water supply and sewerage and which is generating this income;
- access to necessary foreign exchange for the purchase of supplies, spare parts, equipment and services not found locally.
- the appointment of qualified managers at all levels is of the same high priority as the introduction of effective financial, personnel and technical management systems improvements.

Principles largely applicable to Rural Areas

- management of water supply and sanitation should be entirely community based;
- communities in rural areas, especially women, should be involved in the planning, implementation and operation stages of water supply and sanitation systems;
- the choice of technology should be appropriate to the ability/affordability of the community;
- communities should contribute in cash/kind to the construction of facilities. O & M should be fully borne by community members;
- technical, financial and training support for construction and some elements of maintenance should be provided by the Government;
- priority support should be given to projects that are formulated on self help basis;

Orientation of future Action Programmes

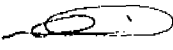
19. Considering the declared goals for the Water Sector, the nature of the problems identified, and the guiding principles set out above the Participants in this Workshop are agreed that the resolution of the enormous remaining problems requires dedication to change, desire for full cooperation, readiness to take decisions, comprehensive programme approaches, optimal utilisation of all available resources, careful monitoring of progress, and large scale support by the international donor community.
20. On the basis its of reviews and analyses the Workshop agreed that future action programmes will have to be oriented towards:
 - the strengthening of the state authority responsible for quantity and quality control in the Water Sector, inter alia, by clarifying and enhancing its legal basis so as to become responsible also for the control of private and ground water; by improving its jurisdictional, technical and administrative capacity to control discharges into water resources; by providing it with qualified professional staff and through other appropriate measures to enable it to set and monitor standards for the quality of drinking water and the level of sanitation services, and to develop overall water and sanitation policies with due regard for environmental concerns;
 - improving the supply of safe drinking water and of sanitation services in the large cities by providing a suitable organisational framework for these activities in accordance with commercial principles, by granting them financial and administrative autonomy, by equipping them with appropriate personnel employment conditions, by granting them authority to adjust tariffs as necessary to recover the cost of operation and maintenance of their plant and facilities, by facilitating their access to the foreign exchange needed to run and maintain their installations.
 - improving water supply and sanitation services for the smaller cities essentially by the same type of measures, while in addition organising appropriate decentralised technical and administrative support structures which on a reimbursable basis, may provide technical, financial and administrative services that it would not be economical to develop and operate for each of them individually.

- developing a comprehensive rural water supply and sanitation programme encompassing in a general way all means of action required to bring about sustainable progress for the rural populations with particular emphasis on decentralised technical and self help and related revenue generating measures.

V RECOMMENDATIONS

21. In order to improve the effectiveness and efficiency of water supply and sewerage operations in Zambia, overall responsibility for these activities should be concentrated, to the maximum extent possible, in a single line ministry of GRZ;
22. The central state authority for water resources management should be enhanced by adding to its mandate responsibility for the regulation and monitoring of ground water, of effluent waters, and for appropriate contributions to national environmental programmes;
23. In order to increase the scope and effectiveness of national water resources management in the country, the line ministry which performs this task (MWLNR) should be freed from all responsibility for any local drinking water schemes;
24. Responsibility for these institutional reforms should be assigned to a single line ministry: the ministry responsible for local government;
25. In order to facilitate the task of this ministry, it should be provided with a task force staffed with highly qualified local personnel which would be supported by international experts to enable it implement of the necessary reform programmes;
26. This high level Programme Coordination Unit (PCU) should report to the Permanent Secretary of the ministry responsible for local government;
27. One of the most important tasks of the PCU should be to assist central and local government units in adopting structures, and operating procedures that are in line with Principles and Criteria for Improved Sector Performance identified and endorsed by the National Workshop on the Institutional Development of the Water Sector (Siavonga, 26 - 28 August 1991);

28. Further important tasks of the PCU would be to undertake or commission studies in areas where present knowledge and information is not sufficient to take rational decisions;
29. Furthermore the PCU should assist in assessing investment needs of the sector organisations together with their relative priorities, and in this context maintain close liason with interested donors;
30. Thought should be given to the need to coordinate the reform programmes supported by the PCU through a steering committee composed of the permanent secretaries, or their immediate representatives, of the line ministries most directly affected by these institutional reforms;
31. The ministry in charge of local government should encourage and assist the District Council of Chipata to complete its reforms of the local water and sewerage activities by forming a local water and sewerage company along the line of the LWSC so as to enable other cities of a similar size to profit from the experience of this pilot project;
32. Similarly this ministry should support initiatives of other larger cities aiming at improvements in effectiveness and efficiency in line with the model offered by LWSC.
33. The Workshop recommends adoption of the Action Plan annexed to this report.



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N Mukutu
CHAIRMAN

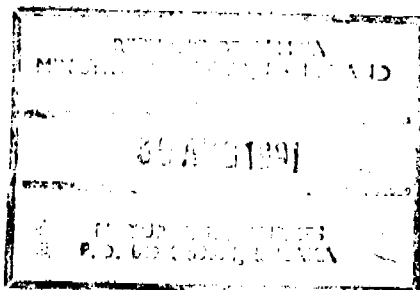


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M.E Longwe
RAPPORTEUR

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30 August 1991



ANNEXES

- ANNEX I - Action Plan
- ANNEX II - Opening Address by Hon. Mavis Muyunda MCC, MP,
Minister of Water, Lands and Natural Resources
- ANNEX III - Address by the Representative of the Ambassador
of the Federal Republic of Germany
- ANNEX IV - List of Participants
- ANNEX V - Workshop Programme

ACTION PLAN

The participants adopted the following action plan:

1991:

- NAC reviews the Workshop report and present its conclusions and recommendations to the government ministries concerned;
- DWA/MWLNR transmits the whole Workshop Report and NAC's conclusions and recommendations to all Workshop Participants;
- A programme coordination unit (PCU) to support the institutional reforms identified by the Workshop will be established in the government ministries responsible for local government;
- Interested donors will be contacted to support the sector reform programme;
- MOD transmits the Workshop Report together with NAC's conclusion and recommendations to all local government authorities encouraging them to implement the recommendations contained therein;
- MOD specifically encourages the Chipata District Council to implement those Workshop recommendations that aim at formulating local water companies under private law, taking advantage of the authority to this effect vested in District Councils under Local Administration Act 15 of 1980;

1992

- The PCU prepares its own programme of work for 1992 and 1993;
- The PCU, in consultation with the line ministries concerned, prepares recommendations for a preliminary programme of reorganisation of the Water Sector;
- The P.C.U in coordination with the Social Action Programme, begins elaborating a preliminary sectoral investment programme;

- The P.C.U identifies necessary studies and starts the most urgent ones such as those concerning:
 - changes in legislation;
 - organisation and manpower;
 - financial policy and management framework;
 - tariff policy;
 - human resources development;
 - rural water supply strategy;

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WORKSHOP PROGRAMME

1. DATE: 26 - 28 August 1991
2. VENUE: Siavonga, Zambia
3. PROGRAMME:

SUNDAY, 25 August 1991:

Travel to Siavonga
Registration of participants

MONDAY, 26 August 1991:

08:00 - 08:45 Registration

Plenary Session

09:00 - 12:30 Chairman's Welcome Remarks
Opening Address by Minister of Water, Lands
and Natural Resources
Opening Remarks by Representative of German
Embassy
Keynote Address by Chairman NAC
Methodology by Moderator
Tea/Coffee Break (10:30)
Various Progress Reports
Formation of four working groups

12:30 - 14:00 Lunchbreak

14:00 - 1700

Group Session: Problem analysis by major issues

Symptoms and root causes (matrix);
conditions for improved performance of
sector organisations (draw on examples
in progress report)

Tea Break

Groups finalise reports

TUESDAY, 27 August, 1991

08:30 - 11:00

Plenary Session: Groups report on Problems Analysis

Discussion of Group Reports and Agreement on Key Sector Issues and Conditions and Criteria for Improved Performance of Sector Organisations

11:00 - 12:30

Group Session: Principles and Criteria for Effective Performance of Sector Organisations;

- Distinction between governmental functions and Commercial Services;
- Large Urban Areas;
- Small Townships and Rural Areas;
- Coordination of Institutional Development;

Groups prepare reports with recommendations for changes

12:30 - 14:00 Lunch

14:00 - 17:00

Plenary Session: Groups report recommended changes;

Discussion of Group Reports with Identification of Options for future Institutional Framework;

Tea Break 15:30

Secretariat prepares Summary Report

WEDNESDAY, 28 August 1991

08:30 - 10:00

Plenary Session: Secretariat presents draft Summary on Key Sector Issues (based on discussion in Plenary on Tuesday morning) and on Options for future Institutional Framework (based on discussion in Plenary on Tuesday afternoon).

Discussion and Comments

Tea Break

10:15 - 11:45

Group Session: Priorities for Action in Different Parts of the Sector

- Coordination of Institutional Development (Programme Implementation Arrangements);
- Large Urban Areas;
- Small Townships and Rural Areas;
- Governmental functions and Commercial services;

11:45 - 13:00

Plenary Session: Groups report on Priority Action
Plenary Discussion of Group Reports

13:00 - 14:00

Lunch Break

14:30 - 15:00

Secretariat presents Draft Workshop Conclusions

Plenary Session: Discussion of Draft Workshop Statement
Adoption of Workshop Statement

Formal Closing Session

THURSDAY 29 August 1991

Departure of participants other than Members of the Secretariat, Chairman, and Rapporteur

Secretariat finalises Reports;

- Workshop Conclusions
- Action Plan

FRIDAY 30 August 1991

Review and Approval of Workshop Reports by the Workshop Chairman and Rapporteur